

Blackstone

Blackstone Strategic Alliance Advisors L.L.C.

Form ADV Part 2A

MARCH 28, 2024

Item 1 – Cover Page

Blackstone Strategic Alliance Advisors L.L.C.

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March 29, 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 Strategic Alliance Advisors L.L.C. (“BSAA”).

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

BSAA is registered with the SEC as an investment adviser. BSAA’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, serve as information for you to use to evaluate BSAA and should be considered in your decision whether to hire BSAA (i.e., by investing in a fund managed by BSAA) or to remain invested in a fund managed by BSAA.

Item 2 – Material Changes

- There has not been a material change to this document since the last annual update on March 30, 2023
- BSAA, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (e-mail) 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 BSAA at (212) 583-5000 or BXMAClientService@blackstone.com

Item 3

Item 3.1 – Defined Terms	1
Item 4 – Advisory Business	4
Item 5 – Fees And Compensation	7
Item 6 – Performance-Based Fees	13
Item 7 – Types of Clients	14
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	15
Item 9 – Disciplinary Information.....	23
Item 10 – Other Financial Industry Activities and Affiliations.....	24
Item 11 – Code of Ethics.....	31
Item 12 – Brokerage Practices	41
Item 13 – Review of Accounts	44
Item 14 – Client Referrals and Other Compensation.....	46
Item 15 – Custody	47
Item 16 – Investment Discretion	48
Item 17 – Voting Client Securities (i.e., Proxy Voting).....	49
Item 18 – Financial Information.....	50
Item 19 – Requirements for State Registered Advisers.....	51

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.

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

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

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

BAAM Funds: A series of private investment funds and managed accounts sponsored and managed by BAAM 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 Committees: BAAM committees comprised of certain senior investment professionals of Blackstone Multi-Asset Investing.

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

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

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

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.

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

BSAA Funds or Strategic Alliance Funds: A series of private investment funds managed by 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.

BSAA Investment Committee: A BSAA committee comprised of certain senior investment professionals of BXMA.

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

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

Clients: Each of BSAA's clients, which include the BSAA Funds.

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 BSAA Fund.

Co-Investments: Co-investments directly in securities or other investments alongside Underlying Managers.

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

GP Stakes Funds: A series of private investment funds managed by BSAA's affiliate, BSCA, which are primarily engaged in acquisitions of minority equity 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 BSAA.

High Water Mark: A "loss carryforward" provision which provides that no performance-based fee or compensation will be charged to a Client until the Client's capital account has recovered any loss attributable to a reduction in net asset value allocated to such account during prior performance periods.

Investor: An investor in a BSAA Fund.

Manager Buyout Interests: The BSAA Funds' contractual entitlement to participate in proceeds from the buyout, sale or other realization or monetization of the value of the Manager Profit Interests.

Manager Profit Interests: The BSAA Funds' contractual entitlement to participate in its negotiated portion of an Underlying Manager's asset-based fees and/or performance / incentive fees and allocations.

Manager Revenues: Manager Buyout Interests and Manager Profits Interests.

Other Blackstone Advisers: Investment advisory affiliates of BSAA 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 BSAA within BXMA, specifically BAAM, BAS and BAIA.

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

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

ITEM 3.1 - DEFINED TERMS

Underlying Managers or SAF Managers: The hedge fund managers and/or other alternative asset managers of the Underlying Investment Vehicles to which the BSAA Funds allocate capital.

Item 4 – Advisory Business

Overview of the Firm

BSAA, a Delaware limited liability company, primarily provides investment advisory services to private investment funds (collectively, the “BSAA Funds”) for the purpose of providing seed capital to SAF Managers and their Underlying Investment Vehicles, which may include acceleration capital. The BSAA Funds are commonly referred to in the industry as funds of hedge funds. BSAA is an affiliate of Blackstone Alternative Asset Management L.P. (“BAAM”), a leading multi-asset investment provider. BSAA derives significant benefits from the experience of BAAM in the investment, operational, legal, structuring and compliance aspects of hedge funds.

BSAA was founded in 2007 as part of Blackstone Inc. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BSAA and BAAM. Blackstone is a leading alternative investment manager with investment programs and services concentrating in the private equity, real estate and debt / credit and secondaries business, as well as the hedge fund solutions business. BSAA shares employees and facilities with BAAM, 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.

BSAA’s assets under management (“AUM”) were \$3 billion as of December 31, 2023. This includes committed capital that has not been drawn. Please note that this is an unaudited estimate.

Overview of Advisory Services

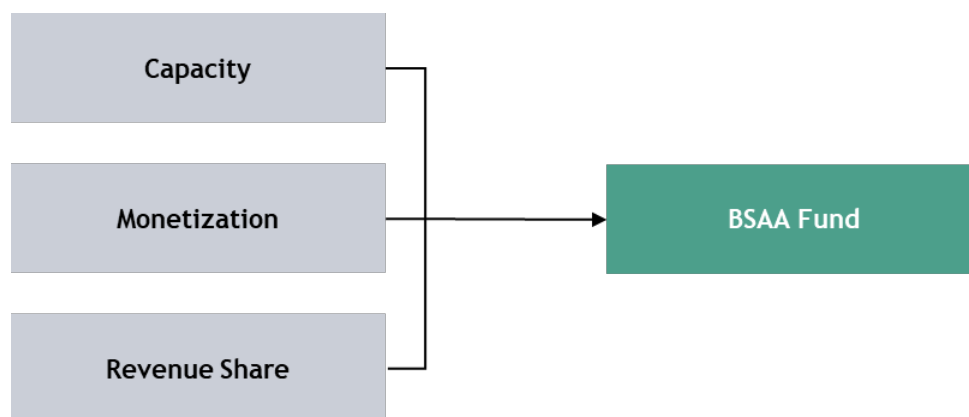
As investment adviser to the BSAA Funds, BSAA:

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

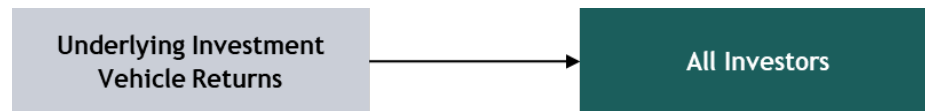
The BSAA Funds' strategy is to provide seed capital to SAF Managers and their Underlying Investment Vehicles, which may include acceleration capital. The SAF Managers pursue a wide variety of investment strategies and invest or trade in a wide variety of securities and other instruments, including, but not limited to, equities and fixed income securities, currencies, commodities, futures contracts, options and other derivative instruments, all of which may be listed or unlisted, rated or unrated, distressed or publicly or privately issued. From time to time, BSAA Funds may also invest in separate managed accounts with SAF Managers.

BSAA typically negotiates on behalf of the BSAA Funds for a contractual right to receive a portion of Underlying Managers' asset-based fees and payments and/or performance / incentive fees and/or allocations (collectively, the "Manager Profit Interests"). BSAA also typically negotiates for the BSAA Funds to participate in the buyout, sale or other realization or monetization of the value of the Manager Profit Interests (collectively, the "Manager Buyout Interests" and with the Manager Profits Interests, the "Manager Revenues"). Investors in the BSAA Funds also participate in any profit or loss associated with the investment that the BSAA Funds make in the Underlying Investment Vehicles.

BSAA Fund Typical Investment in an Underlying Manager



Standard Investment in an Underlying Manager



The BSAA Funds also are authorized to (i) provide working capital to Underlying Managers by, among other things, providing a prepayment of asset-based fees associated with their investment in the Underlying Investment Vehicles, or making loans (e.g., by deferring their right to receive revenues in respect of the Manager Profits Interests) to Underlying Managers, and (ii) make selected co-investments directly in securities or other investments alongside Underlying Managers (“Co-Investments”).

Item 5 – Fees and Compensation

Asset-Based Advisory Fees

In general, BSAA charges an annual asset-based advisory fee to the BSAA Funds of up to 1% of the net asset value of each investor's capital account ("NAV"), which fee scales-down to as low as 0.8% of NAV based on the amount of capital committed to the BSAA Funds by an Investor. Fees are charged only on NAV (excluding any value attributable to the Manger Profit Interests, as applicable), as opposed to committed capital. Generally, employees, retired partners, and certain former employees of Blackstone and/or other similar entities associated with the foregoing are not subject to such asset-based advisory fees. Such fees are described in further detail in the Client Constituent Documents.

BSAA'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 a description of performance-based fees.

Fee Negotiations

Fees generally are non-negotiable, except in the case of affiliates and certain strategic / significant relationships.

Payment of Asset-Based Advisory Fees

Fees are paid to BSAA 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 in advance on the first day of each fiscal quarter.

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

Additional Fees and Expenses:

BSAA's asset-based advisory fees are not inclusive of all the fees BSAA Funds will pay. The following is a list of fees and expenses that BSAA Funds pay directly to third parties. This list is not intended to be exhaustive as the relevant Client Constituent Documents provide further detail relating to fees and expenses.

- Organizational Expenses
- Fund Expenses

ITEM 5 - FEES AND COMPENSATION

- Cost and expenses incurred in connection with the evaluation, negotiation, acquisition, monitoring or disposition of investments, Manager Profit Interests and Manager Buyout Interests, whether or not consummated, including, without limitation:
 - Loan fees
 - Private placement fees
 - Sales commissions
 - Appraisal fees
 - Taxes
 - Brokerage fees
 - Research fees and subscriptions
 - Interest
 - Commitment fees
 - Transfer taxes
 - Premiums
 - Underwriting commissions and discounts
 - Legal
 - Accounting
 - Investment banking
 - Consulting
 - Information services
 - Professional fees
 - Reimbursements to SAF Managers and/or their principals for certain expenses deemed advisable by BSAA
 - Travel, communications, and all other expenses related to the discovery, investigation, development, monitoring, making and disposition of investments, Manager Profit Interests and Manager Buyout Interests
 - Sourcing or recruitment expenses
 - Due diligence related expenses
 - Custody or hedging costs
 - Tax structuring
 - ESG Diligence and Reporting Fees
- Costs and expenses incurred in connection with the carrying or management of investments, Manager Profit Interests and Manager Buyout Interests, including:
 - Risk management
 - Data collection and aggregation

ITEM 5 - FEES AND COMPENSATION

- Internal controls
- Computer and reporting systems
- Interest and related expenses
- Custodial, trustee, record keeping and other administrative fees and expenses
- Costs and expenses associated with any entities used directly or indirectly to acquire, hold or dispose of investments or otherwise facilitate the BSAA Funds' investment activities
- Strategic Support Expense
- Costs and expenses incurred in connection with the incurrence of indebtedness
- Costs and expenses incurred in connection with the preparation and delivery of the BSAA Funds' financial statements, reports, tax returns and K-1's (or similar schedules) or other reports of the BSAA Funds
- Fees and disbursements of attorneys, accountants, executive search firms, and other professional advisors relating to BSAA Funds' matters
- Taxes and other governmental charges that may be incurred or payable by the BSAA Funds
- Insurance premiums or expenses in connection with the activities of the BSAA Funds
- Costs and expenses (including legal fees and expenses) incurred to comply with any law or regulation related to the activities, business, operations, and holdings of the BSAA Funds, including, without limitation, expenses relating to:
 - The preparation and filing of SEC's Form PF
 - Reports to be filed with the U.S. Commodity Futures Trading Commission
 - Reports, disclosures, filings and notifications prepared in accordance with the Alternative Investment Fund Managers Directive
 - Other regulatory filings of BSAA and its affiliates (excluding any expenses related to the preparation and filing the SEC's Form ADV)
- Expenses related to complying with FATCA, any regulations or other guidance issued thereunder (including any intergovernmental agreement) and any similar non-U.S. legislation, or any agreement that the BSAA Funds enter into with respect to the foregoing
- Costs and expenses (including legal fees and expenses) incurred in connection with the Client Constituent Documents of the BSAA Funds or similar written agreements or arrangements and any other related documentation
- Costs and expenses incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the BSAA Funds, including the amount of any judgments, settlements or fines paid in connection therewith
- Any legal, accounting and auditing expenses incurred in preparing, printing and delivering all reports
- Expenses of any conflicts review agent or any other independent client representative and members and observers of the Advisory Board (if any)
- Expenses relating to defaults by a defaulting partner in the payment of capital contributions

ITEM 5 - FEES AND COMPENSATION

- Costs and expenses of the ongoing offering and sale or registration of interests and onboarding investors and administering any side letters entered into with partners
- Costs and expenses incurred in connection with any restructuring or amendments to the Client Constituent Documents of the BSAA Funds and related entities
- Costs and expenses incurred in connection with the dissolution, winding up or termination of the BSAA Funds
- Costs and expenses incurred related to exploring, structuring, negotiation and/or executing a potential a liquidity event and/or a restructuring transaction
- Costs and expenses incurred in connection with computing the value of the assets of the BSAA Funds
- Costs and expenses incurred in connection with any meeting of the partners relating to the BSAA Funds
- Expenses related to the BSAA Funds' indemnification obligations, any other extraordinary expense, including, without limitation, costs of any litigation or investigation involving investments or other BSAA Fund activities (including any settlements thereof or related disgorgement of profits)
- Administration fees payable to an administrator of the BSAA Funds and related costs and expenses
- Management fees
- Any reserves for any of the foregoing expenses

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

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

With respect to SAF Managers in the SAF IV complex, Blackstone in the future may provide strategic support services, including, without limitation, client development, fundraising, global purchasing, data initiatives, marketing, strategy, product development, HR / talent management and other operational assistance and value creation (as provided in the Constituent Documents). Any expenses associated with such services, including the allocation of the compensation and benefits of the strategic support personnel performing such services, will be allocated between the BSAA Funds and/or BSAA as determined by BSAA in good faith in accordance with its strategic support expense policy. SAF IV is the latest vintage in the BSAA Funds.

Arcesium LLC

Arcesium LLC (“Arcesium”) provides certain middle- and back-office services and technology to certain BSAA Funds, certain Other BXMA Clients (the “BXMA Arcesium Clients”) and certain Underlying Managers. Additional BSAA Funds are expected to engage Arcesium in the future. 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. BSAA 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. BSAA does not require any Underlying Manager to hire Arcesium as a condition to investing in their Underlying Investment Vehicles 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 a BSAA Fund's portfolio.

In return for such services, Arcesium receives from BSAA 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 BSAA (or the applicable BXMA Arcesium Clients 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 BSAA Fund, which is generally determined by such BSAA Fund's administrator under the overall supervision of BSAA, there may be conflicts with respect to calculation of such net asset value. BSAA 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 BSAA 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 BSAA 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 BSAA Funds or BXMA Arcesium Clients for the amount of Arcesium Fees paid by such entities to Arcesium. The allocation of such reimbursements as among the BSAA Funds and other BXMA Arcesium Clients will require judgments as to methodology that BSAA 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 BSAA Funds and 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, BSAA 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 BSAA Funds and Other BXMA 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 BSAA Funds, BSAA has used various pricing services, including Thompson Reuters, to value portfolio investments and determine the net asset value of a BSAA Funds 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 provides valuation services. Refinitiv could provide valuation or other services for the Underlying Managers in the future and is expected to perform services for Other Blackstone Clients and Blackstone.

Item 6 – Performance-Based Fees

In addition to the asset-based advisory fees disclosed in [Item 5 – Fees and Compensation](#) above, BSAA Funds also pay (a) for certain BSAA Funds, a performance fee up to 10% of the increase in net asset value of the investment in Underlying Vehicles and Co-Investments, subject to a loss carryforward provision (which fee may scale-down to as low as 8% based on the amount of capital committed to the BSAA Funds by an Investor) and (b) up to 30% of the proceeds with respect to Manager Revenues (which fee scales-down for certain BSAA Funds to as low as 16% based on the amount of capital committed to the BSAA Funds by an Investor), subject to a High Water Mark for certain BSAA Funds.

Since Underlying Managers are compensated based on the performance of their investment(s), a particular Underlying Manager will typically receive a performance allocation in respect of its positive investment performance even during a period when the BSAA Funds experience a loss.

Investors in a BSAA Fund are allocated their pro rata share of performance-based fees for the time period they are invested in the BSAA Fund.

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

Generally, Other Blackstone Clients, employees, retired partners, and certain former employees of Blackstone and/or other similar entities associated with the foregoing are not subject to such performance-based fees.

Note: BSAA's asset-based advisory and performance-based fees are not inclusive of all fees. Please see [Item 5 – Fees and Compensation \(Additional Fees and Expenses\)](#) section.

Please note the existence of a performance-based fee will incentivize BSAA to manage BSAA Funds' assets in a manner that may give rise to a greater risk of loss of invested capital than if there was no performance-based fee.

Item 7 – Types of Clients

BSAA's clients consist of the BSAA Funds. Investors in BSAA Funds are based in the U.S. and outside of the U.S. and generally will consist of:

- Banks and other financial institutions
- Insurance companies
- Investment companies
- Public and private retirement and pension plans
- Public and private profit sharing plans
- Trusts and estates
- Charitable organizations
- State and municipal government agencies
- Sovereign wealth funds
- Hedge funds
- High net worth individuals
- Corporations
- Business entities other than those listed above
- Certain Blackstone employees

All Investors are subject to applicable suitability and eligibility requirements.

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

Analysis

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

Since many Underlying Managers are start up businesses, BSAA's analysis will depend in part on the performance and reputation of the principals of Underlying Managers with prior employers. Underlying Managers retain the autonomy to make investment decisions on behalf of the Underlying Investment Vehicles and BSAA does not have the contractual authority to manage the investment activities of Underlying Managers.

Investment Strategies

BSAA Funds may allocate their assets to Underlying Investment Vehicles that invest in a wide variety of investment strategies and instruments. Furthermore, BSAA Funds intend to take advantage of investment opportunities across asset classes and sectors. BSAA's primary goal is to identify the right talent pool of Underlying Managers. As such, there is concentration risk, as further described in the Client Constituent Documents.

Risk of Loss

General Economic and Market Conditions: The potential returns generated by BSAA Funds' and Underlying Managers' Vehicles will be affected by general economic and market conditions, such as:

- Inflation
- Recent Developments in the Banking Sector

Risks Arising from Investments with Underlying Managers and/or Underlying Vehicles:

- Emerging Fund Managers
- Potential exposure to claims by Underlying Managers and their respective equity holders, creditors and other related parties; Non-control investments
- Limited Rights

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

- Dependence on Underlying Managers
- Style Drift
- Due Diligence
- Use of Multiple Fund Managers
- Diversification
- Volatility
- Fluctuations in Value of Investments after the Initial Closing; Dilution from Subsequent Closing
- Underlying Manager Accounting and Reporting
- Disclosure of Information Regarding Investors
- Indirect Fees
- Financial Reporting Risks of Investing Across Geographies
- Compensation Arrangements with Underlying Managers
- Non-Disclosure of Other Agreements
- Conflicts of Interests Involving Underlying Managers' Other Activities
- Portfolio Valuation
- Interest Rates
- Availability of credit
- Credit defaults

- Economic uncertainty
- Changes in laws (including laws relating to taxation of Underlying Managers' investments)
- Elections
- Trade barriers
- Currency exchange controls
- National and international political circumstances (including wars, terrorist acts or security operations)
- Growth of gross domestic product

- Currency depreciation
- Asset reinvestment
- Resource self-sufficiency
- Balance of payments position
 - BREXIT

- Epidemics / Pandemics and public health emergencies
- COVID-19
- European Commission Action Plan on Financing Sustainable Growth
- Environmental Matters and Weather and Climatological Risks
- Sustainability Risks
- Russian invasion of Ukraine and related sanctions
- US Trade Disputes with the People's Republic of China
- Recent Developments in the Banking Sector
- ESG Framework Risk
- Regulatory Proposals with respect to Private Funds and Advisers

Investment and Trading Risk: All investments made by the BSAA Funds risk the loss of capital (i.e., invested amount). Underlying Managers utilize investment techniques such as margin transactions, short sales, substantial leverage, investments in marketable securities, foreign currency transactions, highly concentrated portfolios, option transactions, forward and futures contracts, and other derivatives trading, which techniques, practices and financial instruments, in certain circumstances, will increase the risk of losses and the adverse impact to which the BSAA Funds 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 BSAA's 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, the Underlying Managers' investment techniques are expected to change over time. Accordingly, the Underlying Managers' future investments and investment strategies may present new and/or additional risks to the BSAA Funds. BSAA does not have any responsibility for, involvement with or control over the Underlying Managers' investments or other activities.

- Proprietary Investment Strategies
- Quantitative Trading Risk
- Disclosure of Intellectual Property
- Investment Turnover
- Highly Volatile Markets
- Leverage
- Interest Rate Risk
- Benchmark Rates
- CIFUS and National Security/Investment Clearance Consideration
- Reliance on Models, Data Availability and Accuracy
- Certain Strategies Pursued by Underlying Managers
 - Long/Short

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

- Short Selling
- Synthetic Investment Strategies
- Stock Index Options
- Options
- Futures and Other Derivative Instruments
- Swap Agreements
- Non-U.S. Securities
- Emerging Market Investments
- Multi-Strategy Investing
- Institutional and Counterparty Risk
- Virtual Currencies
- SPACs
- Risks Related to SPAC Warrants
- Custodial Risk
- Failure of Futures Commission Merchants
- Suspensions of Trading
- Commodity and Financial Futures Contracts
- Risk of Counterparty Default
- Risk Management Activities
- Risk Control Framework
- Systemic Risk
- Business, Terrorism and Catastrophe Risks
- Epidemics/Pandemics
- Coronavirus and Public Health Emergencies
- Civil Unrest
- October 7th Attacks on Israel; Aftermath
- Russian Invasion of Ukraine/Sanctions
- Certain People's Republic of China Securities
- OFAC and Sanctions Considerations
- Weather and Climatological Risks
- ESG Framework Risk
- Sustainability Risks
- No Consideration of Principal Adverse Sustainability Impacts

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

- EU Taxonomy Regulation Disclosure
- Trade Policy
- Forward Trading
- Trading in Securities and Other Investments may be Illiquid
- Illiquid Markets
- Risks of Directly or Indirectly Investing in “Side Pockets”
- Arbitrage Transactions
- Risks of Relative Value Investing
- Opportunistic Investing
- Macro Investing
- Corporate Debt Obligations
- Bank Debt
- Lower-Rated Securities
- Structured Products
- Asset-Backed Securities
- Project Finance Investments
- Risks Associated with Bankruptcy Cases
- Lower Credit Quality Loans
- Distressed Equity and Related Securities
- Energy Investments
- Significant Positions
- Proxy Contests and Unfriendly Transactions
- Non-Controlling Investments
- Control Person Liability
- Transactions in Publicly Traded Securities
- Activist Strategy
- Investments in Real Estate
- Private Investments in Public Entities
- Risks of Event-Driven Investing and Merger Arbitrage
- Trade and Other General Unsecured Claims
- Rights and Warrants
- U.S. Government Securities
- Hedging Transactions

- Concentration of Underlying Investment Vehicles' Portfolios

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

- No Decision-Making Authority
- Business and regulatory risks of being part of a larger firm
- Increased Regulatory Oversight
- Relation to Other Investment Results
- Forward-looking Statements
- Limited Operating History
- Fund Structure
- Cross-Class Liability
- Duplicative Payments and Expenses
- Difficulty Locating Suitable Investments
- Concentration of BSAA Funds' Portfolio
- Investor Concentration
- Possession of Nonpublic Information by Blackstone Businesses
- Lack of Transferability of BSAA Funds' Interests
- Exclusion of Investors
- Capital Calls
- Organizational Expenses/Other Expenses
- Limited Liquidity and Information Rights
- Effect of Substantial Withdrawals
- Clawback
- Liquidity Mismatch; Gates, Suspensions and Redemption Fees
- Illiquid and Long-Term Investments
- Compulsory Withdrawal
- Reinvestment
- Indemnification and Exculpation
- Borrowing by the BSAA Funds; Investments may be Leveraged
- Expenses Related to Withdrawal
- Failure to Fund BSAA Fund Capital Commitments; Consequences of Default
- Disposition of Investments Remaining at the End of the Term
- Direct Investments by the BSAA Funds
- Distributions

- In Kind Distributions and Liquidating SPVs
- Limitations on Limited Liability of Investors
- Risk of Litigation or Proceedings
- Information Technology Systems
- Cybersecurity and Data Protection
- Electronic Delivery of Information and Certain Documents
- Business Continuity
- Reporting
- Employee and Service Provider Misconduct
- Other Activities of BSAA
- Phantom Income
- Taxation in Non-U.S. Jurisdictions
- Environmental Matters
- Investors Subject to Regulation
- Retail Investing
- Changes in Tax Law; Uncertain Tax Positions
- Delayed Schedules K-1
- Accounting for Uncertainty in Income Taxes
- FATCA Compliance
- Tax-Exempt Investors – UBTI

Risks Associated with Government Regulations

- Legal, Tax and Regulatory Risks of Private Funds
- Exemption from Regulation, Including the Investment Company Act of 1940
- United Kingdom Exit from the European Union
- Regulatory Changes
- Regulatory Proposals with respect to Private Funds and Advisers
- MiFID II
- Tax Considerations
- Accounting for Uncertainty in Income Taxes
- Identity of Beneficial Ownership and Withholding on Certain Payments
- BSAA Funds, General Partner and Investment Advisor Registration
- Valuations and Changing Accounting Standards
- U.S. Foreign Corrupt Practices Act Considerations

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

- Pay-to-Play Laws, Regulations and Policies
- Legal and Regulatory Risks
- Change in Tax Law: Uncertain Tax Positions

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

Item 9 – Disciplinary Information

BSAA 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 BSAA. There have been no material regulatory findings against BSAA in the past. As of the date of this Brochure, there are no regulatory proceedings pending against BSAA and BSAA does not believe that any current litigation to which Blackstone or any of its affiliates is a party will have a material adverse effect on BSAA and/or the BSAA Funds or should be material when evaluating your client / adviser relationship with us.

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) 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 BSAA Funds and/or certain affiliates.

Item 10 – Other Financial Industry Activities and Affiliations

BSAA 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**

Investment Advisor Entities	
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 Alternative Asset Management L.P.	Manages a series of private funds predominantly engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
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

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

Blackstone Alternative Asset Management L.P. (CTA/CPO)	Manages a series of private funds predominantly engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
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

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

Insurance Entities	
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

Item 11 – Code of Ethics

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

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

The Code includes (among other things):

- Requirements related to confidentiality
- Limitations on, and reporting of, gifts and entertainment
- Pre-clearance of political contributions
- Pre-clearance and reporting of employee personal securities transactions
- Pre-clearance of outside business activities
- Protection of persons who engage in “whistle blowing” activities from retaliation

On an annual basis, Blackstone requires all employees to certify that they are in compliance with the Code.

Potential Conflicts of Interest

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

Investment Related Potential Conflicts

- Blackstone Alternative Asset Management L.P. (“BAAM”), an affiliate of BSAA, manages a series of funds that predominantly engage in multi-manager investment programs (the “BAAM Funds”). From time to time, BAAM Funds invest in funds managed by the BSAA Funds’ Underlying Managers. An investment by a BAAM Fund in an Underlying Investment Vehicle generally would benefit the BSAA Fund and a withdrawal by a BAAM Fund from such Underlying Investment Vehicle would be detrimental to the BSAA Fund. In addition, the BAAM Fund may seek to negotiate preferential terms and conditions from a n Underlying Manager, which terms and conditions may be subject to BSAA’s approval and may trigger certain “most favored nation” rights for the BSAA Funds.
- There is overlap between the BSAA Investment Committee and the BAAM, BAS, BAIA and certain Other Blackstone Adviser investment committees.

- Affiliates of BSAA make equity investments in, and enter into revenue sharing arrangements with, new or emerging hedge fund / alternative asset managers as well as established hedge fund / alternative asset managers. Revenues and profits generated from such investments and arrangements accrue only to such BSAA affiliates. As a result, BSAA and its affiliates could compete for investment opportunities.
- For example, Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), an affiliate of BSAA, manages certain funds (the “GP Stakes Funds”) that make minority equity investments in established alternative asset managers (the “GP Stakes Managers”).
- There is overlap between the members of the BSAA, BSCA, and certain Other Blackstone Advisers’ investment committees.
- BSCA may compete with BSAA with respect to certain opportunities. This is most likely to be the case if BSAA seeks to make an investment in new products or business lines of otherwise established alternative asset managers in which a GP Stakes Fund owns an interest.
- BSAA’s affiliates sponsor, manage or advise other investment funds with overlapping investment objectives with those of the BSAA Funds. Investment opportunities that are appropriate for a BSAA Fund may also be appropriate for Other Blackstone Clients. Neither the BSAA Funds nor any of their Investors will have any rights of first refusal, co-investment or other economic rights in respect of the investments of such other Blackstone funds or investment vehicles.
- BSAA typically negotiates capacity in Underlying Investment Vehicles, which generally will be shared with Investors in the BSAA Funds. In addition, BSAA may negotiate capacity for its affiliates, including the BAAM Funds. The Investors and the BAAM Funds may absorb limited investment capacity that would otherwise be available to the BSAA Funds.
- BSAA and/or Blackstone potentially could choose not to allocate fund expenses to a client that has a more advantageous fee structure and instead allocate that portion of such expenses to other clients.
- Members of BSAA’s senior management may sit on the advisory committees or boards of Underlying Managers.
- 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 BSAA 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 BSAA 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 BSAA Funds.

Non-Investment Related Potential Conflicts

- BSAA, Blackstone and Blackstone employees invest for their own accounts in various investment opportunities, which may include investment vehicles in which the BSAA Funds and Investors have an interest.
- From time to time, BSAA and/or Blackstone employees are asked to speak at conferences and programs for potential private fund investors, which are sponsored by BSAA /

Blackstone's third-party service providers. Through such "capital introduction" events, prospective investors have the opportunity to meet with BSAA. Such events and other services provided by service providers, including prime brokers, custodians and administrators, may influence BSAA / Blackstone in deciding whether to use such service provider consistent with their obligations to the BSAA Funds / other Blackstone funds.

- Certain advisors, service providers, counterparties and vendors ("Service Providers") to BSAA, the BSAA Funds, 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), 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 BSAA Funds and/or other affiliates of Blackstone. They may also be sources of financing and investment opportunities for, co-investors 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 BSAA Funds, 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 BSAA Funds or an Underlying Manager, the cost of which will generally be borne directly or indirectly by the BSAA Funds.

- BSAA and the existing BSAA Funds have entered into letter agreements or other similar agreements (commonly referred to as "side letters") with certain BSAA Fund investors which provide such Investor(s) with additional and/or different rights than other investors in the relevant BSAA Fund (including, without limitation, with respect to rights relating to greater portfolio transparency, reduced fees, minimum investment amounts, reports and other information).
- BSAA incurs expenses on behalf of the BSAA Funds and makes determinations of expense allocations between BSAA and the BSAA Funds.
- Employees and/or principals of certain Underlying Managers may invest in BSAA Funds or Other Blackstone Clients ("Underlying Manager Investors") and could have other commercial or personal relationships with BSAA, BAAM, Blackstone and/or their respective affiliates. Although BSAA 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 BSAA in deciding whether the

BSAA Funds invest in the applicable Underlying Investment Vehicles of such Underlying Manager Investors.

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 more 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 BSAA Funds could otherwise utilize for purposes of identifying, monitoring and generally managing attractive investments and managing the BSAA Funds' investments. Accordingly, certain information or investment opportunities which could be of benefit to the BSAA Funds might become restricted or otherwise unavailable to the BSAA Funds.
- 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 BSAA may contact an investment professional of another Blackstone group, and vice versa, about a substantive business matter, without BSAA 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 that receives the confidential information.
- With respect to BSAA's ability to allocate investment opportunities to BSAA Funds where such opportunities are within the common objectives and guidelines of a BSAA Fund and 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, sets forth priorities and presumptions regarding allocation for certain types of investments and other matters. The application of those guidelines will result in BSAA Funds not participating (and/or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the allocations in question been determined without regard to such guidelines.

It also may be the case that BSAA Funds will benefit from the relationships of Other Blackstone Clients and Blackstone with respect to the availability of a particular investment opportunity.

- From time to time, Blackstone may refer potential investors to BSAA and these investors may become investors in one of the BSAA Funds.
- BSAA 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 unit holders that may differ from, and that could conflict with, the interests of the BSAA Funds and their investors, such as conflicts arising from the allocation of expenses, fee offsets and investment opportunities.

- Blackstone may hire or enter into a partnership or other arrangement with one or more investment professionals to form and manage pooled investment vehicles or separately managed accounts pursuing alternative investment strategies (“Blackstone Proprietary Funds”). Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary Funds. Such existing Blackstone Proprietary Funds and any Blackstone Proprietary Funds formed in the future may compete with the BSAA Managers and the BSAA Funds.

Blackstone Securities Partners L.P.

- Blackstone Securities Partners L.P. (“BSP”) is a registered broker dealer and an affiliate of BSAA. 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.
- BSAA U.S.-based marketing personnel who are responsible for raising assets for the BSAA 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 the BSAA Funds, 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 BSAA to select or recommend PJT to perform services for a BSAA Fund, the cost of which will generally be borne directly or indirectly by a BSAA Fund. Given that PJT is no longer an affiliate of Blackstone, BSAA and its affiliates are able to cause a BSAA Fund to transact with PJT generally without restriction under the Client Constituent Documents of such BSAA Fund, 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 BSAA Funds for actual investments as in the applicable BSAA Fund governing documents will also be incurred by the BSAA Funds with respect to broken deals (i.e., investments or proposed dispositions that are not consummated). BSAA 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 BSAA Funds 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 BSAA Funds, 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 BSAA Funds and Other Blackstone Clients, including those in which BSAA Funds 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 BSAA Funds 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 BSAA Funds and Other Blackstone Clients will, in certain circumstances, be seconded to, serve internships at, receive trainings from or otherwise provide consulting services to, BSAA, Blackstone, the BSAA Funds, portfolio entities and Other Blackstone Clients. While often the BSAA Funds, Other Blackstone Clients, and their portfolio entities are the beneficiaries of these types of arrangements, BSAA, 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 BSAA Funds, Other Blackstone Clients, BSAA, Other Blackstone Advisers or Blackstone in the ordinary course.

The BSAA Funds 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 BSAA Fund or Other Blackstone Client pays the cost, it will be borne directly or indirectly by the BSAA Fund. If Blackstone, Other Blackstone Advisers or BSAA pays salaries or covers expenses associated with such secondees and interns, they could seek reimbursement from the BSAA Funds or their portfolio entities for such amounts. Additionally, BSAA, Blackstone, the BSAA Funds, 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 BSAA Fund (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 BSAA, Blackstone, Other Blackstone Advisers, BSAA Funds, Other Blackstone Clients or their respective portfolio entities that do not benefit BSAA Funds or its portfolio entities. To the extent seconded or intern compensation, fees or expenses are borne by a BSAA Fund, 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 BSAA, Blackstone, Other Blackstone Advisers, the BSAA Funds, Other Blackstone Clients, portfolio entities, each of their respective affiliates and related parties, and any costs of such personnel could be allocated accordingly. BSAA and Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to BSAA, Blackstone, Other Blackstone Advisers, the BSAA Funds, Other Blackstone Clients, portfolio entities, and other parties based on time spent by the personnel or another methodology BSAA, 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 BSAA Funds' portfolio entities or, at times, the BSAA Funds' investments directly. Such secondments or temporary hiring of current and former employees of Other Blackstone Clients' portfolio entities by the BSAA Funds' portfolio entities (or their investments) will result in a potential conflict of interest between the BSAA Funds' portfolio entities and those of such Other Blackstone Clients. The costs of such employees are expected to be borne by the BSAA Funds or its relevant portfolio entities, as applicable, and the fees paid by the BSAA Funds 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 BSAA Funds, Underlying Managers, Other Blackstone Clients, portfolio companies of Other Blackstone Clients, and, at their election, certain investors in the BSAA Funds and investors Other Blackstone Clients and other 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 BSAA Funds, Other Blackstone Clients, portfolio companies of the Other Blackstone Clients, at their election, investors in the BSAA Funds, 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 BSAA 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 BSAA Funds and Other Blackstone Clients, any information obtained from the BSAA Funds and, at their election, certain Investors and investors in Other Blackstone Clients also provides material benefits to Blackstone or Other Blackstone Clients and their portfolio companies, typically without

compensation or other benefit accruing to the BSAA Funds or Investors. For example, information from a portfolio company of the Other 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 BSAA Fund's 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 BSAA Fund or an Other Blackstone Client. Any confidentiality obligations under the Client Constituent Documents 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 BSAA Funds 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 BSAA Funds' management fees or otherwise be shared with the BSAA Funds or the Investors. As a result, BSAA 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 BSAA Funds and in Other Blackstone Clients, and may also provide such services directly to the BSAA Funds and Other Blackstone Clients and other Blackstone affiliates and associated entities (including funds in which Blackstone, BSAA Funds 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 organization documents and any other applicable contractual limitations, with the BSAA Funds, Underlying Managers, Other Blackstone Clients, to investors in the BSAA Funds 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 be pooled with data from other Data Holders. Any revenues arising from such aggregated or pooled data sets would be allocated between the applicable Data Holders on a fair and reasonable basis as determined by Blackstone in its sole discretion, with Blackstone 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, BSAA Funds 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 BSAA Funds 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 BSAA Funds 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 BSAA Funds.

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 BSAA Funds 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 BSAA Funds, Other BXMA Clients, Other Blackstone Clients and their portfolio companies and Blackstone.

Potential Mitigants

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

- Generally, BAAM Funds may only invest in newly launched Underlying Investment Vehicles after a seasoning period (generally around six months after the BSAA Funds’ initial investment). This seasoning period does not apply to Co-Investments or to investments existing prior to a BSAA Fund’s initial investment.
- BSAA’s portion of the fees generated from a BAAM Fund’s investment in an Underlying Investment Vehicle or Co-Investment is rebated to such BAAM Fund. The BAAM Fund investors retain their portion of the fees or receive a rebate of such amounts.

- When BAAM Funds invest in / redeem out of an Underlying Investment Vehicle, designated senior management of BAAM and BSAA must review such transactions, in addition to the usual BAAM Allocation Oversight Committee and, when applicable, BAAM Investment Committee approvals.
- BSAA will not launch a Successor Fund (as defined in applicable BSAA Fund's Client Constituent Documents) until at least 75% of the capital committed by Investors to the current BSAA Fund is drawn down, committed or reserved for fees, expenses or investments.
- If an investment opportunity is appropriate for one or more BSAA Funds and one or more Other Blackstone Clients (including other BSAA Funds), BSAA will determine allocations of such opportunity as among the BSAA Funds in accordance with its written allocation policies and procedures. For additional information on the allocation of investment opportunities between BSAA Clients and Other Blackstone Clients please refer to [Item 11 – Code of Ethics – Blackstone-wide Policies, Procedures and Guidelines](#).
- BSAA/BAAM maintain detailed policies and procedures relating to allocations. In addition, each limited capacity allocation decision is documented separately and reviewed by BAAM/BSAA Compliance to determine that such allocation follows relevant policies and procedures.
- BXMA allocates expenses on a basis that it considers fair and equitable and in accordance with its expense allocation policies and the Client Constituent Documents.
- All Blackstone employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with Blackstone Compliance.
- Upon hire, all BSAA employees must report all hedge fund holdings. BSAA and BAAM employees generally are prohibited from investing with Underlying Managers. After hire, all BSAA employees must receive approval for additional subscriptions to, or withdrawals from, their hedge fund holdings.
- Neither BSAA nor the BSAA Funds compensate service providers for organizing “capital introduction” events.
- 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 BSAA and Other Blackstone Advisers as compared to fees paid by the BSAA Funds for similar services.
- Generally, BSAA does not enter into agreements that grant preferential treatment to Investors in the same share class, if applicable, with respect to liquidity terms unless there is a specific regulatory requirement mandating such preferential treatment. Further details relating to such side letters are available upon request, subject to BSAA's fiduciary and confidentiality obligations.

Item 12 – Brokerage Practices

General Considerations

It is not anticipated that BSAA will effectuate brokerage transactions on behalf of the BSAA Funds although it has the authority to do so. There are no limitations as to which broker-dealers are used or as to the commission rates or similar charges paid.

In the unlikely event that BSAA retains brokers, dealers and other counterparties or intermediaries (“Brokers”) to effect portfolio transactions, BSAA will seek to obtain the best execution for the BSAA Funds 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 BSAA. BSAA is generally not required to weigh these factors equally. Subject to seeking best execution, BSAA may consider other factors, such as capital introduction services and other investor referrals.

Research and Other Soft Dollar Benefits

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

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

Brokerage for Client Referrals

Service provider, including, including prime brokers, provide certain “capital introduction” services to BSAA as described further in Item 11 – Code of Ethics - Non-Investment Related Potential Conflicts.. BSAA may have distribution relationships and placement agreements, as described further in

[Item 14 – Client Referrals and Other Compensation.](#)

Block Trading Procedures

In the event that futures, securities, forward, options, or spot currency transactions are traded for multiple BSAA Funds, typically trade orders would be aggregated for execution and allocated pro rata. No such trading is expected to occur. In the unlikely instance where BSAA believes that

the aggregation of trades for multiple BSAA Funds would cause the BSAA Funds' cost of execution to increase, BSAA will not aggregate such trades.

Principal Trading

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

Cross Transactions – Agency Cross Transactions

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

Investment Allocations

Allocations between parallel domestic and offshore funds are generally made pro rata based on committed capital. Allocations between different vintages of BSAA Funds generally are not an issue since BSAA will not form or serve as investment adviser to or general partner of a Successor Fund (as defined in the applicable BSAA Fund's Client Constituent Documents) until the earlier of (i) at least 75% of such BSAA Funds' committed capital being drawn down, committed or reserved for fees, expenses or investments and (ii) the expiration of the current BSAA Funds' investment period.

Certain investment opportunities may be appropriate for one or more BSAA Funds and one or more Other Blackstone Clients. BSAA will determine allocations of such investment opportunities as among such BSAA Funds in accordance with its written allocation policies and procedures as determined by BSAA in its sole discretion.

BSAA and the Other Blackstone Advisers are subject to actual and potential conflicts of interest in allocating investment opportunities among one or more BSAA Funds and Other Blackstone Clients. For example, the BSAA Funds may have different management and/or incentive fee structures. As part of the investment allocation process, BSAA 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 BSAA Clients and Other Blackstone Clients please refer to [Item 11 – Code of Ethics - Blackstone-wide Policies, Procedures and Guidelines](#).

Trade Errors

Trade errors are unexpected given the nature of BSAA's investment program. In the case of a trade error committed by BSAA, the gain or loss from the error will be allocated to the BSAA Funds; provided, however, if BSAA determines that its gross negligence, willful misconduct or fraud was the direct cause of the trade error, BSAA will generally compensate the BSAA Funds for any losses resulting from the error. BSAA will have a potential conflict of interest in determining whether a trade error should be borne by BSAA or allocated to the BSAA Funds.

If a third party causes a trade error that is material to the BSAA Funds, BSAA will typically seek to recover the amount of loss from such third party for the BSAA Funds, but will not be

ITEM 12 - BROKERAGE PRACTICES

obligated to do so. BSAA does not assume responsibility for compensating the BSAA Funds, or making any third party compensate the BSAA Funds, in such case.

Item 13 – Review of Accounts

The Investment Committees

BSAA has several senior investment professionals that supervise its investment advisory business through the BSAA Investment Committee. The BSAA Investment Committee approves investments by the BSAA Funds in, and redemptions from, Underlying Investment Vehicles or Co-Investments. The BSAA Investment Committee includes members of, and expects to draw upon the experience and expertise of, the Investment Committees of BAAM, subject to applicable confidentiality restrictions.

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

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

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

The Advisory Board

BSAA has established an advisory board (the "Advisory Board") with respect to certain BSAA Funds to advise BSAA on various matters. The size, terms, and appointment of the members of the Advisory Board and other matters relating to the functioning of the Advisory Board will be determined by BSAA in its discretion. The members of the Advisory Board are comprised of representatives of selected Investors that are not affiliates of BSAA. The views / advice of the Advisory Board are not binding on BSAA or the BSAA Funds. The specific responsibilities of the Advisory Board are set forth in such BSAA Funds' Client Constituent Documents.

Monitoring Process

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

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

BSAA Fund Investor Reporting

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

Operations Team Reconciliation

- The operations team and/or the administrator of a BSAA Fund performs daily cash reconciliations to determine that fundings, redemptions, expense payments, and other cash movements are properly processed.

Administrator Reconciliation

Each BSAA Fund's administrator performs a reconciliation of cash, investor activity, and investments as part of its independent determination of the net asset value for such BSAA Fund, and produces the final capital / shareholder statements. Each BSAA Fund's administrator is responsible for maintaining the official books and records of the BSAA 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 BSAA Funds' administrator independently determines the net asset value of the BSAA Funds, including income and expense / fee accruals, and produces the final investor allocations and capital / shareholder statements.

Item 14 – Client Referrals and Other Compensation

BSAA has entered into distribution and/or placement agent arrangements for certain of its prior vintage of funds but has not entered into such arrangement for Blackstone Strategic Alliance Fund III or SAF IV. While not an arrangement for client referrals, BSAA 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 BSAA Funds to certain potential investors. BSAA 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 BSAA Funds, and such fees generally do not reduce fees such as Management Fees paid in connection with an investment a BSAA Fund. The BSAA 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 BSAA, serves as a placement agent to the 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.

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. BSAA Funds structured as partnerships generally have a BSAA affiliate acting as general partner and, as such, BSAA is deemed to have custody of the BSAA Funds’ assets. For the BSAA Funds that are not structured as partnerships, BSAA also is typically deemed to have custody of the BSAA Funds’ assets since BSAA has access to BSAA Fund assets for trading purposes and to pay expenses. BSAA generally complies with the Custody Rule by providing all Investors with audited financial statements within 180 days of a BSAA Fund’s fiscal year end.

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

Item 16 – Investment Discretion

Investment Guidelines

Investment decisions are made within any investment guidelines as described in each BSAA Fund's Client Constituent Documents.

Types of Investments

BSAA has broad discretion to make investments within the guidelines of the Client Constituent Documents. BSAA Funds primarily will invest in Underlying Investment Vehicles. In addition, in order to hedge investor contributions denominated in currencies other than U.S. dollars or to hedge certain market exposures, BSAA Funds may invest in securities and other instruments, including but not limited to forward contracts, currency option swaps, caps, floors and other derivative contracts and similar instruments.

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

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

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

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

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

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

The general policy is to vote proxies relating to investments with Underlying Managers in a manner that serves the best interests of the BSAA Funds as determined by BSAA in its discretion. Investors cannot direct BSAA’s vote with respect to a particular proxy solicitation.

At times, conflicts may arise between the interests of a BSAA Fund, on the one hand, and the interests of BSAA or its affiliates, on the other hand. If BSAA determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, BSAA will address matters involving such conflicts of interest on a case-by-case basis in a fair and equitable manner, subject to legal, regulatory, contractual or other applicable considerations. BSAA, in its sole discretion, may elect not to vote a proxy if unduly burdensome subject to BSAA’s obligations under 206(4)-6 of the Advisers Act.

Investors may request a copy of the Proxy Policy and may review in BSAA’s offices information on how BSAA voted proxies relating to the Investor’s portfolio.

Item 18 – Financial Information

BSAA 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 BSAA Funds.

Item 19 – Requirements for State Registered Advisers

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