

**Blackstone**

# **Blackstone Alternative Asset Management L.P.**

**Form ADV Part 2A**

**MARCH 28, 2024**

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# Item 1 – Cover Page

## Blackstone Alternative Asset Management L.P.

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March 28, 2024

Form ADV Part 2A (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 Alternative Asset Management L.P. (“BAAM”).

If you have any questions about the contents of this Brochure, please contact BAAM at (212) 583-5000; [BXMAClientService@blackstone.com](mailto:BXMAClientService@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 BAAM also is available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in BAAM’s name). Results will provide you with both Parts 1A and 2A of BAAM’s Form ADV.

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

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## Item 2 – Material Changes

- There has not been a material change to this document since the last update on March 30, 2023
- BAAM, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form)
- If you would like another copy of this Brochure, please download it from the SEC website as indicated above or contact BAAM at (212) 583-5000 or [BXMAClientService@blackstone.com](mailto:BXMAClientService@blackstone.com)

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## Item 3.1 – Defined Terms

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

**Advisers Act:** Investment Advisers Act of 1940, as amended.

**Advisory Client:** A client to which BAAM provides advisory services, typically regarding the client's hedge fund portfolio and certain direct investments, and typically on a non-discretionary basis.

**Allocation Oversight Committee:** A committee which includes certain senior members of BAAM's Investment team, Operations team, BAAM's General Counsel and BAAM's Chief Compliance Officer.

**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., the registrant.

**BAAM Clients:** All of BAAM's clients, which includes the BAAM Funds and the Advisory Clients.

**BAAM Funds:** Private investment funds and managed accounts sponsored and managed by BAAM (e.g., Commingled Funds and Customized Funds) that predominantly engage in multi-manager investment programs. Many BAAM Funds are commonly referred to in the industry as funds of hedge funds or FoHFs.

**BAAM Investment Committee:** A committee comprised of certain senior investment professionals of BXMA. The investment committee for certain BAAM investment programs have different, but overlapping membership.

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

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

**BAS Funds or Strategic Opportunity Funds:** A series of private investment funds and accounts managed by BAAM's affiliate, BAS, which participate in a broad range of investment opportunities, involving equity and debt securities and other financial instruments and transactions.

**Blackstone:** Blackstone Inc. (NYSE: BX), which is the ultimate parent of BAAM.

**Blackstone Affiliated Manager:** An investment manager in which Blackstone holds an ownership or other similar economic interest of 50% or greater (e.g., an investment manager that is wholly-owned by Blackstone as part of another Blackstone business unit).

**Blackstone Interest Manager:** An investment manager with respect to which Blackstone holds minority (i.e., less than 50%) ownership, revenue share or other similar economic interest (e.g., a SAF Manager or a GP Stakes Manager).

**Blackstone Multi-Asset Investing or BXMA:** The division of Blackstone which includes BAAM, BSAA, BAS, BAIA, and, as of April 1, 2024, Harvest, each a registered investment adviser.

**Blackstone Proprietary Funds:** Pooled investment vehicles or separately managed accounts pursuing alternative investment strategies formed and managed in total or through a partnership or other arrangement by Blackstone.

**Brokers:** Brokers, dealers and other counterparties or intermediaries.

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

**BSAA Funds or Strategic Alliance Funds:** A series of private investment funds managed by BAAM's affiliate, BSAA, which are primarily engaged in providing "seed capital" to hedge fund managers and/or other alternative asset managers, including those that may seek "acceleration" capital.

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

**BSP:** Blackstone Securities Partners L.P., a registered broker-dealer and an affiliate of BAAM.

**CCA:** Client commission arrangements.

**CCO:** Chief Compliance Officer.

**Client Constituent Documents:** The Confidential Offering Memorandum, Limited Partnership Agreement, Memorandum and Articles of Association, Limited Liability Company Agreement, Investment Management Agreement and/or other applicable constituent documents for a BAAM Client.

**Co-Investments:** Investments made by a BAAM Client alongside an Underlying Manager in specific one-off opportunities, which investments may be in addition to and distinct from the BAAM Client's investment in the Underlying Manager's commingled investment vehicle.

**Code:** Blackstone's and BAAM's Code of Ethics mandated by the Advisers Act.

**Commingled Funds:** BAAM Funds that have multiple investors.

**Customized Funds:** BAAM Funds established by BAAM for a single investor or limited number of related investors.

**GP Stakes Funds:** A series of private investment funds managed by BAAM's affiliate, BSCA, which are engaged in acquisitions of minority interests in alternative asset managers.

**GP Stakes Manager:** The investment managers in which the GP Stakes Funds hold minority ownership or other similar interests.

**Harvest:** Harvest Fund Advisors LLC, a registered investment adviser and an affiliate of BAAM.

**High Water Mark:** A loss carryforward provision in which there will be no performance-based fee or 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 BAAM Fund.

**Managed Accounts:** BAAM Funds that contract with third-party hedge fund managers to conduct day-to-day investment activities.

**Other Blackstone Advisers:** Investment advisory affiliates of BAAM within Blackstone, including Other BXMA Advisers.

**Other Blackstone Clients:** Entities and accounts managed by Other Blackstone Advisers.

**Other BXMA Advisers:** Certain investment advisory affiliates of BAAM within BXMA, specifically BAS, BSAA and BAIA.

**Other BXMA Clients:** Entities and accounts managed by Other BXMA Advisers.

**Performance Hurdle:** A level of return a BAAM Fund must achieve prior to charging a performance fee or compensation.

**Pod:** A BAAM term for a BAAM Fund in which a number of BAAM Clients may invest that includes a number of Underlying Managers concentrated in one investment thesis and/or strategy.

**Portfolio Manager:** the portfolio managers of a BAAM Client.

**Restricted Issuers:** Issuers BAAM will be restricted from investing in.

**SAF Managers:** The investment managers with respect to which the BSAA Funds are entitled to a minority revenue share or other similar economic interests.

**Underlying Investment Vehicles:** The funds and accounts managed by the Underlying Managers on behalf of the BAAM Funds.

**Underlying Managers:** The alternative investment managers to which the BAAM Funds allocate capital.

**Wrapper:** A BAAM term for a BAAM Fund in which a number of BAAM Clients may invest that invests in a single Underlying Manager.

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# Item 4 – Advisory Business

## Overview of the Firm

BAAM, a Delaware limited partnership, is a leading multi-asset investing provider and primarily provides investment advisory services to private investment funds (collectively, the “BAAM Funds”) that predominantly engage in multi-manager investment programs. Many BAAM Funds are commonly referred to in the industry as funds of hedge funds. Other BAAM Funds engage in direct investing as part of their investment program. BAAM also advises clients / accounts, typically on a non-discretionary basis, regarding such clients’ investment portfolio (together with BAAM Funds, the “BAAM Clients”).

BAAM was founded in 1990 as part of Blackstone Inc. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BAAM. Blackstone is a leading alternative investment manager with investment programs and services concentrating in the private equity, real estate, debt / credit and secondaries businesses, as well as the multi-asset investing business. BAAM shares employees and facilities with Blackstone Strategic Alliance Advisors L.L.C. (“BSAA”), Blackstone Alternative Solutions L.L.C. (“BAS”), and Blackstone Alternative Investment Advisors LLC (“BAIA”), each a registered investment adviser. Please see [Item 10 – Other Financial Industry Activities and Affiliations](#) for more information.

BAAM’s assets under management (“AUM”) were \$53 billion as of December 31, 2023. Please note that this is an unaudited estimate. In the case of assets managed by BAAM which are sub-advised or allocated to Other BXMA Clients, such assets are included in the AUM for both BAAM and the Other BXMA Advisers if BAAM is paid a fee on such assets.

## Overview of Advisory Services

As investment adviser to BAAM’s Clients, BAAM:

- Identifies and implements investment opportunities for BAAM Clients;
- Participates in the monitoring of BAAM Clients’ investments;
- Makes decisions on behalf of BAAM Clients to purchase and/or sell investments;
- Engages in foreign currency hedging transactions and/or the hedging of certain market exposures for certain BAAM Clients; and
- Employs leverage for BAAM Clients in various forms (including via credit facilities, derivative transactions, margin transactions and other credit arrangements): (a) when BAAM believes that the use of leverage may enable the BAAM Clients to achieve a higher rate of return, (b) to meet redemptions that would otherwise result in the premature liquidation of investments, and/or (c) to finance investments or other costs and expenses in anticipation of the receipt of equity capital from investors and/or realization proceeds from investments. The use of leverage increases the risk of loss.

Typically, a BAAM Fund’s strategy generally is to allocate capital to a diversified group of Underlying Managers that invest or trade in a wide variety of securities and other instruments, including, but not limited to, equities and fixed income securities, currencies, commodities,

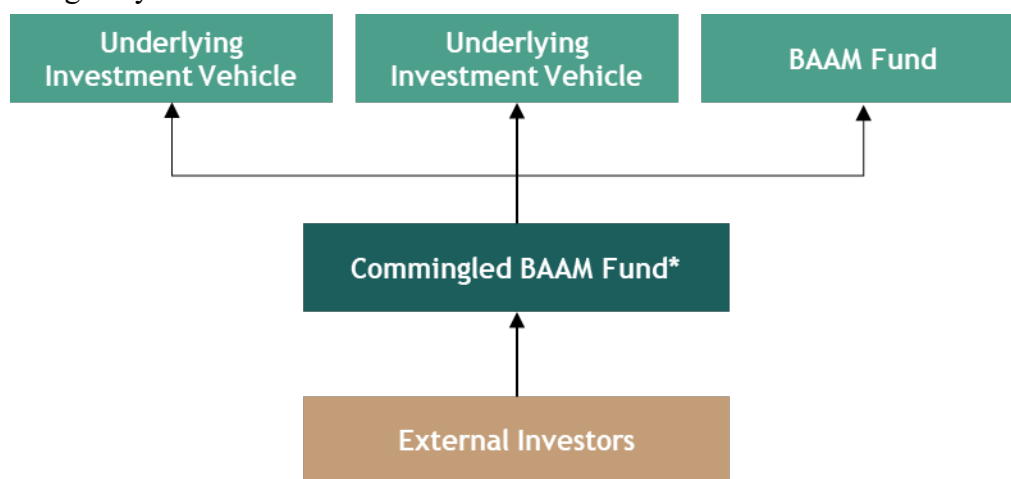


futures contracts, options and other derivative instruments, all of which may be listed or unlisted, rated or unrated, distressed or publicly or privately issued. From time to time, BAAM Funds also invest in separate managed accounts with Underlying Managers (the funds and accounts managed by Underlying Managers are referred to herein as the “Underlying Investment Vehicles”). Subject to guidelines of particular Client Constituent Documents, BAAM Funds invest in other BAAM Funds and Underlying Investment Vehicles managed by Other Blackstone Advisers, Blackstone Affiliated Managers and Blackstone Interest Managers. For certain BAAM Funds, BAAM may also invest some or all of the BAAM Fund’s capital directly in the securities and other instruments described above.

## In General, BAAM Offers Three Types of Products:

### 1. Commingled Funds

“Commingled Funds” are BAAM Funds that are offered to multiple investors and invest in multiple Underlying Investment Vehicles and/or BAAM Funds and in some cases make direct investments (e.g., Blackstone’s Dislocation Funds, certain Customized Funds and Advisory Clients). BAAM mandates the investment guidelines (e.g., **risk factors, leverage, concentration limits, etc.**) and makes investment decisions in its sole discretion. Generally, Commingled Funds also invest in other BAAM Funds, including in certain circumstances a BAAM Fund which provides investment exposure to a single Underlying Manager (referred to by BAAM as “Wrappers”), a group of Underlying Managers concentrated in one investment thesis (referred to by BAAM as “Pods”) or direct investments within the guidelines of the Client Constituent Documents. Where a BAAM Fund invests in other BAAM Funds, generally there is only one level of fees charged by BAAM.

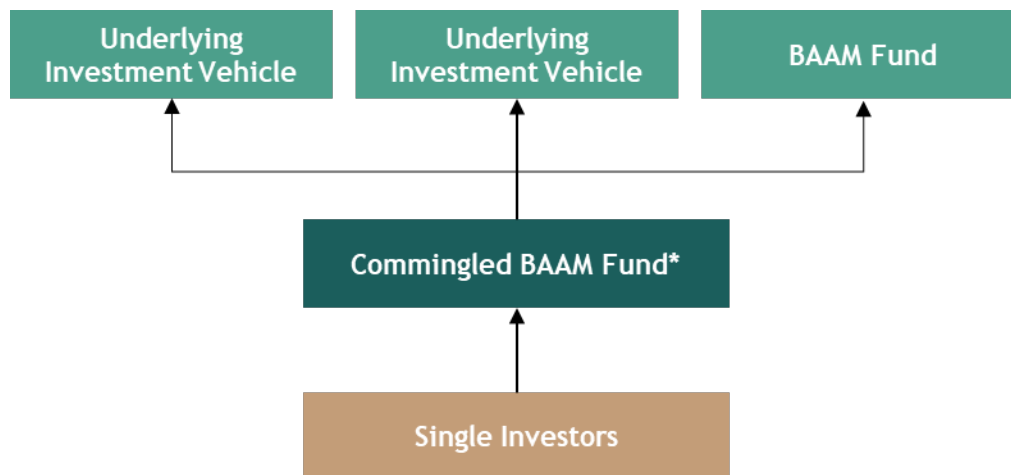


Note: \*A Commingled BAAM Fund may be an externally offered BAAM Fund or a BAAM Fund which is an intermediary fund (e.g., **pods, in some cases, wrappers**) or makes direct investments which are typically only offered to other BAAM Clients. A Commingled BAAM Fund may be in the form of an entity (e.g., **Delaware limited partnership, Cayman limited company, etc.**) or a “Managed Account,” which is a fund managed and advised by BAAM that contracts with third-party hedge fund managers to conduct day-to-day investment activities on behalf of such Commingled Funds.

### 2. Customized Funds

A “Customized Fund” is where BAAM establishes a fund or account for a single investor or limited number of related investors and such fund or account invests in Underlying

Investment Vehicles and/or BAAM Funds and in some cases make direct investments. Customized Funds generally have tailored investment guidelines and restrictions, customized investment objectives and strategies, and customized reporting. The investor is involved in establishing the investment guidelines and terms of the Customized Fund, although generally BAAM maintains discretion to make investment decisions. Certain Customized Funds are structured as managed accounts. Where a Customized Fund invests in another BAAM Fund, generally there is only one level of fees charged by BAAM. Under limited circumstances, Other Blackstone Advisers charge fees on assets invested with such advisers by a Customized Fund.



Note: \*A Customized BAAM Fund may be in the form of a managed account.

### 3. Advisory Clients

On a limited basis, BAAM provides investment advisory services regarding a Client's hedge fund portfolio, and in certain instances other investments (an "Advisory Client"). Advisory Clients typically maintain discretion over their portfolios (i.e., the right to make all investment decisions).

BAAM Funds, Customized Funds and Advisory Clients constitute BAAM's Clients. Investors in BAAM Funds ("Investors") are not deemed to be BAAM Clients but are entitled to the rights and benefits described in the applicable Confidential Offering Memorandum, Limited Partnership Agreements, Investment Management Agreements and other applicable constituent fund documents (the "Client Constituent Documents").

Investors invested in the Customized Funds and Advisory Clients generally are subject to a significantly higher minimum investment threshold than Investors invested in the Commingled Funds due to the customized investment mandates and individualized nature of other services provided.

BAAM typically engages third party service providers, such as custodians, administrators and/or auditors, on behalf of the BAAM Clients other than for Advisory Clients or certain Customized Funds structured as managed accounts.

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# Item 5 – Fees and Compensation

## Asset-Based Advisory Fees

In general, BAAM charges an annual asset-based advisory fee of up to 2% of assets under management. Generally, Other Blackstone Clients, affiliates, retired partners, and certain current or former employees of Blackstone, as well as endowment funds, charitable programs and/or other similar related entities associated with the foregoing, are not subject to such asset-based advisory fees.

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

## Performance-Based Fees

Please see [Item 6 – Performance-Based Fees](#) for more detail.

## Fee Negotiations

Asset-based and performance-based fees generally are non-negotiable, except in the case of affiliates, strategic / significant relationships, Customized Funds and Advisory Clients.

## Payment of Asset-Based Advisory Fees

Fees are paid to BAAM in accordance with the Client Constituent Documents. In general, asset-based advisory fees accrue on a monthly basis and are paid on a quarterly basis. A Client may be charged an asset-based advisory fee in advance on the first day of each fiscal quarter or in arrears on the last day of each fiscal quarter. Investors only will be charged for the days that they are invested in the BAAM Clients. If a payment was made in advance and an Investor redeems prior to the end of the payment period, a pro rata portion of the asset-based advisory fee (based on the number of days remaining in the payment period) will be refunded by BAAM to the Investor.

Fees typically are deducted from a Client's assets invested with BAAM at the payment date, but also may be invoiced at a later time. Investors in a BAAM Fund bear indirectly their pro rata share of asset-based fees for the time period they are invested in the BAAM Funds.

## Additional Fees and Expenses

BAAM's advisory fees are not inclusive of all the fees that BAAM Clients (and, indirectly, the Investors) will pay. The following is a list of fees and expenses that BAAM Clients typically will pay directly to third parties. This list is not intended to be exhaustive; the relevant Client Constituent Documents provide further detail relating to fees and expenses. Expenses paid by Customized Funds vary as negotiated between BAAM and BAAM Customized Funds' Investors.

- Underlying Manager Advisory and Performance Fees
- Underlying Manager Expenses
- Credit Facility Fees, including Interest Charges
- Director Fees
- Organizational Expenses

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- Ordinary Administrative Expenses
- Operating Expenses
- Risk Management
- Data Collection and Aggregation
- Custodial Fees
- Administrator Fees
- Legal Fees
- Regulatory Fees
- Compliance Fees
- Accounting Fees
- Audit Fees
- Brokerage Costs
- Interest Charges
- Bank Wire Fees
- Shareholder Onboarding
- Consulting Fees
- Preparing, Printing and Delivering All Reports, Documents and Filings Related to the Fund and its Investments
- Any Fees Related to the Preparation and Delivery of Internal Control Reports
- Any Fees Related to the Preparation and Delivery of Any Entity-Level Taxes
- Expenses Incurred in Offering of Shares / Interests
- Certain Technology Costs
- Certain Hardware Costs
- Software Fees
- News Expenses
- Quotation Services
- Travel Expenses
- Expenses Related to the Preparation and Filing of Any Reports, Disclosures, Filings and Notifications of the Fund, the Investment Manager or its Affiliates to Regulatory or Governmental Authorities Relating to the Fund or its Activities
- Form PF Fees
- AIFM Report Fees
- Extraordinary Expenses, Including Litigation Expenses
- Commissions

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- Tax Expenses
- Hedging
- Expenses of Liquidating the Fund
- Reports To Be Filed With Regulatory or Governmental Authorities
- Premiums, fees, costs and expenses for Insurance
- Fees and Expenses Incidental to the Purchase and Sale (whether or not consummated) of Interests In, and the Fees and Expenses of, any Underlying Managers, Underlying Investment Vehicles or other Investments
- Cyber Security Breaches and Identity Theft
- Intermediate Entities
- MiFID II
- FOIA Requests
- Investment Structuring
- ESG diligence and reporting
- European Commission Action Plan on Financing Sustainable Growth

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

BAAM employees do not receive compensation from the purchase or sale of securities or other investments for BAAM Clients.

### **Arcesium LLC**

Arcesium LLC (“Arcesium”) provides certain middle- and back-office services and technology to BAAM Clients and Other BXMA Clients, (the “BXMA Arcesium Clients”) and certain Underlying Investment Vehicles. BAAM holds a non-controlling, minority equity interest in Arcesium and the BXMA Chief Operating Officer serves on the board of Arcesium. The services and technology provided by Arcesium 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 with Arcesium. BAAM has in the past and may in the future recommend Arcesium’s services to Underlying Managers and certain Underlying Managers from time to time have hired, and may in the future hire, Arcesium. BAAM does not require any Underlying Manager to hire Arcesium as a condition to investing with such Underlying Manager, nor will it favor Underlying Managers because they use Arcesium over Underlying Managers who use other qualified middle- and back-office service providers when selecting Underlying Managers for the BAAM Clients.

In return for such services, Arcesium receives from BAAM (or the applicable Other BXMA Adviser or Underlying Manager) a one-time upfront implementation fee, an annual software fee (based on complexity and net asset value), and an annual operations services fee (also based on net asset value), as negotiated by BAAM (or the applicable Other BXMA Adviser or Underlying Manager) and Arcesium (such fees in the aggregate, the “Arcesium Fees”). Because the Arcesium Fees are based, in part, on the net asset value of the relevant BAAM Client, which is generally determined by such BAAM Client’s administrator under the overall supervision of BAAM, there may be conflicts with respect to calculation of such net asset value. BAAM does not intend to engage in any ongoing benchmarking or market check to determine whether the Arcesium Fees are consistent with market rates, as certain services being provided by Arcesium are bespoke and customized services and BAAM is not aware of any direct competitors to Arcesium that provide the same services. Accordingly, there can be no assurance that an unaffiliated third party would not charge a lower fee. Additional information regarding the Arcesium Fees is available from BAAM upon request.

In connection with BAAM’s minority equity ownership interest in Arcesium, BAAM may receive cash distributions from Arcesium from time to time. Cash distributions received by BAAM from Arcesium will be applied first to reimburse the Arcesium Fees paid by BAAM funds and the BXMA Arcesium Clients for the amount of Arcesium Fees paid by such entities to Arcesium. The allocation of such reimbursements as among the BAAM Clients and other BXMA Arcesium Clients will require judgments as to methodology that BAAM makes in good faith but in its sole discretion. Certain Underlying Investment Vehicles also pay Arcesium Fees and any cash distributions from Arcesium will not be applied to reimburse such Underlying Investment Vehicles, even though Arcesium Fees borne by such investment vehicles are therefore borne indirectly by the BXMA Arcesium Clients to the extent of its ownership of such Underlying Investment Vehicles. There can be no assurance that BAAM will receive any such distributions and therefore that any such reimbursements shall be made to the BXMA Arcesium Clients. Further, if Arcesium is sold to a third-party, BAAM would not be expected to receive such cash distributions and the BXMA Arcesium Clients would not be expected to be reimbursed for any portion of the Arcesium Fees paid by them. In the event that cash distributions received by BAAM from Arcesium exceed the Arcesium Fees paid by the BXMA Arcesium Clients, any excess amounts will be retained by BAAM. As additional BXMA clients engage Arcesium and pay Arcesium Fees in the future, the reimbursement described above will apply to such clients as well.

In addition, BAAM has a further incentive to engage Arcesium to provide services to the BAAM Funds and other BAAM clients, as such engagement provides consistency in such services across the platform, increased scalability to support future growth across its business, and improved data centralization and accessibility, each of which also benefits BAAM.

## **Refinitiv**

Since the inception of BAAM Clients, BAAM has used various pricing services, including Thompson Reuters, to value portfolio investments and determine the net asset value of a BAAM Clients’ shares or limited partnership interests. On October 1, 2018, a consortium led by Blackstone announced that private equity funds managed by Blackstone had completed an acquisition of Thomson Reuters’ Financial & Risk business (“Refinitiv”). On January 29, 2021, Refinitiv was sold to London Stock Exchange Group (“LSEG”) with certain Blackstone private equity funds receiving a minority stake in LSEG. Refinitiv operates a pricing service that

## ITEM 5 - FEES AND COMPENSATION

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provides valuation services. Refinitiv could provide valuation or other services for the Underlying Managers in the future and is expected to perform services for the BAAM Clients, Other Blackstone Clients and Blackstone.

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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, most BAAM Clients also pay a performance-based fee generally, of up to 20% of net profits, subject to loss carryforward provisions (and, in some cases, a “performance hurdle”). Under a loss carryforward provision (also referred to as a High Water Mark), if a BAAM Client has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such BAAM Client, there will be no performance-based fee payable with respect to such BAAM Client until the amount of the loss previously allocated has been recouped.

The size of the performance-based fee varies and depends on a number of factors including, but not limited to, the level of asset-based advisory fee charged and the use of performance hurdles. Investors in a BAAM Fund are allocated their pro rata share of performance-based fees for the time period they are invested in the BAAM Fund.

These fee arrangements, including applicable fee percentage and calculation methodology, are more thoroughly described in the relevant Client Constituent Documents.

Generally, affiliates, and Other Blackstone Clients and employees, retired partners, and certain current or former employees of Blackstone, as well as endowment funds, charitable programs and/or other similar related entities associated with the foregoing are not subject to such performance-based fees.

BAAM’s asset-based advisory fees and performance-based fees are not inclusive of all fees. Please see [Item 5 – Fees and Compensation](#) (Additional Fees and Expenses).

Please note the existence of a performance-based fee will incentivize BAAM to manage the BAAM Clients’ assets in a more aggressive manner than if there was no performance-based fee. Further, the existence of differing performance-based fees for BAAM Clients investing side-by-side creates a potential conflict of interest on the part of BAAM with respect to the allocation of investment opportunities. BAAM has an investment allocation policy (see [Item 12 – Brokerage Practices](#)) that is designed to address these potential conflicts of interest.

Since Underlying Managers are compensated based on their performance of their Underlying Investment Vehicles, a particular Underlying Manager will typically receive the BAAM Funds’ performance allocation in respect of its Underlying Investment Vehicle’s performance even during a period when the BAAM Funds experience losses.



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## Item 7 – Types of Clients

BAAM's clients consist of the BAAM Clients. Please see [Item 4 – Advisory Business](#) for more information on the BAAM Clients. Investors in BAAM Clients are based in the U.S. and outside of the U.S. and generally will include, without limitation:

- 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
- Certain Blackstone Employees
- Blackstone Managed Funds
- Family Offices

All BAAM Clients and Investors are subject to applicable suitability and eligibility requirements.

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

### Analysis

BAAM identifies, researches, interviews, evaluates, selects and monitors the Underlying Managers with which the BAAM Clients invest. The Underlying Managers execute various types of investment strategies. BAAM 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

### Investment Strategies

BAAM employs various types of investment strategies, which include, but are not limited to:

- Broadly Diversified
- Strategy Focused
  - Special Situations
  - Equity Long / Short
    - Equities – Fundamental
    - Equities – Trading
    - Quantitative Strategies
    - Emerging Market – Equity
    - Equities – Activist
  - Arbitrage and Event
    - Multi-strategy
    - Residential Mortgages
    - Credit – Distressed
    - Credit – Fundamental
    - Multi-strategy Event
    - Credit – Trading
    - Structured / Asset-Backed Securities

- Reinsurance
- Emerging Market / Credit
- Hedging
- Directional Trading and Fixed Income
  - Macro Rates
  - Commodities
  - Commodity Trading Advisors
  - Emerging Market Macro
  - Macro-thematic
- Liquidity Management

## **Risk of Loss**

**General Economic and Market Conditions:** The success of BAAM's and the Underlying Manager's investments activities will be affected by general economic and market conditions, including, without limitation, interest rates, availability of credit, credit defaults, inflation rates, economic uncertainty, changes in laws or other legislative or regulatory acts (including laws relating to taxation of the BAAM's and Underlying Managers' investments), elections, trade barriers, currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations, U.S. trade disputes with the People's Republic of China or the death of a major political figure). Additionally, a serious health crisis, such as COVID-19 or avian influenza, or a natural disaster, such as a hurricane, could severely disrupt the global, national and/or regional economies and/or markets. The foregoing factors may affect the level and volatility of financial instruments' prices and the liquidity of BAAM Clients' and the Underlying Managers' investments. Volatility or illiquidity could impair the BAAM Clients' and the Underlying Managers' profitability or result in losses. The BAAM Clients and 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. 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 and balance of payments position. Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

**Investment and Trading Risk:** All investments made by the BAAM Clients risk the loss of capital. Certain BAAM Clients and Underlying Managers utilize such investment techniques as margin transactions, short sales, option transactions, forward and futures contracts, which practices can, in certain circumstances, increase the adverse impact to which the BAAM Clients may be subject. The risks of these various techniques may be cumulative, potentially resulting in greater losses than might result from any single technique used in isolation. No guarantee or

representation is made that BAAM Clients' or any Underlying Manager's investment program will be successful, and investment results may vary substantially over time, including the possibility of a complete loss of capital. Additionally, BAAM's and the Underlying Managers' investment techniques are expected to change over time. Accordingly, BAAM Clients and the Underlying Managers' future investments and investment strategies may present new and/or additional risks to the BAAM Clients and/or Underlying Investment Vehicles.

### **Risks Primarily Associated with BAAM and the Operation of the BAAM Funds**

- Borrowing by the Fund; Investments are Leveraged
- Compulsory Redemption
- Indemnification and Exculpation
- Risk of Litigation or Proceedings
- Expenses Related to Redemption
- Cross-Class Liability
- Difficulty of Locating Suitable Investments
- Concentration of Fund Portfolio
- Possession of Nonpublic Information by Blackstone Business
- Dependence on BAAM and the Underlying Managers
- Diversification
- No-Decision Making Authority Due Diligence
- Employee and Service Provider Misconduct
- Business Risks Associated with Hedge Funds
- Human Error
- Direct Investments by the BAAM Clients
- Duplicative Payments and Expenses
- Estimates
- Incentive Fees
- Restrictions and Conditions on Redemptions/Withdrawals from Underlying Investment Vehicles; Re-Allocation of Investments
- Business and Regulatory Risks of Being a Part of a Larger Firm
- Increased Regulatory Oversight
- Information Technology Systems
- Cybersecurity and Data Protection
- Electronic Delivery of Information and Certain Documents
- Business Continuity

- Reporting
- Disclosure of Information Regarding Investors
- Indirect Fees
- Financial Reporting Risks of Investing Across Geographies
- Risks Inherent in Fund of Fund Investing
- Limited Liquidity; Liquidity and Information Rights
- Limited Operating History of BAAM Client
- Liquidity Mismatch
- Redemptions in Kind; Liquidating SPVs
- Investors Subject to Regulation
- Retail Investing
- Volatility
- Other Activities of BAAM
- Gates, Suspensions and Redemption Fees
- Limited Operating History of the Underlying Managers
- Outsourcing
- ESG Framework Risk
- Regulatory Proposals with respect to Private Funds and Advisers

**Risks Primarily Arising from Investment Activities of BAAM Clients and the Underlying Managers**

- “Style Drift”
- Compensation Arrangements with Underlying Managers
- Concentration of Underlying Investment Vehicles’ Portfolios
- Use of Multiple Underlying Managers
- Conflicts of Interest Involving Underlying Managers’ Other Activities
- Portfolio Valuation
- Turnover
- Significant Positions
- Risk of Counterparty Default
- Investment Vehicle Cross-Liability
- Disclosure of Intellectual Property

**Risks Arising From Certain Investment Strategies and Financial Instruments**

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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- Highly Volatile Markets
- Leverage
- Long/Short
- Short Selling
- Synthetic Investment Strategies
- Stock Index Options
- U.S. Government Securities
- Non-Controlling Investments
- Control Person Liability
- Transactions in Publicly Traded Securities
- Activist Strategy
- Investments in Real Estate
- Investments Held in REITs
- Private Investments in Public Entities
- Investments in Special Purpose Acquisition Companies
- Risks Related to SPAC Warrants
- Risks of Event-Driven Investing and Merger Arbitrage
- Emerging Market Investments
- Trade Policy
- Non-U.S. Securities
- Investments in the Asia Pacific Region Generally
- Currency Fluctuations
- Hedging Transactions
- Forward Trading
- Futures and Other Derivative Instruments
- Options
- Swap Agreements
- Virtual Currencies
- Commodity and Financial Futures Contracts
- Interest Rate Risk
- Benchmark Rates
- Reliance on Models, Data Availability and Accuracy
- Debt Securities; Bank Debt

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

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- Lower-Rated Securities
- Structured Products
- Asset-Backed Securities
- Trade and Other General Unsecured Claims
- Rights and Warrants
- Project Finance Investments
- Energy Investments
- Proprietary Investment Strategies
- Quantitative Trading Risks
- Investment Turnover
- Risk Management Activities
- Risk Control Framework
- Systemic Risk
- Business, Terrorism and Catastrophe Risks
- Recent Developments in the Banking Sector
- Coronavirus and Public Health Emergencies
- Epidemics/Pandemics
- Civil Unrest
- Russian Invasion of Ukraine/Sanctions
- October 7<sup>th</sup> Attacks on Israel; Aftermath
- OFAC and Sanctions Considerations
- Weather and Climatological Risks
- Opportunistic Investing
- Macro Investing
- Multi-Strategy Investing
- Institutional and Counterparty Risks
- Arbitrage Transactions
- Trading in Securities and Other Investments That May Be Illiquid
- Illiquid Markets
- Risk of Directly or Indirectly Investing in “Side Pockets”
- Distressed Securities
- Risks of Event-Driven Investing and Special Situation Investments
- Proxy Contests and Unfriendly Transactions

- Risks of Relative Value Investing

### **Risks Associated with Government Regulation**

- Legal, Tax and Regulatory Risks of Hedge Funds
- Exemption from Regulation, Including the U.S. Investment Company Act of 1940
- Regulatory Changes
- Regulatory Proposals with respect to Private Funds and Advisers
- European Commission Action Plan on Financing Sustainable Growth
- Sustainability Risks
- No Consideration of Principal Adverse Sustainability Impacts
- EU Taxonomy Regulation Disclosure
- Environmental Matters
- United Kingdom Exit from the European Union
- MiFID II
- EU Securitization Regulation
- ESG Framework Risk
- FOIA and Similar Laws
- Tax Considerations
- Taxation in Non-U.S. Jurisdictions
- Accounting for Uncertainty in Income Taxes
- Delayed Schedules K-1
- Non-Voting Securities; Company Act Restrictions
- Investment Manager Registration
- Changes in the U.S. Federal Income Tax System
- Tax Uncertainty
- Entity-Level Audits
- Tax Liabilities without Distributions
- FACTA Compliance
- Identity of Beneficial Ownership and Withholding on Certain Payments
- Base Erosion, Profit Shifting and Related Measures

The above list is provided for illustrative purposes and is not intended to be all inclusive. A detailed description of the risks associated with BAAM's investment strategy is included in the Client Constituent Documents of the respective BAAM Clients, a copy of which are provided to prospective investors and should be carefully reviewed prior to investing. For the avoidance of



**ITEM 8 - METHODS OF ANALYSIS, INVESTMENT  
STRATEGIES AND RISK OF LOSS**

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doubts, the risks listed above will apply to Underlying Managers, Underlying Investment Vehicles, BAAM and BAAM Clients.

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## Item 9 – Disciplinary Information

BAAM is obligated to disclose any legal or disciplinary event that would be material to you when evaluating a client / adviser relationship. On occasion, in the ordinary course of its business, Blackstone is named as a defendant in proceedings that could result in findings, settlements, charges or various forms of sanctions against Blackstone and/or one of its affiliates, including BAAM. There have been no material regulatory findings against BAAM in the past and as of the date of this Brochure, there are no regulatory proceedings pending against BAAM.

Certain regulatory, litigation and other similar matters are, from time to time, are disclosed in (i) Blackstone's public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K), which may be accessed through the website of the SEC ([www.sec.gov](http://www.sec.gov)) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-secfilings/default.aspx>), and (ii) materials made available through Blackstone's online portal related to the BAAM Funds and/or certain affiliates.

While BAAM does not believe that any current litigation to which Blackstone or BAAM is a party will have a material adverse effect on BAAM or the BAAM Clients, or should be material when evaluating your relationship with us, you should note that, in December 2017, a purported derivative suit (Mayberry v. KKR & Co., L.P., et al.) (the "Mayberry Action") was filed in the Commonwealth of Kentucky Franklin County Circuit Court on behalf of the Kentucky Retirement Systems ("KRS") by eight of its beneficiaries (the "Mayberry Plaintiffs"). The suit alleged various breaches of fiduciary duty and other violations of Kentucky state law in connection with KRS's investment in three hedge funds of funds, including a fund managed by BAAM. The suit named more than 30 defendants, including The Blackstone Group L.P. (now Blackstone Inc.), BAAM, Stephen A. Schwarzman, as Chairman and CEO of Blackstone, and J. Tomilson Hill, as then-CEO of BAAM (collectively, the "Blackstone Defendants"). In July 2020, the Kentucky Supreme Court unanimously held that the Mayberry Plaintiffs lacked constitutional standing to bring their claims and remanded the case to the Circuit Court with direction to dismiss the complaint.

Also in July 2020, the Kentucky Attorney General (the "AG") filed a motion to intervene in the Mayberry Action on behalf of the Commonwealth of Kentucky. In December 2020, the Circuit Court granted the AG's motion. In April 2023, the Kentucky Court of Appeals held that the Circuit Court erred when it permitted the AG to intervene in the Mayberry Action. In January 2024, the Kentucky Supreme Court denied the AG's motion seeking review of the Court of Appeals decision, and the Mayberry Action has now been dismissed.

In July 2020, the AG also filed a separate action in Franklin County Circuit Court asserting substantially the same claims against the same defendants as the Mayberry Action, except that BAAM was not named as a party (the "July 2020 Action"). In August 2023, the AG filed an amended complaint, which, again, is substantially similar to the complaint in the Mayberry Action and, again, did not name BAAM as a defendant. In November 2023, the AG filed a second amended complaint that named BAAM as a defendant. We believe we have strong defenses on statute of limitations grounds, among others, to the July 2020 Action. All defendants have moved to dismiss the July 2020 Action.

In January 2021, three potentially new derivative plaintiffs (the “Tier 3 Plaintiffs”) filed a separate derivative action that, although substantially the same as the original Mayberry Action, is styled as a purported “class” complaint brought on behalf of all beneficiaries in KRS’s “Tier 3” pension plan (the “Taylor I Action”). The defendants (including the Blackstone Defendants) removed this purported class action to federal court in the United States District Court for the Eastern District of Kentucky where the case has been stayed.

In August 2021, the Tier 3 Plaintiffs and one new Tier 3 plaintiff filed suit in Franklin County Circuit Court against the same defendants named in the Taylor I Action, as well as numerous additional current and former KRS officers and trustees (the “Taylor II Action”). These plaintiffs purport to assert direct, not derivative, claims in their capacity as trust beneficiaries seeking damages on behalf of the pension and insurance trust funds administered by KRS. In December 2021, all defendants, including the Blackstone Defendants, filed a motion to dismiss. In May 2022, and again in November 2022, the court held all matters in abeyance pending a ruling on the motions to dismiss. We believe we have strong defenses on statute of limitations grounds, among others, to both the Taylor I and Taylor II Actions.

In April 2021, the AG filed a declaratory judgment action in Franklin County Circuit Court on behalf of the Commonwealth of Kentucky, alleging that certain provisions in the subscription agreements governing the BAAM-managed hedge fund of funds violate the Kentucky Constitution (the “Declaratory Judgement Action”). This action was filed in relation to a breach of contract action brought by BAAM alleging that KRS had breached its representations in such subscription agreements as demonstrated by, among other things, KRS’ support of the Mayberry Action, which is premised in significant part on allegations that directly contradict the representations made by KRS in such subscription agreements. In March 2022, the Circuit Court granted the AG’s motion for summary judgment and denied the defendants’ motion to dismiss. The Court of Appeals affirmed in December 2023. The defendants have moved for discretionary review by the Kentucky Supreme Court. Regarding the breach of contract action brought by BAAM, in April 2022, the Circuit Court dismissed BAAM’s complaint without prejudice to refile, on the grounds that the action was not yet ripe for adjudication. In May 2023, the Court of Appeals affirmed. In February 2024, the Kentucky Supreme Court granted BAAM’s motion for discretionary review.

In May 2022 and July 2022, Judge Sheppard, who presided over the Mayberry Action, the Taylor II Action and the Declaratory Judgement Action, recused himself from all three actions on motion of certain non-Blackstone Defendants. He reassigned the cases to Judge Wingate, another judge on the Franklin County Circuit Court.

In August 2022, Judge Shepherd issued an opinion in a separate litigation ordering KRS to disclose a report commissioned by KRS that summarized the findings of an independent investigation into the Mayberry Action. In September 2022, KRS produced the report, which expressly stated that the investigators did not find any violations of fiduciary duty or illegal activity by BAAM.

The Blackstone Defendants continue to believe that all of suits brought against the Blackstone Defendants are totally without merit and will continue to defend them vigorously.

# Item 10 – Other Financial Industry Activities and Affiliations

**BAAM is an Affiliate of the following Entities:**

Bank Entity	
Luminor Bank AS*	A Baltic bank purchased by Blackstone Capital Partners

Broker-Dealer Entities	
Assetpoint Financial, LLC*	Operates a service that facilitates the entry by banks and other financial institutions into repurchase agreement transactions for themselves or as agent for their customers
Blackstone Securities Partners L.P.	Provides a variety of limited investment banking services
Currencies Direct Ltd.**	Provides money transfer services to individuals and businesses on a global basis
Everlake Distributors, L.L.C.*	Provides underwriting and distribution of variable life insurance or annuities to other broker-dealers and registered investment advisers
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Finance of America Securities LLC**	Provides a variety of limited investment banking services

Investment Advisor Entities	
ASK Investment Managers Ltd.*	Provides investment advisory services to funds and high net worth individuals in India
Blackstone Alternative Credit Advisors LP	Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds
Blackstone Alternative Investment Advisors LLC	Provides investment advisory services to open end mutual funds and pooled investment vehicles
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which predominantly participate in a broad range of direct investment opportunities
Blackstone Asset Based Finance Advisors LP	Provides investment advisory services to a number of separately managed accounts and vehicles that primarily engage in asset backed securities and whole loan investments
Blackstone CLO Management LLC (Management Series)	Provides investment advisory services to US CLOs
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments

**ITEM 10 - OTHER FINANCIAL INDUSTRY  
ACTIVITIES AND AFFILIATIONS**

**Investment Advisor Entities**

Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Credit BDC Advisors LLC	Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
Blackstone Credit Systematic Strategies LLC	Provides investment advisory services to debt-focused separately managed accounts, private investment funds, closed-end funds and UCITS funds
Blackstone Growth Advisors L.L.C.	Provides investment advisory services to private growth investment funds
Blackstone Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused investment funds
Blackstone ISG-I Advisors L.L.C.	Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Life Sciences Advisors L.L.C.	Provides investment advisory services to various private investment funds specializing in the life sciences industry
Blackstone Liquid Credit Advisors I LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone Liquid Credit Strategies LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
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 Multi-Asset Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic alternative asset management strategies
Blackstone Private Investments Advisors L.L.C.	Provides investment advisory services to multi-strategy private equity funds
Blackstone Private Credit Strategies LLC	Provides investment advisory services to a number of debt-focused private investment funds
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds and pooled investment vehicles

**ITEM 10 - OTHER FINANCIAL INDUSTRY  
ACTIVITIES AND AFFILIATIONS**

<b>Investment Advisor Entities</b>	
Blackstone Real Estate Advisors Europe 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 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 private investment funds and accounts which invest primarily in public and private real estate and real estate-related debt investments
Blackstone Strategic Alliance Advisors L.L.C.	Provides investment advisory services to private investment funds primarily engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Provides investment advisory services to private funds engaged primarily 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 and separately managed accounts
BSCA Advisors L.L.C. (Relying Adviser)	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 publicly traded REIT and its related entities
BX REIT Advisors L.L.C.	Provides investment advisory services to a non-traded REIT and its operating subsidiary
Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry
Clover Credit Management, LLC	Provides investment advisory services to CLOs
Clover CLO Advisors, LLC (Relying Adviser)	Provides investment advisory services to CLOs
CT High Grade Mezzanine Manager, LLC (Relying Adviser)	Provides investment advisory services to assets owned by a third-party insurance company
CT High Grade Partners II Manager, LLC (Relying Adviser)	Provides investment advisory services to a private real estate debt fund
CT Investment Management Co., LLC	Provides investment advisory services to publicly traded CDOs and private fund and account clients that predominantly engage in investments in the commercial real estate debt sector
Finance of America Capital Management LLC**	Provides investment advisory services to mortgage related asset private funds and managed accounts

**ITEM 10 - OTHER FINANCIAL INDUSTRY  
ACTIVITIES AND AFFILIATIONS**

**Investment Advisor Entities**

First Eagle Alternative Credit EU, LLC*	Provides investment advisory services to various private investment funds specializing in the European direct lending industry
First Eagle Alternative Credit EU MOA Ltd.*	Sponsor of limited partnerships for First Eagle's European Alternative Credit business
First Eagle Alternative Credit Funding, LLC*	Sponsor of limited partnerships for First Eagle's Alternative Credit business
First Eagle Alternative Credit, LLC*	Provides investment advisory services for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, separately managed accounts, and co-mingled funds
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
First Eagle Separate Account Management, LLC*	Provides investment advisory services to a business development company
Harvest Fund Advisors LLC	Provides investment advisory services to various categories of institutions and high net worth individuals via private pooled investment vehicles and separate accounts investing principally in publicly-traded energy infrastructure, renewables and Master Limited Partnerships holding midstream assets in North America
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
First Eagle Direct Lending Manager III, LLC*	Serves as the manager of a private direct lending fund
Napier Park Global Capital (US) LP*	Provides investment advisory services to credit and private investing private investment funds and institutional accounts and collateral management services to securitized asset funds
NIBC Bank N.V.***	Advisory / banking affiliate of NIBC, a PE and BTO portfolio company
NIBC Credit Management, Inc.***	Advisory affiliate of NIBC, a PE and BTO portfolio company
Regatta Loan Management LLC* (Relying Adviser)	Provides collateral management services to securitized asset funds
Blackstone Administrative Services Canada ULC	Canadian exempt investment adviser, which serves as a sub-advisor to the registrant and/or its affiliates
Blackstone Advisors India Private Limited	India investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Advisors Korea Limited	Korean investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Capital Israel Ltd.	Israel investment advisory firm, which serves as a sub-advisor to affiliates of the registrant

**ITEM 10 - OTHER FINANCIAL INDUSTRY  
ACTIVITIES AND AFFILIATIONS**

**Investment Advisor Entities**

Blackstone Europe Fund Management S.à r.l.	Provides services to various alternative investment funds with branch offices in other locations
Blackstone Ireland Fund Management Limited	Provides investment advisory services (management / distribution) to debt-focused private investment funds and alternative investment funds
Blackstone Ireland Limited	Provides investment advisory services to debt-focused private investment funds, separately managed accounts and acts as an investment fund manager
Blackstone Real Estate Australia Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and provides investment management services to trustees and in respect of trusts indirectly controlled by the registrant
Blackstone (Shanghai) Equity Investment Management Co. Ltd.	Chinese investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Singapore Pte Ltd	Singapore investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and provides investment advisory services to funds controlled by the registrant
BX Mexico Advisors S.A. de C.V.	Mexican advisory entity which provides services to certain publicly registered trusts
The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group Germany GmbH	German investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and acts as an investment fund manager
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm holding licenses of dealing in securities and advising on securities, which serves as a sub-advisor to affiliates of the registrant
Blackstone Europe LLP	UK investment advisory firm, which serves as a sub-advisor to affiliates of the registrant, with branch offices in other locations
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and has a broker-dealer license for fund marketing
The Blackstone Group Spain SLU	Spain investment advisory firm, which serves as a sub-advisor to the registrant

**Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities**

Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C. (CTA/CPO)	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities



**ITEM 10 - OTHER FINANCIAL INDUSTRY  
ACTIVITIES AND AFFILIATIONS**

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**Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities**

Blackstone Strategic Alliance Advisors L.L.C. (CTA/CPO)	Manages a series of private funds engaged in a hedge fund “seeding” program
Napier Park Global Capital (US) LP* (CTA/CPO)	Provides investment advisory services to credit and private investing private investment funds and institutional accounts and collateral management services to securitized asset funds

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**ITEM 10 - OTHER FINANCIAL INDUSTRY  
ACTIVITIES AND AFFILIATIONS**

<b>Insurance Entities</b>	
ELIC Reinsurance Company*	A captive insurance company and wholly-owned subsidiary of Everlake Life Insurance Company
Everlake Assurance Company*	An insurance company domiciled in the State of Illinois
Everlake Life Insurance Company*	An insurance company domiciled in the State of Illinois specializing in life insurance and annuities
Everlake Reinsurance Limited*	An exempted reinsurance company organized under the laws of the Cayman Islands
Resolution Life Group Holdings Ltd.*	An insurance company organized under the laws of Bermuda
Resolution Life Colorado, Inc.*	An insurance company domiciled in the State of Colorado
Security Life of Denver Insurance Company*	An insurance company domiciled in the State of Colorado
Midwestern United Life Insurance Company*	An insurance company domiciled in the State of Indiana
Roaring River II, Inc.*	A captive insurance company and wholly-owned subsidiary of Resolution Life Group Holdings L.P., domiciled in the State of Arizona
Security Life of Denver International Limited*	A captive insurance company and wholly-owned subsidiary of Resolution Life Group Holdings L.P., domiciled in the State of Arizona
Resolution Re Ltd.*	A reinsurance company organized under the laws of Bermuda
Resolution Life Australasia Limited*	An insurance company organized under the laws of Australia
RLNM Limited*	An insurance company organized under the laws of Australia
Resolution Life New Zealand Ltd.*	An insurance company organized under the laws of New Zealand
Gryphon Mutual Insurance Company****	A captive property insurance company
Ki Financial Limited**	A digitally driven Lloyd's of London syndicate insurance company
Lexington National Land Services	A wholly owned title and escrow agent
Prima Assicurazioni S.p.A.**	An Italian tech-enabled insurance company
Westland Insurance Group Ltd.*****	A property and casualty insurance broker

\*Portfolio company of affiliated private equity fund

\*\*Portfolio company of affiliated tactical opportunities funds

\*\*\*Portfolio company of affiliated private equity and tactical opportunities funds

\*\*\*\*Captive property insurance company owned by its participants, (which are Blackstone Real Estate funds investments), and managed by an affiliate of Blackstone

\*\*\*\*\*Portfolio company of Blackstone Credit funds

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## Item 11 – Code of Ethics

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

The Code includes (among other things):

- Requirements Related to Confidentiality
- Limitations, 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 and BAAM offer many different products and services and there are several potential conflicts of interest which may arise, including, but not limited to, those identified below.

Blackstone and BAAM have adopted, and continue to adopt, policies and procedures to address such potential conflicts of interest.

### Investment Related Potential Conflicts

- From time to time, BAAM takes an investment position or action for one or more BAAM Clients that is different from, or inconsistent with, an action or position taken for one or more Other BAAM Clients (or Other Blackstone Clients) having similar or differing investment objectives.
- Certain Investment opportunities with limited capacity are appropriate for more than one BAAM Client, and/or Other Blackstone Client.
- Blackstone has a minority ownership, revenue share or other similar economic interest with respect to various investment managers (each a “Blackstone Interest Manager”), and has an ownership, revenue share or other similar economic interest of 50% or greater with various investment managers (each a “Blackstone Affiliated Manager”). BAAM will have an incentive to allocate the BAAM Clients’ assets to Blackstone Interest Managers or Blackstone Affiliated Managers since affiliates of BAAM will receive fees relating to such allocations and otherwise will have a direct or indirect financial interest in the success of

such managers. For example, BSCA, an Other Blackstone Adviser, manages certain funds (the “GP Stakes Funds”) that seek to make minority investments in alternative investment managers (the “GP Stakes Managers”). An investment by a BAAM Client with a GP Stakes Manager generally would benefit the GP Stakes Funds and a withdrawal by a BAAM Client from such manager generally would be detrimental to the GP Stakes Funds.

- Similarly, BAAM Clients invest in funds and Co-Investments managed by Underlying Managers which are provided seed funding (which may include “acceleration” capital) by the Blackstone Strategic Alliance Funds (the “BSAA Funds”), which are managed by BSAA, an Other BXMA Adviser. An investment by a BAAM Fund in a fund or account managed by investment managers with respect to which the BSAA Funds hold a revenue share or other similar economic interests (each, a “SAF Manager”) generally would benefit the Strategic Alliance Funds and a withdrawal by a BAAM Fund from such manager generally would be detrimental to the Strategic Alliance Funds. In addition, BAAM may seek to negotiate preferential terms and conditions from a SAF Manager, which terms and conditions may be subject to the approval of BSAA and may trigger certain “most favored nation” rights for the Strategic Alliance Funds.
- There is overlap between the BAAM Investment Committees and the investment committees for the GP Stakes Funds, Strategic Alliance Funds and certain Other Blackstone Advisers.
- BSCA and BSAA do not represent an exhaustive list of Blackstone Interest Managers.
- BAIA, an affiliate of BAAM, serves as investment manager for open-end registered products, which employ multi-manager, diversified investment strategies. As such, BAAM and BAIA will be subject to conflicts in allocating assets to Underlying Managers. There is overlap between the members of the BAAM and BAIA investment committees.
- BAS, an affiliate of BAAM, primarily provides investment advisory services to private investment funds that predominantly invest and trade in a wide variety of securities, assets and instruments. As such, BAAM and BAS will be subject to conflicts in allocating investments. There is overlap between the members of BAAM and BAS investment committees.
- Members of BAAM’s senior management sit on the advisory committees and boards relating to portfolio investments.
- To the extent permitted by applicable law, from time to time, BAAM Clients purchase investments from, or sell / transfer investments to, another BAAM Client.
- BAAM may communicate investment recommendations to its Advisory Clients prior to the full implementation of such recommendations by BAAM for the BAAM Funds. Accordingly, the BAAM Funds may be seeking to obtain limited capacity from Underlying Managers or in other investments at the same time as such Advisory Clients. Similarly, to the extent that an Underlying Manager imposes redemption limitations, actions taken by Advisory Clients may be adverse to the BAAM Funds. In addition, Advisory Clients, from time to time, may have access to or have the right to obtain information about investments or investment decisions made for the BAAM Clients. Based on such information, the Advisory Clients may take actions that are adverse to the BAAM Clients.

- Some of BAAM's Clients may make seed investments (which may include "acceleration" capital) in investment vehicles and may enter into revenue sharing agreements with Underlying Managers. Revenues generated from such arrangements accrue only to such BAAM Clients.
- Some Customized Funds and all Advisory Clients require Investor approval in a manner which potentially could preclude investment decisions in a timely manner, thereby precluding participation in the investment opportunity.
- Affiliates of BAAM sponsor, manage or advise other investment funds with overlapping investment objectives with those of the BAAM Clients. Neither the BAAM Clients 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 funds or investment vehicles.
- Blackstone has entered, and it can be expected that Blackstone in the future will enter, into strategic relationships with investors that involve an overall relationship with Blackstone. A Blackstone strategic relationship often involves an investor agreeing to make a capital commitment to multiple Blackstone funds, which may include a BAAM Fund and may comprise multiple lines of business or be dedicated to a single business unit, product type or asset class, and may also or alternatively involve the provision of services and/or financing to a BAAM Fund or its affiliates, the Underlying Managers and/or portfolio investments of the Underlying Managers. The terms and conditions applicable to Blackstone strategic relationships typically would not apply to other investors' investment in the BAAM Funds.
- Some BAAM Clients have a credit facility arrangement which facilitates bridge financing for temporary cash needs. The lack of a credit facility may cause BAAM Clients to forego certain investment opportunities.
- BAAM invests certain BAAM Clients' assets in Other BAAM Clients and these investments may be significant. By investing in Other BAAM Clients, the BAAM Clients may receive preferable notice requirements and liquidity terms.
- Certain employees of BAAM and Blackstone invest in the BAAM Funds. Typically, no fees are charged to such investors. The employees invested in the BAAM Funds may be individuals responsible for allocating investment opportunities among the BAAM Clients.
- Certain BAAM Clients (within its BGEN platform) have contractual priority rights for allocations to certain investments over other BAAM Clients.

### **Non-Investment Related Potential Conflicts**

- BAAM, Blackstone and Blackstone employees invest for their own accounts in various investment opportunities, including hedge funds, in which the BAAM Clients have an interest.
- From time to time, BAAM and/or Blackstone employees are asked to speak at conferences and programs for potential hedge fund investors, which may be sponsored by BAAM / Blackstone's third-party service providers. Through such "capital introduction" events, prospective hedge fund investors have the opportunity to meet with BAAM. Such events and other services (including, without limitation, capital introduction services) provided by service providers, including prime brokers, custodian and administrators, may influence BAAM / Blackstone in deciding whether to use such service provider. BAAM may have a

placement agreement / relationship with a broker-dealer that sponsors hedge fund conferences or similar events.

- Financial institutions, executives of public companies and other “value added investors” are investors in the BAAM Funds. These persons and their employees are a potential source of information and ideas that could benefit the BAAM Clients.
- Certain advisors, service providers, counterparties and vendors (“Service Providers”) to BAAM, the BAAM Clients, and Underlying Managers (including, without limitation, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents, research providers and investment or commercial banking firms) provide goods or services to, and/or have other relationships with (including being affiliates of), BAAM, Other Blackstone Advisers, and/or their respective portfolio companies and affiliates. Service Providers may be investors in the Underlying Managers or their Underlying Investment Vehicles, the BAAM Clients and/or other affiliates of Blackstone. They may also be sources of financing and investment opportunities for, coinvestors with, commercial counterparties of, or entities in which, Blackstone and/or Other Blackstone Advisers have an investment (directly or indirectly). As such, payments to the Service Providers by the BAAM Clients, Underlying Managers, and their affiliates may indirectly benefit Blackstone, the Other Blackstone Advisers and/or their respective portfolio companies and affiliates. Also, Service Providers could have other commercial or personal relationships with Blackstone, Other Blackstone Advisers, Underlying Managers and/or their respective investment vehicles, portfolio companies and affiliates.
- Although Blackstone selects Service Providers it believes are most appropriate in the circumstances based on its knowledge of Service Providers (which knowledge is generally greater in the case of Service Providers that are affiliates of, or that have other relationships with, Blackstone), the relationship of Service Providers to Blackstone as described above may influence Blackstone in deciding whether to select or recommend a Service Provider to perform services for the BAAM Clients or an Underlying Manager, the cost of which may be borne directly or indirectly by the BAAM Clients.
- BAAM Funds have entered, or in the future may enter, into letter agreements or other similar agreements (commonly referred to as “side letters”) with one or more of a BAAM Fund’s investors which provide such investor(s) with additional and/or different rights than other investors in the Fund (including, without limitation, with respect to access to information, management and incentive fees, minimum investment amounts, and liquidity terms).
- BAAM incurs expenses on behalf of the BAAM Clients and makes determinations of expense allocations between BAAM and the BAAM Clients.
- Certain BAAM personnel, including certain members of the BAAM Investment Committees, will work on other projects, serve on other committees and source potential investments for and otherwise assist the investment programs of Other Blackstone Clients resulting in potential conflicts of interest in the allocation of time by such BAAM personnel.
- Employees and/or principals of certain Underlying Managers are invested in BAAM Funds, or Other Blackstone Clients (“Underlying Manager Investors”) and could have other commercial or personal relationships with BAAM, Blackstone and/or their respective affiliates. Although BAAM selects Underlying Managers and Underlying Investment Vehicles that it believes are most appropriate under the circumstances based on its knowledge of such Underlying Managers and Underlying Investment Vehicles, the

relationship of Underlying Manager Investors to Blackstone, including as investors in funds and/or accounts managed by Blackstone may influence BAAM in deciding whether the BAAM Funds invest in the applicable Underlying Investment Vehicles of such Underlying Manager Investors. For example, such relationships may incentivize BAAM to invest in, or refrain from withdrawing from, the Underlying Investment Vehicles of such Underlying Manager Investors. BAAM Funds will not have any right to participate in any manner in any profits or income earned or derived by or accruing to the Underlying Manager, Blackstone or their affiliates in connection with the investments by the Underlying Manager Investors in Blackstone funds and/or accounts. Investments by BAAM Funds with Underlying Managers and Underlying Investment Vehicles associated with such Underlying Manager Investors may indirectly benefit BAAM, Blackstone and their affiliates in that Underlying Manager Investors may use the compensation derived from such investments to invest in funds and/or accounts managed by BAAM, Blackstone and its affiliates.

### **Blackstone-wide Policies, Procedures and Guidelines**

- Because Blackstone has many different asset management and advisory businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight, and additional legal and contractual restrictions than those to which it would otherwise be subject if it had only one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures and information barriers that may reduce the positive synergies that the BAAM Clients could otherwise utilize for purposes of identifying, monitoring and generally managing attractive investments.

Accordingly, certain information or investment opportunities which could be of benefit to the BAAM Clients might become restricted or otherwise unavailable to the BAAM Clients due to the activities of Blackstone's other asset management businesses. For example, the BAAM Funds generally will be restricted from investing in issuers with respect to which any Other BXMA Advisor has received material non-public information. Such restrictions generally will not apply to Underlying Managers. BAAM could be forced to sell or hold existing investments, or be precluded from making new investments, as a result of a relationship that Blackstone may have or investments Blackstone and its affiliates (including, without limitation Other BAAM Clients, and/or Other Blackstone Clients) may make.

- Blackstone maintains information barriers that are designed to protect against the improper possession and/or use of material non-public information. Generally, no investment professional of BAAM may contact an investment professional of another Blackstone group, and vice versa, about a substantive business matter, without BAAM Compliance consent and, if appropriate, having Blackstone Compliance chaperone such contact. 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.
- With respect to BAAM's ability to allocate investment opportunities to BAAM Clients where such opportunities are within the common objectives and guidelines of one or more BAAM Clients, and/or Other Blackstone Clients (including Other Blackstone Clients designed to provide investors with exposure to a broad mix of, and leverage the talent and investment capabilities of, Blackstone's key investment programs), Blackstone has established general



guidelines for determining how such allocations are made, which, among other things, set forth priorities and presumptions regarding allocation for certain types of investments and other matters. The application of those guidelines will result in BAAM Clients not participating (and/or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines.

- It also may be the case that BAAM Clients will benefit from the relationship of Other BAAM Clients, and/or Other Blackstone Clients with respect to the availability of a particular investment opportunity.
- From time to time, Blackstone refers potential investors to BAAM and these investors may become investors in one of the BAAM Funds.
- Blackstone Affiliated Managers manage investment strategies that are similar in certain respects to the primary investment strategy of certain BAAM Clients. BAAM and such Blackstone Affiliated Managers may compete for investment opportunities but, from time to time, also refer investment opportunities to each other, co-underwrite investment opportunities and co-invest.
- From time to time, Underlying Managers with which the BAAM Clients invest engage in transactions with Blackstone.
- Blackstone may hire or enter into a partnership or other arrangement with one or more investment professionals to form and manage pooled investment vehicles or separately managed accounts pursuing alternative investment strategies (“Blackstone Proprietary Funds”). Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary Funds. Such existing Blackstone Proprietary Funds and any Blackstone Proprietary Funds formed in the future may compete with Underlying Managers, the SAF Managers, and the BSCH Managers.
- BAAM is an affiliate of Blackstone Inc., which was listed on the New York Stock Exchange on June 21, 2007. Blackstone entities may have duties or incentives relating to the interests of the Blackstone shareholders that may differ from, and that could conflict with, the interests of the BAAM Funds and their investors, such as conflicts arising from the allocation of expenses, fee offsets and investment opportunities.
- The BAAM Clients’ assets and liabilities are valued in accordance with BAAM’s valuation policies and procedures. In making valuation determinations, BAAM can be deemed subject to a conflict of interest, as the valuation of the BAAM Funds’ assets and liabilities affects BAAM’s compensation and the compensation of the BAAM Fund’s general partner.

### **Blackstone Securities Partners L.P.**

- Blackstone Securities Partners L.P. (“BSP”) is a registered broker dealer and an affiliate of BAAM. BSP does not make markets in any securities and generally does not hold proprietary positions in securities or other investments. BSP engages in underwriting activities, which frequently involve underwriting of debt and equity securities by Blackstone private equity portfolio companies.
- BAAM U.S.-based marketing personnel who are responsible for raising assets for the BAAM Funds are registered representatives of BSP. BSP does not receive any compensation relating to such arrangement.



## PJT

- On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners Inc. (“PJT”), an independent financial advisory firm founded by Paul J. Taubman. While PJT operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving BAAM Clients, on the one hand, and PJT, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJT, the overlapping ownership and co-investment and other continuing arrangements between PJT and Blackstone may influence BAAM to select or recommend PJT to perform services for a BAAM Client, the cost of which will generally be borne directly or indirectly by the BAAM Client. Given that PJT is no longer an affiliate of Blackstone, BAAM and its affiliates are able to cause a BAAM Client to transact with PJT generally without restriction under the Client Constituent Documents of such BAAM Client, notwithstanding the relationship between Blackstone and PJT. In addition, one or more investment vehicles controlled by Blackstone have been established to facilitate participation in Blackstone’s side-by-side investment program by employees and/or partners of PJT.

## Broken Deal Expenses

- Any expenses incurred by the BAAM Clients for actual investments as described in the applicable BAAM Client governing documents will also be incurred by the BAAM Clients with respect to broken deals (i.e., investments or proposed dispositions that are not consummated). BAAM is not required to and in most circumstances will not seek reimbursement of broken deal expenses (i.e., expenses incurred in pursuit of an investment or disposition that is not consummated) from third parties, including counterparties to the potential transaction or potential co-investors (including “standing” co-investment vehicles established to participate in co-investment opportunities alongside the BAAM Clients on a regular or periodic basis and/or as part of an overall co-investment program or arrangement). Moreover, expenses related to the organization of co-investment vehicles formed to invest in a transaction that was ultimately not consummated are expected to be borne by the BAAM Clients, and not the proposed co-investors thereof.

## Secondments and Internships

- Certain personnel of Blackstone and its affiliates, and the Consultants (as defined herein), will, in certain circumstances, be seconded to one or more portfolio entities, vendors and service providers or limited partners of the BAAM Clients and Other Blackstone Clients, including those in which BAAM Clients invest, directly or indirectly, to provide finance, accounting, operational support, technology, data management (including artificial intelligence) and other similar services, including the sourcing of investments for the BAAM Clients or other parties. The salaries, benefits, overhead and other similar expenses for such personnel during the secondment could be borne by Blackstone and its affiliates or the organization for which the personnel are working or both. In addition, personnel of portfolio entities, vendors, service providers (including law firms and accounting firms) and investors of the BAAM Clients and Other Blackstone Clients will, in certain circumstances, be

seconded to, serve internships at, receive trainings from or otherwise provide consulting services to, BAAM , Blackstone, the BAAM Clients, portfolio entities and Other Blackstone Clients. While often the BAAM Clients, Other Blackstone Clients, and their portfolio entities are the beneficiaries of these types of arrangements, BAAM , Other Blackstone Advisers or Blackstone are from time to time beneficiaries of these arrangements as well, including in circumstances where the vendor, portfolio entity or service provider also provides services to the BAAM Clients, Other Blackstone Clients, BAAM , Other Blackstone Advisers or Blackstone in the ordinary course.

The BAAM Clients and Other Blackstone Clients or their portfolio entities can be expected to pay compensation or cover fees or expenses associated with such secondees and interns, and if a portfolio entity of a BAAM Client or Other Blackstone Client pays the cost, it will be borne directly or indirectly by the BAAM Client. If Blackstone, Other Blackstone Advisers or BAAM pays salaries or covers expenses associated with such secondees and interns, they could seek reimbursement from the BAAM Clients or their portfolio entities for such amounts. Additionally, BAAM , Blackstone, the BAAM Clients, Other Blackstone Clients or their respective portfolio entities could receive benefits from arrangements, including arrangements at no or reduced cost, with secondees or interns employed by service providers or vendors (or affiliates thereof) whose employees serve as secondees or interns to a BAAM Client (or its portfolio entities) that bears the compensation, fees or expenses associated with such secondees or interns. Furthermore, such arrangements, including those at no or reduced cost, could include secondees or interns who perform services for the benefit of the BAAM , Blackstone, Other Blackstone Advisers, BAAM Clients, Other Blackstone Clients or their respective portfolio entities that do not benefit BAAM Clients or its portfolio entities. To the extent seconded or intern compensation, fees or expenses are borne by a BAAM Client, including indirectly through its portfolio entities, an investment in an Other Blackstone Client or reimbursement of Blackstone for such costs, the management fee will not be offset or reduced as a result of these arrangements or any fees, expense reimbursements or other costs related thereto. The personnel described above can be expected to provide services in respect of multiple matters, including in respect of matters related to BAAM , Blackstone, Other Blackstone Advisers, the BAAM Clients, Other Blackstone Clients, portfolio entities, each of their respective affiliates and related parties, and any costs of such personnel could be allocated accordingly. BAAM and Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to BAAM , Blackstone, Other Blackstone Advisers, the BAAM Clients, Other Blackstone Clients, portfolio entities, and other parties based on time spent by the personnel or another methodology BAAM , Other Blackstone Advisers or Blackstone deems appropriate in a particular circumstance.

In addition, there could be instances where current and former employees of Other Blackstone Clients' portfolio entities are seconded to or temporarily hired by the BAAM Clients' portfolio entities or, at times, the BAAM Clients' investments directly. Such secondments or temporary hiring of current and former employees of Other Blackstone Clients' portfolio entities by the BAAM Clients' portfolio entities (or their investments) will result in a potential conflict of interest between the BAAM Clients' portfolio entities and those of such Other Blackstone Clients. The costs of such employees are expected to be borne by the BAAM Clients or its relevant portfolio entities, as applicable, and the fees paid by the BAAM Clients or such portfolio entities to other portfolio entity service providers or vendors do not offset or reduce the management fee.

## Data

- Blackstone receives, generates or obtains various kinds of data and information from the BAAM Clients, Underlying Managers, Other Blackstone Clients, the portfolio companies of Other Blackstone Clients, and, at their election, certain investors in the BAAM Clients, and/or investors in Other Blackstone Clients and service providers, including but not limited to data and information relating to or created in connection with business operations, financial results, trends, budgets, plans, suppliers, customers, employees, contractors, ESG, energy usage, carbon emissions and related metrics, financial information, commercial and transactional information, customer and user data, employee and contractor data, supplier and cost data, and other related data and information, some of which is sometimes referred to as alternative data or “big data”. Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes or identify specific investment, trading or business opportunities, as a result of its access to (and rights regarding including use, ownership, distribution and derived works rights over) this data and information from such entities. Blackstone has entered and will continue to enter into information sharing and use, measurement and other arrangements with the BAAM Clients, Other Blackstone Clients, portfolio companies of the Other Blackstone Clients, at their election, investors in the BAAM Clients, and in Other Blackstone Clients, and other entities and their related parties and service providers, which will give Blackstone access to (and rights regarding, including use, ownership distribution, and derived works rights over) data that it would not otherwise obtain in the ordinary course,. Further, this alternative data is expected to be aggregated across the BAAM Funds, Other Blackstone Clients and their respective portfolio companies.

Although Blackstone believes that these activities improve Blackstone’s investment management and other business activities on behalf of the BAAM Clients, and Other Blackstone Clients, information obtained from the BAAM Clients and, at their election, certain Investors and investors in Other Blackstone Clients also provides material benefits to Blackstone, Other Blackstone Clients and their portfolio companies, typically without compensation or other benefit accruing to the BAAM Clients or Investors. For example, information from a portfolio company of the Blackstone Clients can be expected to enable Blackstone to better understand a particular industry, enhance Blackstone’s ability to provide advice or direction to another portfolio entity’s management team on strategy or operations, and execute trading and investment strategies in reliance on that understanding for Blackstone, and Other Blackstone Clients that do not own an interest in the portfolio company, typically without compensation or benefit to the Fund or its portfolio companies. Blackstone is expected to serve as the repository for data described in this paragraph, including with ownership, use and distribution rights therein.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information or otherwise limit the scope and purpose of its use or distribution, and regulatory limitations on the use of material nonpublic information, Blackstone is generally free to use and distribute data and information from the BAAM Clients’ activities to assist in the pursuit of Blackstone’s various other activities or other uses, including but not limited to trading activities for the benefit of Blackstone or another BAAM Client, or an Other Blackstone Client. Any confidentiality obligations under the governing documents of the BAAM Clients do not limit Blackstone’s ability to do so. For example, Blackstone’s ability to trade in securities of an issuer relating to a specific industry could, subject to applicable

law, be enhanced by information of a portfolio company in the same or related industry. Such trading or other business activities are expected to provide a material benefit to Blackstone without compensation or other benefit to the BAAM Clients or the Investors.

The sharing and use of “big data” and other information presents potential conflicts of interest and the Investors acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in kind) costs and expenses), will not offset the BAAM Clients’ management fees or otherwise be shared with the BAAM Clients or the Investors. As a result, BAAM has an incentive to pursue investments in or with entities or Underlying Managers that have data and information that can be utilized in a manner that benefits Blackstone, or Other Blackstone Clients.

- **Data Services.** Blackstone or an affiliate of Blackstone formed in the future will provide data services to portfolio companies, to certain investors in the BAAM Clients, and in Other Blackstone Clients, and may also provide such services directly to the BAAM Clients, and Other Blackstone Clients and other Blackstone affiliates and associated entities (including funds in which Blackstone, BAAM Clients and Other Blackstone Clients make investments, and portfolio entities thereof) (collectively, “**Data Holders**”). Such services can be expected to include assistance with obtaining, analyzing, curating, processing, packaging, distributing, organizing, mapping, holding, transforming, enhancing marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to organizational documents and any other applicable contractual limitations, with the BAAM Clients, Underlying Managers, Other Blackstone Clients, to investors in the BAAM Clients, and in Other Blackstone Clients, and other Blackstone affiliates and associated entities (including funds in which Blackstone, and Other Blackstone Clients make investments, and portfolio entities thereof). Where Blackstone believes appropriate, data from one Data Holder will be aggregated or pooled with data from other Data Holders. Any revenues arising from such aggregated or pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by BAAM in its sole discretion, with BAAM able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable. If Blackstone in the future enters into data services arrangements with portfolio entities and such portfolio entities pay Blackstone compensation for such data services, BAAM Clients and Other Blackstone Clients will indirectly bear their share of the cost of such compensation based on their ownership of such portfolio entities. To the extent Blackstone receives compensation for such data management services, such compensation could include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, as well as fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)). Such compensation will not offset or reduce management fees or any other fees or expenses borne by or otherwise shared with the BAAM Clients or Other Blackstone Clients or their investors. Additionally, Blackstone is also expected to share and distribute the products from such data services within Blackstone or its affiliates (including Other Blackstone Clients or their portfolio entities) at no charge and, in such cases, the Data Holders will not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone creates incentives for Blackstone to cause the BAAM Clients to invest in or with entities or Underlying Managers with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain on behalf such BAAM Clients.

## BTIG

- BTIG LLC (“BTIG”) is a global financial services firm in which certain Blackstone entities own a strategic minority investment. BTIG provides institutional trading, investment banking, research and related brokerage services, and BTIG is expected to provide goods and perform services for certain BAAM Clients, Other Blackstone Clients, their portfolio companies and Blackstone.

## **Peridot Financial Services (“Peridot”) and Global Supply Chain Finance (“GSCF”)**

- Peridot and GSCF are portfolio entities of certain BAS Funds and Other Blackstone Clients that provide supply chain financing and accounts receivable services globally. Peridot and GSCF perform services for the BAS Funds, Other Blackstone Clients and their portfolio entities.

## **RE Tech Advisors (“RE Tech”)**

- RE Tech is a portfolio entity of certain Other Blackstone Clients that is an energy audit / consulting firm that identifies and implements energy efficiency programs, calculates return on investment and tracks performance post-completion. RE Tech may perform services for the BAAM Clients and is expected to perform services for Other Blackstone Clients and Blackstone.

## **Ontra (fka InCloudCounsel) (“Ontra”)**

- Ontra is a portfolio entity of certain Other Blackstone Clients that provides a contract automation and intelligence platform that utilizes artificial intelligence and a network of attorneys to support processing of routine contracts and tracking of obligations in complex agreements. Ontra performs services for the BAAM Clients, Other Blackstone Clients and their portfolio companies and Blackstone.

## **Potential Mitigants**

BAAM maintains policies and procedures designed to mitigate some of the foregoing conflicts, including:

- Investment decisions are overseen by the relevant BAAM Investment Committee, business line CIO or Portfolio Managers as applicable for the particular BAAM Fund based on internal protocols. BAAM maintains detailed policies and procedures relating to allocations among BAAM Clients and the BAAM Allocation Oversight Committee reviews investment allocations for compliance with such policies and procedures.
- In certain circumstances where Blackstone, directly or indirectly, holds an interest in an Underlying Manager, BAAM or one of its affiliates may rebate or waive its fees or other revenues relating to the investment by a BAAM Client with such manager. For example, BSAA’s portion of the fees generated from a discretionary BAAM Client’s investment with a fund or account managed by a SAF Manager, including Co-Investments, are rebated to such BAAM Client. (The BSAA Fund investors retain their portion of the fees.) There typically is no rebate in the case of a BAAM Client’s investment with a GP Stakes Fund unless the BAAM Client is subject to ERISA. Generally, BAAM Clients only invest in funds managed by Underlying Managers funded by the Strategic Alliance Funds after a seasoning period (generally six months after the Strategic Alliance Funds’ initial investment to newly launched Underlying Managers). This seasoning period does not apply to Co-Investments or established Underlying Managers. When BAAM Clients invest in / redeem out of a Underlying Investment Vehicles managed by a SAF Manager, designated senior management of BAAM must review such transactions, in addition to the usual investment committee or portfolio manager approvals.

- BAAM maintains detailed policies and procedures relating to allocations of expenses among the BAAM Clients. BAAM's expense allocation policy is available to be viewed upon request. BAAM allocates expenses in accordance with expense allocation policies and the Client Constituent Documents.
- Any purchases, sales or transfers between BAAM Clients will be effected based upon the current market price, fair market value or net asset value of the investment, will be effectuated in compliance with the Advisers Act and will be subject to the approval of BAAM's GC or Chief Compliance Officer (among others) in accordance with BAAM's cross trade policies and procedures.
- All Blackstone employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with Blackstone Compliance. BAAM employees generally are prohibited from investing or making additional investments in hedge funds in which BAAM has an interest. Upon hire, all BAAM employees must report all hedge fund holdings. After hire, all BAAM employees must receive approval for additional subscriptions to, or withdrawals from, their hedge fund holdings.
- Neither BAAM nor the BAAM Clients compensate service providers for organizing "capital introduction" events.
- Blackstone and BAAM have detailed policies and procedures relating to the use of private information, information sharing and information walls. Additionally, BAAM Compliance provides a list of potential value added investors to BAAM senior management on a periodic basis.
- Any use of Service Providers will be in accordance with the Client Constituent Documents and applicable law. Blackstone has a general practice of not having lower fee arrangements for BAAM, and Other Blackstone Advisers as compared to fees paid by the BAAM Funds for similar services.
- Generally, BAAM does not enter into agreements that grant preferential treatment to Investors in Commingled Funds in the same share class, if applicable, with respect to liquidity or fee terms, except (i) where there is a specific regulatory requirement mandating such preferential treatment, (ii) in the case of an investment by a BAAM Fund in another BAAM Funds, and (iii) as otherwise disclosed in the applicable Client Constituent Documents.
- BAAM personnel that work on the investment programs of Other Blackstone Clients allocate their time on a basis that BAAM deems to be fair and equitable.

Blackstone, consistent with its fiduciary duties, will endeavor to resolve conflicts in a manner it deems fair and equitable to the extent possible under the prevailing facts and circumstances.

In addition to those potential conflicts of interest identified in this [Item 11 – Code of Ethics](#), please see [Item 12 – Brokerage Practices](#) for a discussion of potential conflicts of interest relating to Trade Allocations.

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



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## Item 12 – Brokerage Practices

### General Considerations

There are no limitations as to which broker-dealers are used or as to the commission rates or similar charges paid.

In selecting brokers, dealers and other counterparties or intermediaries (“Brokers”) to effect portfolio transactions, BAAM will seek to obtain the best execution for the BAAM Clients taking into account several factors, including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity, stability and reputation of the Broker; (iv) the quality, comprehensiveness and frequency of available research and brokerage related services and products; (v) the Broker’s willingness to commit capital; (vi) trading expertise; (vii) clearance, settlement and custodial services; (viii) other financial services offered; and (ix) the competitiveness of commission rates in comparison with other brokers satisfying other selection criteria of BAAM. BAAM is generally not required to weigh these factors equally. Subject to seeking best execution, BAAM may consider other factors.

### 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 BAAM in the performance of its investment decision-making responsibilities.

In the case of certain BAAM Funds in which BAAM and/or third-party sub-advisors trade directly, BAAM utilizes “soft dollars” (i.e., consideration other than cash is exchanged for services) to pay for third-party brokerage services. Underlying Managers also may use “soft dollars” both within and outside of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, to obtain both research and non-research products and services.

In certain cases, BAAM Funds pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with research services or other soft dollar benefits, or pay higher commissions to such firms if BAAM determines such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants.

The availability of these non-monetary benefits may influence BAAM to select one broker rather than another to perform services for the BAAM Clients.



## Brokerage for Client Referrals

Service provider, including, including prime brokers, provide certain “capital introduction” services to BAAM as described further in Item 11 – Code of Ethics - Non-Investment Related Potential Conflicts. BAAM does have distribution relationships and placement agreements, as described further in [Item 14 – Client Referrals and Other Compensation](#).

## Block Trading Procedures

In the event that securities, futures, forward, options, spot currency or other transactions are traded for multiple BAAM Clients pursuing the same investment strategy, typically, to the extent possible, trade orders would be aggregated for execution and allocated pro rata (subject to any approval delays or operational and/or investment limitations of particular participating BAAM Clients).

In the unlikely instance where BAAM believes that the aggregation of trades for multiple BAAM Clients would cause the BAAM Clients’ cost of execution to be increased, BAAM will not aggregate such trades.

## Principal Trading

BAAM generally does not engage in trading for BAAM’s proprietary account. If a BAAM Client is looking to increase its allocation to an Underlying Investment Vehicle, and another BAAM Client simultaneously is looking to decrease its allocation to such Underlying Investment Vehicle, BAAM may facilitate such increase / decrease through a transfer of interests in the Underlying Investment Vehicle between the two BAAM Clients. If BAAM employees / affiliates hold a significant interest in one of the BAAM Clients that is a party to the transfer, such transfer may be deemed to be a principal transaction. Any such transfers will be effectuated at the Underlying Investment Vehicle’s net asset value as of the transfer date, will be subject to the Underlying Manager’s approval, and will be subject to the consent of the relevant BAAM Client or its board of directors, trustees, general partner or independent client representative engaged by BAAM or a BAAM Client. Such transfer process typically will result in enhanced liquidity for the transferor and certain economic benefits to the transferee. BAAM will not receive any compensation in connection with any such transfer.

## Cross Transactions – Agency Cross Transactions

BAAM has engaged, and may in the future engage in cross transactions to the extent permitted by, and in accordance with, the Client Constituent Documents and not prohibited by all applicable laws and regulations.

If a BAAM Client is looking to increase its allocation to an Underlying Investment Vehicle, and another BAAM Client simultaneously is looking to decrease its allocation to such Underlying Investment Vehicle, BAAM may facilitate such increase / decrease through a transfer of interests in the Underlying Investment Vehicle between the two BAAM Clients. Such transfer may be deemed to be a cross transaction. Any such transfers will be effectuated at the Underlying Investment Vehicle’s net asset value as of the transfer date and will be subject to the Underlying Manager’s approval. Such transfer process typically will result in enhanced liquidity for the transferor and certain economic benefits to the transferee. BAAM will not receive any compensation in connection with any such transfer.

BAAM generally does not engage in agency cross transactions. To the extent that BAAM engages in an agency cross transaction, BAAM will comply with the requirements of Section 206(3) of the Advisers Act.

### Investment Allocations

Certain investment opportunities are appropriate for one or more BAAM Clients and Other Blackstone Clients.

BAAM will determine allocations of such investment opportunities as among the BAAM Funds in accordance with its written allocation policies and procedures as determined by BAAM in its sole discretion.

BAAM and the Other Blackstone Advisers are subject to actual and potential conflicts of interest in allocating investment opportunities among one or more BAAM Funds and Other Blackstone Clients. For example, the BAAM Funds may have different management and/or incentive fee structures. As part of the investment allocation process, BAAM potentially could allocate a limited investment opportunity to a client that has a more favorable fee structure. For additional information on the allocation of investment opportunities between BAAM Clients and Other Blackstone Clients please refer to [Item 11 – Code of Ethics – Blackstone-wide Policies, Procedures and Guidelines](#).

### Trade Errors

Trade errors are evaluated on a case-by-case basis. In the case of a trade error committed by BAAM, the gain or loss from the error will be allocated to the BAAM Clients; provided, however, if BAAM determines that its gross negligence, willful misconduct or fraud was the direct cause of the trade error, BAAM will generally compensate the BAAM Clients for any losses resulting from the error. BAAM will have a conflict of interest in determining whether a trade error should be borne by BAAM or allocated to the BAAM Clients. To the extent that a trade error is caused by a third party, such as an Underlying Manager, broker or agent, BAAM may seek to recover any related trade error losses from such party but will not be obligated to do so. For the avoidance of doubt, BAAM does not assume any responsibility for compensating the BAAM Clients, or making any third-party compensate the BAAM Clients, in such cases.

A trade error is generally defined as an error in the placement, execution, or settlement of a trade for a Client. Potential examples of trade errors could include (but are not necessarily limited to) the following:

- The placement of orders (either purchases or sales) in securities or other financial instruments at variance with the amounts / quantities that the Advisor intended to trade;
- The sale of a security or financial instrument when it should have been purchased;
- The purchase of a security or financial instrument when it should have been sold;
- The purchase or sale of the incorrect security or financial instrument; and
- The purchase or sale of the correct security or financial instrument for the wrong client.

Examples of circumstances that do not constitute trade errors include (but are not necessarily limited to) the following:

- An incorrect trade order that is identified and corrected prior to settlement, as long as there is no negative economic impact to the client;
- The error is the fault of an executing broker-dealer, custodian, or other counterparty (irrespective of whether the Advisor seeks compensation on behalf of the client from such parties);
- The purchase or sale of the security or financial instrument is reallocated to another client prior to settlement in accordance with the Advisor's allocation policies and procedures and the client's investment guidelines;
- The purchase or sale of the security or financial instrument violates restrictions arising from a contractual obligation to a third party other than the applicable client (e.g., a standstill agreement);
- Incorrect over- or under-allocations of securities or financial instruments;
- An investment that does not perform favorably but otherwise complies with applicable contractual requirements;
- The error does not result in a transaction in a client account (such as an error that results in the loss of an investment opportunity);
- The governing documents of the applicable client expressly provide for the right of the Advisor to cure (e.g., annul the trade error), and the Advisor cures in accordance therewith;
- Errors resulting from unavailability of (or disruptions in) electronic services or other force majeure events;
- The applicable client ratifies the trade in writing; and
- Good faith errors in judgment in making investment decisions for clients, which include errors in securities analysis and, for quantitative / systematic strategies, errors in writing computer code that relate to the process by which investment decisions are made for a client (i.e., **errors that reflect subjective judgments or mistakes made at the time of programming, concern the process of constructing an investment strategy, and are not associated with nor result in a particular trade**). [Item 13 – Review of Accounts](#)

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## Item 13 – Review of Accounts

### The Investment Committees and Portfolio Managers

The BAAM Investment Committees are comprised of select senior personnel of Blackstone Multi-Asset Investing. Investment decisions are overseen by the relevant BAAM Investment Committee, business line CIO or Portfolio Manager as applicable for the particular BAAM Fund based on internal protocols.

Investment decisions are made 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
- Client Investment Objectives
- Client Risk Parameters
- ERISA Capacity
- General Capacity
- Tax Efficiency
- Investment Limits
- Diversification Guidelines
- Operational Factors
- Legal and Regulatory Factors

On a monthly basis, the Allocation Oversight Committee also reviews the information presented to assess that the allocations among BAAM Clients are in accordance with BAAM's allocation policies and procedures.

There is overlap among the members of BXMA's investment committees.

### Monitoring Process

As applicable, the relevant BAAM Investment Committee, business line CIO, Portfolio Managers and Investment Teams monitor the performance of the BAAM Clients on an ongoing basis. This monitoring includes, but is not limited to, reviewing for:

- Potential Conflicts
- Market Conditions
- Adherence to Investment Guidelines
- Performance Attribution, and
- Performance Deviation

- Each BAAM Fund's administrator is responsible for maintaining the official books and records of the BAAM Funds. This responsibility includes, but is not limited to, performing monthly cash and position reconciliations to custodians, prime brokers and counterparties and valuation of investments. At month end, the BAAM Funds' Administrator independently determines the net asset value of the BAAM Funds, including income and expense / fee accruals, and produces the final investor allocations and capital / shareholder statements.

### **Commingled Fund Investor Reporting**

BAAM generally provides Investors in Commingled Funds unaudited capital statements at least quarterly, and monthly and quarterly reports regarding their investments, which includes Fund performance. Investors also receive annual audited financial statements for the Commingled Funds in which they are invested. In generating these reports, BAAM generally will rely, in part, on information provided by the Underlying Managers. Some Investors receive additional information in their investor reports, including performance of Underlying Managers and geographic and sector exposures, and therefore, possess information regarding the applicable BAAM Fund that is not generally known to other Investors, subject in all cases to compliance by BAAM with its disclosure and fiduciary obligations under applicable law. Such additional information is available to all Investors upon request.

### **Customized Products and Non-Discretionary Advisory Services Investor Reporting**

Investors in Customized Funds and Advisory Clients will receive reporting as agreed upon between BAAM and the Investor / Client and as described in the Client Constituent Documents.

### **BAAM Operations Team Reconciliation**

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

### **Administrator Reconciliation<sup>1</sup>**

Each BAAM 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 BAAM Fund, and produces the estimated and/or final capital / shareholder statements.

### **Custodian Reconciliation<sup>1</sup>**

Each BAAM Fund's custodian reviews and reconciles the Fund's accounts on a monthly basis.

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<sup>1</sup> If applicable. Not all BAAM Funds have administrators and/or custodians appointed by BAAM.

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## Item 14 – Client Referrals and Other Compensation

While not an arrangement for client referrals, BAAM from time to time directly or indirectly compensates one or more third parties to act as a placement agent in connection with the offer and sale of interests in BAAM Funds to certain potential investors. BAAM typically compensates a placement agent a portion of Management Fees and/or Incentive Fees (although other payment arrangements could exist). A placement agent may directly charge investors additional placement fees (or other fees) in connection with their investment in the BAAM Funds, and such fees generally do not reduce fees such as Management Fees paid in connection with an investment in a BAAM Fund. The BAAM Funds may agree to reimburse third-party placement agents for expenses and/or agree to indemnify such agents under certain circumstances. With respect to expenses relating to the diligence and negotiation of placement agent arrangements, please see [Item 5 – Fees and Compensation](#).

Blackstone Securities Partners L.P., an affiliate of Blackstone, serves as a placement agent to the BAAM Funds in the U.S. but is not compensated for such services. Please see [Item 10 – Other Financial Industry Activities and Affiliations](#) for more information.

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## Item 15 – Custody

Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) defines custody as holding client securities or assets or having any authority to obtain possession of them. BAAM Funds structured as partnerships generally have a BAAM affiliate acting as general partner and, as such, BAAM generally is deemed to have custody of the BAAM Funds’ assets (although this may not be the case with certain managed accounts). For the BAAM Funds that are not structured as partnerships, BAAM also is generally deemed to have custody of the Funds’ assets since BAAM has access to Fund assets for trading purposes and to pay expenses and, therefore, is deemed to have custody for purposes of the Custody Rule. BAAM generally complies with the Advisers Act custody rules by providing all Investors with audited financial statements within 60 to 180 days (as required) of the Fund’s fiscal year end.

Unless an exception applies, a BAAM Fund’s assets (which are typically comprised of investments in hedge funds, other financial instruments, and cash) will be held in the name of the BAAM Fund with a Qualified Custodian such as a bank or broker-dealer.

BAAM does not have custody of client securities or assets in the case of the Advisory Clients.

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# Item 16 – Investment Discretion

## Investment Guidelines

Investment decisions are made within the investment guidelines as described in each Client Constituent Document. For Commingled Funds and certain Customized Funds, BAAM has discretion in determining the Underlying Managers in which the BAAM Clients may invest and divest and the amount of such investments and divestments.

Multiple BAAM Clients typically invest in the same Underlying Manager. If two or more BAAM Clients wish to invest in or redeem from the same Underlying Manager at the same time, BAAM will implement such decisions in accordance with BAAM's allocation policies and procedures.

## Types of Investments

BAAM has broad discretion to make investments within the guidelines of the Client Constituent Documents, except in the case of the Advisory Clients. BAAM Clients primarily will invest in Underlying Managers. However, certain BAAM Clients (e.g., Blackstone's Dislocation Funds, certain Customized Funds and Advisory Clients), certain Advisory Clients and certain BAAM Clients structured as managed accounts, will invest directly in a broad range of securities and financial instruments. In addition, in order to hedge investor contributions denominated in currencies other than U.S. dollars or to hedge certain market exposures, certain BAAM Clients invest in securities and other instruments, including but not limited to forward contracts, currency options, interest rate swaps, interest rate caps, interest rate floors, and other derivative contracts and similar instruments, which may be listed or unlisted and rated or unrated.

BAAM also obtains exposure to Underlying Managers through total return swaps or an investment in equity shares of exchange traded closed-end funds.

Underlying Managers may participate in the purchase and sale of initial equity public offerings ("New Issues") for BAAM Funds. Certain BAAM Funds also may directly purchase New Issues. The subscription documents for the BAAM 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, BAAM 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.

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

Please refer to the relevant Client Constituent Documents for a more detailed discussion of investment guidelines and types of investment.



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

The SEC adopted Rule 206(4)-6 under the Advisers Act, which requires registered investment advisors that exercise voting authority over client securities to implement proxy voting policies. In compliance with such rule, BAAM has adopted proxy voting policies and procedures. In the case of interests held by BAAM Clients in Underlying Investment Vehicles, the general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, “proxies”) in a manner that serves the best interests of the BAAM Clients, determined by BAAM in its discretion.

In the case of publicly-traded securities held directly by a BAAM Client, BAAM has engaged the services of Institutional Shareholder Services, Inc. (“ISS”) to make recommendations to BAAM on the voting of proxies related to such securities. BAAM generally will vote proxies in accordance with ISS’s Benchmark Policy Recommendations, but may decide not to vote in accordance with the ISS recommendations if it believes that the specific ISS recommendation is not in the best interests of the BAAM Clients. BAAM also subscribes to ISS Sustainability Research, which provides data, analysis, and recommendations based on ISS’ Sustainability Proxy Voting Guidelines. BAAM has also delegated authority to Securities Class Action Services LLC to represent certain BAAM Clients with respect to securities class action lawsuits.

BAAM may not vote certain proxies if BAAM determines that doing so would be unduly burdensome, subject to the BAAM’s obligations under Rule 206(4)-6. Investors may request from BAAM a copy of BAAM’s proxy voting policies and may review in BAAM’s offices information on how BAAM voted proxies relating to the Investor’s portfolio.

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## **Item 18 – Financial Information**

BAAM does not charge fees more than six months in advance, has never filed for bankruptcy as of the date of this brochure and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the BAAM Clients.

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## **Item 19 – Requirements for State Registered Advisers**

This item is not applicable as BAAM is not registered in any states.