

Blackstone

# **Blackstone Alternative Solutions L.L.C.**

Form ADV Part 2A

MARCH 28, 2024

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# Item 1 – Cover Page

## Blackstone Alternative Solutions L.L.C.

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March 28, 2024

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

If you have any questions about the contents of this Brochure, please contact BAS at (212) 583-5000; [BXMAClientService@blackstone.com](mailto:BXMAClientService@blackstone.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

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

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## Item 2 – Material Changes

- There has not been a material change to this document since the last annual update on March 30, 2023
- BAS, 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 BAS at (212) 583-5000 or [BXMAClientService@blackstone.com](mailto:BXMAClientService@blackstone.com)

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## Item 3.1 – Defined Terms

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

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

**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 BAS.

**BAAM Funds:** A series of private investment funds and 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.

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

**BAS:** Blackstone Alternative Solutions L.L.C., the registrant.

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

**BAS Investment Committee:** A BAS committee comprised of certain senior professionals of Blackstone Multi-Asset Investing and Blackstone.

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

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

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

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

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

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

**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.

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

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

**Client:** A client to whom BAS provides advisory services.

**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 Client.

**Code:** Blackstone’s and BAS’s Code of Ethics mandated by the Advisers Act.

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

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

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

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

**Investor:** An investor in a BAS Fund.

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

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

**Portfolio Managers:** The portfolio managers of a BAS Fund, where applicable.

**Registered Fund:** An investment company registered under the Investment Company Act of 1940, as amended, and managed by BAIA.

**SAF Managers:** The investment managers in which the BSAA Funds hold minority revenue share or other similar economic interests.

**Strategic Alliance Funds or BSAA Funds:** A series of private investment funds managed by BAS's affiliate, BSAA, which are engaged in providing "seed capital" to alternative investment managers.

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

**Underlying Managers:** The general partners, managers, advisors and other partners to which the BAS Funds allocate capital, which, for the avoidance of doubt, include investment managers affiliated with BAS.

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## Item 4 – Advisory Business

### Overview of the Firm

BAS, a Delaware limited liability company, primarily provides investment advisory services to private investment funds (collectively, the “BAS Funds”) that predominantly invest and trade in a wide variety of securities, assets and instruments (including, without limitation, equity securities, equity-related instruments, debt, debt-related instruments, hard assets, currencies, commodities, futures contracts, options and other derivative instruments). Certain BAS Funds invest a portion of their assets in Underlying Investment Vehicles including those managed by Other Blackstone Advisers and Blackstone Interest Managers. BAS is an affiliate of Blackstone Alternative Asset Management L.P. (“BAAM”), a leading multi-asset investing provider.. BAS derives significant benefits from the experience of BAAM in the investment, operational, legal, structuring and compliance aspects of hedge funds.

BAS was founded in 2011 as part of Blackstone Inc. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BAS and BAAM. Blackstone is a leading alternative investment manager with investment programs and services concentrating in the private equity, real estate, debt / credit and secondaries business, as well as the multi-asset investing business. BAS shares employees and facilities with BAAM, Blackstone Strategic Alliance Advisors L.L.C. (“BSAA”), and Blackstone Alternative Investment Advisors L.L.C. (“BAIA”), each a registered investment adviser, and together with BAS, Blackstone Multi-Asset Investing (“BXMA”). Please see [Item 10 – Other Financial Industry Activities and Affiliations](#) for more information.

BAS’s assets under management (“AUM”) were \$12 billion as of December 31, 2023. This includes committed capital that has not been drawn for any purpose. This also includes investments made by BAAM Clients into BAS Funds. Please note that this is an unaudited estimate.

### Overview of Advisory Services

As investment adviser to the BAS Funds, BAS:

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



#### ITEM 4 - ADVISORY BUSINESS

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Investors in BAS Funds (“Investors”) are not deemed to be BAS clients but are entitled to the rights and benefits described in the applicable Client Constituent Documents.

BAS typically engages third party service providers, including custodians, administrators and/or auditors, on behalf of the BAS Funds.

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## Item 5 – Fees and Compensation

### Asset-Based Advisory Fees

BAS charges the BAS Funds an annual asset-based advisory fee of up to 2.0% of assets under management. With respect to the flagship BAS Funds, this fee paid to BAS is reduced by asset-based advisory fees charged by the Underlying Managers. This arrangement could incentivize BAS to not engage Underlying Managers or favor Underlying Managers that charge lower fees. Generally, Blackstone employees, affiliates, retired partners, and certain former employees, as well as endowment funds, charitable programs and/or other similar or related entities associated with the foregoing, are not subject to the BAS asset-based advisory fees, and such fees typically are waived or modified for BAS affiliates and strategic relationships. Certain BAAM Funds that invest in BAS Funds will not pay an asset-based advisory fee on all or some portion of their invested assets.

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

### Performance-Based Fees

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

### Fee Negotiations

Except as noted below, asset based and performance-based fees are non-negotiable. BAS, in its absolute discretion, has agreed with certain Investors (and is expected to do so in the future) to waive or modify the fees, in accordance with BAS' ability to enter into side letters as set forth in [Item 11 – Code of Ethics \(Investment Related Potential Conflicts\)](#). In addition, fees are negotiated for single-investor custom BAS Funds.

### Payment of Asset-Based Advisory Fees

Fees are paid to BAS in accordance with the Client Constituent Documents. In general, asset-based advisory fees accrue on a monthly basis and are paid quarterly. Investors in a BAS Fund bear indirectly their pro rata share of asset-based fees for the time period they are invested in the BAS Funds (i.e., Investors only will be charged for the days that they are invested in a BAS Fund).

### Additional Fees and Expenses:

BAS's asset-based advisory fees and performance-based fees are not inclusive of all the fees and expenses that Investors pay. The following is a list of fees and/or expenses that BAS Funds typically pay to third parties. Expenses paid by custom BAS Funds will vary as negotiated between BAS and custom BAS Fund Investors. This list is not intended to be exhaustive; the relevant Client Constituent Documents provide further detail relating to fees and expenses.

- Broken Deal Expenses
- Organizational Expenses
- Credit Facility Fees, including Interest Charges

## ITEM 5 - FEES AND COMPENSATION

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- Board of Director Fees
- Legal and Accounting Fees
- Administration Fees and Expenses
- Operating Expenses, including insurance premiums
- Expenses Associated with the Ongoing Offering of Interests, including Costs of Registration
- Evaluation, Acquisition, Financing, Hedging and Disposition of Investments or Prospective Investments
- Underlying Manager Advisory and Performance Fees
- Underlying Manager Expenses
- Regulatory Filing Fees, including Preparation Fees
- Brokerage Commissions
- Interest on Debit Balances
- Borrowing and Investment Banking Expenses
- Clearing and Settlement Charges
- Custodial Fees
- Certain Technology Costs
- Portfolio Management and Risk Management Fees
- Costs and Expenses Incurred by Underlying Managers in Connection with Investments
- Travel and Research Expenses
- Information Subscriptions Utilized with Respect to the Fund's Investment Program
- Costs of Litigation and Investigation
- Indemnification Expenses
- Commissions
- Tax Expenses
- Expenses of Liquidating a Fund
- Reports To Be Filed With Regulatory or Governmental Authorities
- Pro-Rata Share of Similar Expenses of the BSOF Master Funds. and Intermediate Funds
- ESG Diligence and Reporting Fees

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

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

## Arcesium LLC

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

In return for such services, Arcesium receives 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 the net asset value), as negotiated by BAS (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 BAS Fund, which is generally determined by such BAS Fund’s administrator under the overall supervision of BAS, there may be conflicts with respect to calculation of such net asset value. BAS 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 BAS 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 BAS upon request.

In connection with BAAM’s minority equity ownership interest in Arcesium, BAAM could 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 funds managed by BAS Funds or the BXMA Arcesium Clients for the amount of Arcesium Fees paid by such entities to Arcesium. The allocation of such reimbursements as among the BAS Funds and other BXMA Arcesium Clients will require judgments as to methodology that BAS 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 BAS 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, BAS 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 BAS Funds and other BAAM clients, as such engagement provides consistency in such services across the platform, increased scalability to support future growth across its business, and improved data centralization and accessibility, each of which also benefits BAAM.

### **Refinitiv**

Since the inception of BAS Funds, BAS has used various pricing services, including Thompson Reuters, to value portfolio investments and determine the net asset value of a BAS 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 the BAS Funds, Other BXMA Clients, Other Blackstone Clients and Blackstone.

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## Item 6 – Performance-Based Fees

In addition to the asset-based advisory fees disclosed in [Item 5 – Fees and Compensation](#) above, the BAS Funds are charged a performance-based fee up to 20% of net profits, generally subject to loss carryforward provisions. In the case of BAS's flagship funds', performance-based fees will be reduced by the amount of any performance-based fees paid to Underlying Managers. This arrangement could incentivize BAS to not engage Underlying Managers or favor Underlying Managers that charge lower fees. Under a loss carryforward provision (also referred to as a High Water Mark), if a BAS Fund has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such BAS Fund, there will be no performance-based fee payable to BAS with respect to such BAS Fund until the amount of the loss previously allocated has been recouped. Certain BAAM Funds that invest in BAS Funds will not pay a performance-based fee on all or some portion of their invested assets.

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

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

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

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

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

Since Underlying Managers are compensated based on the performance of their investment(s), a particular Underlying Manager will typically receive performance compensation in respect of its positive investment performance even during a period when the applicable BAS Fund experiences a loss.

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## Item 7 – Types of Clients

BAS' clients consist of the BAS Funds. Investors in BAS Funds are based in the U.S. and outside of the U.S. and include, without limitation:

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

All Investors are subject to applicable suitability and eligibility requirements.

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

Investment opportunities often are sourced through existing BAS relationships. In addition, BAS has access to a broader investment partner universe through BXMA's ongoing sourcing efforts that is expected to lead to the identification of attractive individual opportunities with managers and other parties. Ideas are also sourced through the broader Blackstone network, subject to Blackstone's internal information wall policy.

### Analysis

BAS identifies, researches, interviews, evaluates, selects and monitors the investment opportunities and Underlying Managers with which or in the BAS Funds invest. The Underlying Managers partner with BAS on various types of investment strategies and a broad range of investment opportunities. BAS selects and monitors investments and the Underlying Managers based on numerous criteria, which include, but are not limited to:

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

### Investment Strategies

BAS engages in a broad range of investment opportunities, involving equity and debt securities and other financial instruments and transactions. Investments commonly are sourced and/or managed by BAS, Underlying Managers or by affiliates of BAS. These investment opportunities could arise from market opportunities and/or special situations across asset classes. Examples of such opportunities include, but are not limited to:

- Credit. Investments across the credit spectrum, including:
  - High Yield & Distressed debt
  - Structured credit
  - Sovereign and municipal credit
  - Accounts Receivables
  - Structured Risk Transfers
- Mortgage. Investments in mortgage related strategies and securities, including:
  - Mortgage servicing rights
  - Global non-performing loans



- Equity. Public equity investments across sectors and strategies, including:
  - Fundamental
  - Activist
  - Merger-arbitrage
  - Preferred Equity
- Capital Markets. Public and private equity and debt investments across sectors and strategies, including:
  - Initial public offerings
  - Secondary offerings, follow-ons, after-market positions and block trades
  - Dislocated situations
  - Fundamental
  - Activist
  - Merger-arbitrage
- Hard Asset / Private. Diversified opportunities, including:
  - Infrastructure assets
  - Real property
  - Select private equity investments

BAS's primary goal is to identify attractive investment opportunities and situations without specific diversification limitations. As such, there is concentration risk associated with the BAS Funds. BAS will implement market and currency hedges as BAS determines, in its discretion, are necessary or appropriate. BAS is not required to implement any particular hedging transactions and there is no assurance that any such transactions will be effective or will protect BAS Funds from losses.

## **Risk of Loss**

**General Economic and Market Conditions:** The success of BAS's and the Underlying Managers' investments activities will be affected by general economic and market conditions, including, without limitation:

- Interest rates
- Availability of credit
- Credit defaults
- Inflation rates
- Economic uncertainty
- Changes in laws (including laws relating to taxation of investments)
- Trade barriers
- Currency exchange controls

- National and international political circumstances (including wars, terrorist acts or security operations)
- Epidemics / Pandemics
- Covid-19
- Public Health Emergencies
- Sustainability Risks
- Civil Unrest
- Russian Invasion of Ukraine

**Investment and Trading Risk:** All investments made by the BAS Funds risk the loss of capital. BAS and Underlying Managers utilize, on behalf of the BAS Funds, such investment techniques as margin transactions, short sales, option transactions, forward and futures contracts, and other derivatives trading, which practices, in certain circumstances, increase the adverse impact to which the BAS Funds may be subject. No guarantee or representation is made that BAS's or any Underlying Manager's investments will be successful, and investment results likely will vary substantially over time. BAS Funds and Investors are subject to the risk of substantial losses. BAS typically does not have any responsibility for, involvement with or control over the Underlying Managers' investments or other activities. Additionally, BAS's and the Underlying Managers' investment techniques are expected to change over time. Accordingly, BAS Funds and the Underlying Managers' future investments and investment strategies may present new and/or additional risks to the BAS Funds and/or Underlying Investment Vehicles.

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

- Political, Economic, Market, and Other Conditions
- Risk of Investments
- Compulsory Withdrawal
- Concentration of Fund Portfolio; Diversification; Volatility
- Dependence on BAS and the Underlying Managers
- Increased Regulatory Oversight
- Information Technology Systems
- Limited Liquidity; Liquidity and Information Rights
- Lack of Management Rights
- "Style Drift"
- Valuations
- Risk Management Activities; Monitoring Investments
- Risk Control Framework
- Breach of Governing Investments by Underlying Managers; Termination of Underlying Managers

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

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- Use of Special Purpose Entities; Non-Lead Investments
- Restrictions
- Distributions
- Forms of Withdrawal Payments
- Potential Involvement in Litigation
- Access to Information; Enhanced Liquidity; Side Letters
- Investment Liabilities
- Cross Class Liabilities
- Underlying Investment Vehicle Cross-Liability
- ESG Framework Risks
- FOIA and Similar Laws
- Financial Markets and Regulatory Change
- Execution, Risks and Error
- Government Regulation
- Cyber Security Breaches and Identity Theft
- Limited Operating History
- Volatility
- Access to Information and Effect on Withdrawals
- Proprietary Investment Strategies
- Brexit
- MiFID II
- Environmental Matters
- Retention of Key Personnel
- Due Diligence
- Business Continuity
- Use of Multiple Managers and Investments is No Assurance of Success; Offsetting Positions
- Non-Voting Securities; Investment Company Act Restrictions
- Non-U.S. Taxation
- Investment Structuring
- Risks Related to Investors with Capital Commitments
- Limited Participation Investments
- Litigation Expenses May Be Borne by Subsequent Investors
- Government Entity Investors

- Control Person Liability
- Securities Held in Name Other Than Name of Fund
- Institutional and Counterparty Risks
- Liability Following the Disposal of Investments
- Delayed Schedules K-1
- EU Securitisation Regulation
- European Commission Action Plan on Financing Sustainable Growth
- Outsourcing
- Regulatory Proposals with respect to Private Funds and Advisers
- Investment Vehicle Cross-Liability
- Difficulty of Locating Suitable Investments
- ESG Considerations
- Retail Investing
- Cybersecurity and Data Protection
- Disclosure of Information Regarding Investors
- Indirect Fees

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

- Futures, Options and Derivative Instruments
- Highly Volatile Markets
- Interest Rate Fluctuations
- Borrowing; Leverage
- Non-U.S. Currencies and Investments
- Indirectly Investing in “Side Pockets”
- Short Selling
- Retail Investing
- Significant Positions
- Systemic Risk
- Tax Considerations
- Trading in Securities and Other Investments That May be Illiquid
- Turnover
- U.S. Government Securities
- Restricted New Issues

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

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- Currency Exposure
- Arbitrage Transactions
- Debt Securities; Bank Debt
- Distressed Securities
- Recent Developments in the Banking Sector
- Emerging Market Investments
- Project Finance Investments
- Proxy Contests and Unfriendly Transactions
- Event Driven Investments
- Relative Value Investing
- Equity Securities Generally
- Small and Medium Capitalization Companies
- Preferred Stock
- Investments in Unregistered Securities
- High-Yield Debt and Non-Investing Grade Securities
- Investments in Troubled and Leveraged Companies
- Uncovered Risks
- Price Risks
- Financial Fraud
- Purchasing Securities of Initial Public Offerings
- Purchasing Securities in Block Trades
- Transactions in Publicly Traded Securities
- Private Investments in Public Equities (PIPEs)
- Depository Receipt Risk
- Institutional and Counterparty Risks
- Tax Liabilities without Distributions
- Unrelated Business Taxable Income
- Tax Considerations Taken Into Account
- Assumption of Business, Terrorism and Catastrophe Risks
- Liquidity; Availability of Credit
- Convertible Securities
- Lender Liability Claims
- Direct Lending

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

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- Secured Loans
- Assignments and Participation
- Credit Ratings
- Margin Borrowing
- Costs and Availability of Financing
- Municipal Securities
- Quantitative Trading Risk
- Repurchase and Reverse Repurchase Agreements
- Structured Products
- Asset-Backed Securities
- Activist Investing
- Special Situation Investments
- Investments in Special Purpose Acquisition Companies
- Non-Controlling Investments
- Structured Risk Transfers (SRTs)
- Mortgage Servicing Rights (MSRs)
- Supply Chain Financing
- Trade Policy
- Commercial Mortgage-Backed Securities
- Collateralized Debt and Loan Obligations
- Risks Relating to an Investment in CLO Equity
- Subordination of CLO Equity
- Leveraged Nature of CLO Equity

The above list is provided for illustrative purposes and is not intended to be all inclusive. A detailed description of the risks associated with BAS's investment strategy is included in the Client Constituent Documents of the respective BAS Funds, copies of which are provided to prospective investors and should be carefully reviewed prior to investing. For the avoidance of doubts, the risks listed above will apply to Underlying Managers, Underlying Investment Vehicles, BAS and BAS Funds and Clients.

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## Item 9 – Disciplinary Information

BAS 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 BAS. There have been no material regulatory findings against BAS in the past. As of the date of this Brochure, there are no regulatory proceedings pending against BAS and BAS 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 BAS and/or the BAS 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](http://www.sec.gov)) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-secfilings/default.aspx>), and (ii) materials made available through Blackstone's online portal related to the BAS Funds and/or certain affiliates.

## Item 10 – Other Financial Industry Activities and Affiliations

**BAS 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 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 Asset Based Finance Advisors LP	Provides investment advisory services to a number of separately managed accounts and vehicles that primarily engage in asset backed securities and whole loan investments
Blackstone CLO Management LLC (Management Series)	Provides investment advisory services to US CLOs
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments



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

**Investment Advisor Entities**

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

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

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

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

**Investment Advisor Entities**

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

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

**Investment Advisor Entities**

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

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

Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative 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)

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

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

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

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

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

\*Portfolio company of affiliated private equity fund

\*\*Portfolio company of affiliated tactical opportunities funds

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

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

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

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## Item 11 – Code of Ethics

As required by the Advisers Act, Blackstone and BAS 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 BAS Funds. This Code is designed to enable BAS to meet its fiduciary obligation to BAS’s clients (or prospective clients) and to instill a culture of compliance within BAS. An additional benefit of the Code is to assist Blackstone and BAS 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. BAS 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 BAS offer many different products and services and there are several potential conflicts of interest which arise, including, but not limited to, those identified below. Blackstone and BAS have adopted, and continue to adopt, policies and procedures to address such potential conflicts of interest.

### Investment Related Potential Conflicts

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

will have a direct or indirect financial interest in the success of such managers. For example, BSCA, an affiliate of BAS, manages certain funds (the “GP Stakes Funds”) that seek to make minority investments in investment managers (the “GP Stakes Managers”). An investment by a BAS Fund with a GP Stakes Manager generally would benefit the GP Stakes Funds and a withdrawal by a BAS Fund from such manager generally would be detrimental to the GP Stakes Funds.

Similarly, BAS Funds invest in funds and co-investments managed by Underlying Managers which are provided seed funding (which may include “acceleration” capital) by the Blackstone Strategic Alliance Funds (the “BSAA Funds” or “Strategic Alliance Funds”), which are managed by BSAA, an Other BXMA Adviser. An investment by a BAS Fund in a fund or account managed by an investment manager in which the BSAA Funds hold minority revenue share or other similar economic interests (each, a “SAF Manager”) generally would benefit the Strategic Alliance Funds and a withdrawal by a BAS Fund from such manager generally would be detrimental to the Strategic Alliance Funds. In addition, the BAS Fund may seek to negotiate preferential terms and conditions from the SAF Manager, which terms and conditions may be subject to the approval of BSAA and may trigger certain “most favored nation” rights for the Strategic Alliance Funds.

There is overlap between BAS’s Investment Committee and the investment committees for the GP Stakes Funds, Strategic Alliance Funds and certain Other Blackstone Advisers.

BSCA and BSAA do not represent an exhaustive list of Blackstone Interest Managers.

- BAS, BAAM, or Blackstone, subject to applicable law and its fiduciary obligations, 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 expense to other clients.
- BAIA, an affiliate of BAS, serves as investment manager for an open-end mutual fund, which employ a multi-manager, diversified investment strategy. BAAM, an affiliate of BAS, provides investment advisory services to a number of clients which typically employ a multi-manager investment program. As such, BAS, BAAM and BAIA are be subject to conflicts in allocating assets to Underlying Managers.
- There is overlap between the members and observers of the Other BXMA Adviser and certain Other Blackstone Adviser investment committees. Other Blackstone Clients that invest in BAS Funds will have access to more information about the BAS Funds than other Investors.
- Members of BAS’s senior management sit on advisory committees and boards relating to portfolio investments.
- To the extent permitted by applicable law, BAS from time to time will cause the BAS Funds to purchase investments from, sell investments to, with, or transfer investments to, another BAS Fund.
- Affiliates of BAS sponsor, manage or advise other investment funds with overlapping investment objectives with those of the BAS Funds. Neither the BAS 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 Clients.



- 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 BAS 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 BAS 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 an investor's investment in the BAS Funds.
- BAS from time to time, in its sole discretion, offers other investors or third parties the opportunity to co-invest alongside the BAS Funds and/or certain Other Blackstone Clients in one or more investments. There is no guarantee for any Investor that it will be offered any co-investment opportunities. Furthermore, in connection with any such co-investment opportunity, BAS or its affiliate may establish one or more investment vehicles managed or advised by the BAS (or its affiliate) to facilitate such co-investors' investment alongside the BAS Funds.
- BAS and/or its affiliates may be incentivized to offer certain potential co-investors opportunities to co-invest in priority and/or on more favorable terms as compared to the BAS Funds or other co-investors. The extent to which any such co-investor participates in (or is offered) co-investment opportunities may impact the amount of performance-based compensation and/or management fees to which the BAS and/or its affiliates are entitled under the arrangements with such co-investor with respect to such co-investor's participation in one or more Blackstone funds (including the BAS Funds or any Other Blackstone Client), investments and/or otherwise in connection with such co-investor's relationship with Blackstone. Such incentives will from time to time give rise to conflicts of interest, and there can be no assurance that any investment opportunities that would have otherwise been offered to the BAS Funds will be made available to the BAS Funds.
- Certain employees of BAS and Blackstone invest in the BAS Funds. Typically, no fees are charged to such investors. The employees invested in the BAS Funds may be individuals responsible for allocating investment opportunities among the BAS Clients.
- Co-investors generally will not bear their share of broken deal expenses for unconsummated transactions. Such broken deal expenses will be borne by the BAS Funds.

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

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

- Financial institutions, executives of public companies and other “value added investors” are investors, directly or through a BAAM Fund, in the BAS Funds. These persons and their employees are a potential source of information and ideas that could benefit the BAS Funds.
- BAS Funds have entered, and in the future may enter, into letter agreements or other similar agreements (commonly referred to as “side letters”) with one or more of a BAS Fund’s investors which provide such investor(s) with additional and/or different rights than other investors in the Fund (including, without limitation, with respect to access to information, management and incentive fees, minimum investment amounts, and liquidity terms.
- Certain BAS personnel, including certain members of the BAS Investment Committee, will work on other projects, serve on other committees and source potential investments for and otherwise assist the investment programs of Other Blackstone Clients, resulting in potential conflicts of interest in the allocation of time by such BAS personnel.
- BAS incurs expenses on behalf of the BAS Funds and makes determinations of expense allocations between BAS and the BAS Funds.
- Certain advisors, service providers, counterparties and vendors to BAS, the BAS Funds, and Underlying Managers (including, without limitation, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents, research providers, loan and supply chain finance servicers, corporate support service providers (including with respect to accounts payable), providers of middle- and back-office services, technology providers and investment or commercial banking firms but excluding Underlying Managers) (each such party, “Service Provider”) 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 BAS 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 BAS Funds, Underlying Managers, and their respective affiliates may indirectly benefit BAS, Blackstone, the Other Blackstone Advisers and/or their respective portfolio companies and affiliates. Also, Service Providers in certain cases 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 BAS Funds or an Underlying Manager, the cost of which may be borne directly or indirectly by the BAS Funds.

- Employees and/or principals of certain Underlying Managers may invest in BAS Funds, and/or Other Blackstone Clients (“Underlying Manager Investors”) and could have other commercial or personal relationships with BAS, Blackstone and/or their respective affiliates. Although BAS 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 BAS in deciding whether the BAS 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 additional legal and contractual restrictions than those to which it would otherwise be subject if it had only one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures and information barriers that may reduce the positive synergies that the BAS Funds could otherwise utilize for purposes of identifying, monitoring and generally managing attractive investments.
- Accordingly, certain information or investment opportunities which could be of benefit to the BAS Funds might become restricted or otherwise unavailable to the BAS Funds due to the activities of Blackstone's other asset management businesses. For example, BAS generally will be restricted from investing in (i) Blackstone portfolio companies under certain circumstances and (ii) issuers with respect to which any investment advisor in the Blackstone Hedge Fund Solutions group has received material non-public information (the "Restricted Issuers"). These restrictions generally will not, however, apply to Underlying Managers and, other than with respect to the Restricted Issuers, BAS generally will be permitted to invest in issuers in which Other Blackstone Clients have an interest.
- BAS could be forced to sell or hold existing investments, or be precluded from making new investments, as a result of a relationship that Blackstone has or investments Blackstone and its affiliates (including, without limitation, Other BXMA Clients or Other Blackstone Clients) make. Blackstone maintains information barriers that are designed to protect against the improper possession and/or use of material non-public information. Generally, no investment professional of BAS may contact an investment professional of another Blackstone group, and vice versa, about a substantive business matter, without BAS Compliance consent and, if appropriate, having Blackstone Compliance chaperone such contact. Prior to receiving confidential information each Blackstone group typically seeks to limit the impact that such receipt may have on other Blackstone groups by, among other things, limiting the applicability of any confidentiality agreement to the particular Blackstone group(s) that receive the confidential information.
- With respect to BAS's ability to allocate investment opportunities to BAS Funds where such opportunities are within the common objectives and guidelines of one or more BAS Funds 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 BAS Funds not participating (and/or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines.

- It may also be the case that the BAS Funds will benefit from the relationship of Other Blackstone Clients with respect to the availability of a particular investment opportunity.
- From time to time, Blackstone refers potential investors to BAS and these investors may become investors in one of the BAS Funds.
- Blackstone Affiliated Managers manage investment strategies that are similar in certain respects to BAS's primary investment strategy. In certain circumstances, BAS and such Blackstone Affiliated Managers compete for investment opportunities but, from time to time, also refer investment opportunities to each other, co-underwrite investment opportunities and co-invest.
- From time to time, Underlying Managers with which the BAS Funds invest engage in transactions with Blackstone.
- The BAS Funds have invested, and may in the future invest, in (1) debt, equity and/or other financial instruments of portfolio companies of Other Blackstone Clients or Blackstone, and (2) different parts of a company's or other issuer's capital structure (including, without limitation, with respect to a portfolio company of Other Blackstone Clients or Blackstone) than those in which one or more Other Blackstone Clients invest. To the extent that a BAS Fund holds interests that are different (or more senior or junior) than those held by such Other Blackstone Clients or Blackstone, BAS may be presented with decisions involving circumstances where the interests of such Other Blackstone Clients or Blackstone are in conflict with those of the BAS Funds. Furthermore, it is possible the BAS Funds' interest may be subordinated or otherwise adversely affected by virtue of such Other Blackstone Client's or Blackstone's involvement and actions relating to its investment.
- If the BAS Funds purchase high-yield securities or other debt instruments of a portfolio company of Other Blackstone Clients or Blackstone, or otherwise occupies a senior (or other different) position in the capital structure of an investment relative to the Other Blackstone Clients or Blackstone, Blackstone will encounter conflicts in providing advice to the BAS Funds and to these Other Blackstone Clients or Blackstone with regard to appropriate terms of such high-yield securities or other instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies, among other matters. BAS could have incentives to cause a BAS Fund to accept less favorable terms for an investment in a portfolio company of Other Blackstone Clients or Blackstone than it would for an investment in an issuer controlled by a third party.
- Blackstone could cause actions adverse to the BAS Funds to be taken for the benefit of Other Blackstone Clients that have made an investment more senior than the BAS Funds' investment in the capital structure of a portfolio company of the BAS Funds and/or an Other Blackstone Client. Similarly, actions may be taken for the benefit of the BAS Funds and their portfolio companies that are adverse to Other Blackstone Client.
- BAS is an affiliate of Blackstone Inc., which was listed on the New York Stock Exchange on June 21, 2007. Blackstone entities may have duties or incentives relating to the interests of the Blackstone shareholders that may differ from, and that could conflict with, the interests of the BAAM Funds and their investors, such as conflicts arising from the allocation of expenses, fee offsets and investment opportunities.
- The BAS Funds' assets and liabilities are valued in accordance with BAS's valuation policies and procedures. In making valuation determinations, BAS may be deemed subject to a

conflict of interest, as the valuation of the BAS Funds' assets and liabilities affects BAS's compensation and the compensation of the BAS Fund's general partner.

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

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

The BAS 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 BAS Fund or Other Blackstone Client pays the cost, it will be borne directly or indirectly by the BAS Fund. If Blackstone, Other Blackstone Advisers or BAS pays salaries or covers expenses associated with such secondees and interns, they could seek reimbursement from the BAS Funds or their portfolio entities for such amounts.

Additionally, BAS, Blackstone, the BAS 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 BAS 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 BAS, Blackstone, Other Blackstone Advisers, BAS Funds, Other Blackstone Clients or their respective portfolio entities that do not benefit BAS Funds or its portfolio entities. To the extent seconded or intern compensation, fees or expenses are borne by a BAS 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 BAS, Blackstone, Other Blackstone Advisers, the BAS Funds, Other Blackstone Clients, portfolio entities, each of their respective affiliates and related parties, and any costs of such personnel could be allocated accordingly. BAS and Blackstone will endeavor in good faith to allocate the costs of these arrangements, if any, to BAS, Blackstone, Other Blackstone Advisers, the BAS Funds, Other Blackstone Clients, portfolio entities, and other parties based on time spent by

the personnel or another methodology BAS, 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 BAS Funds' portfolio entities or, at times, the BAS Funds' investments directly. Such secondments or temporary hiring of current and former employees of Other Blackstone Clients' portfolio entities by the BAS Funds' portfolio entities (or their investments) will result in a potential conflict of interest between the BAS Funds' portfolio entities and those of such Other Blackstone Clients. The costs of such employees are expected to be borne by the BAS Funds or its relevant portfolio entities, as applicable, and the fees paid by the BAS 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 BAS Funds, Underlying Managers, Other Blackstone Clients, the portfolio companies of Other Blackstone Clients, and, at their election, certain investors in the BAS Funds and/or investors in Other Blackstone Clients, 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 the BAS Funds, Underlying Managers, Other Blackstone Clients, their portfolio companies and certain investors in the BAS Funds and in Other Blackstone Clients. Blackstone has entered and will continue to enter into information sharing and use, measurement and other arrangements with the BAS Funds, Other Blackstone Clients, portfolio companies of Other Blackstone Clients, at their election, investors in the BAS Funds and Other Blackstone Clients, and other entities and their respective 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 BAS 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 BAS Funds and Other Blackstone Clients, information obtained from the BAS 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 BAS Funds or Investors. For example, information from a portfolio company of the Blackstone Clients can be expected to enable Blackstone to better understand a particular industry, enhance Blackstone's ability to provide advice or direction to another portfolio entity's management team on strategy or operations, and execute trading

and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Clients that do not own an interest in the portfolio company, typically without compensation or benefit to the Fund or its portfolio companies. Blackstone is expected to serve as the repository for data described in this paragraph, including with ownership, use and distribution rights therein.

Furthermore, except for contractual obligations to third parties (including any confidentiality agreements entered into with BAS) 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 BAS 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 BAS Fund or an Other Blackstone Client. This may include utilizing information received from the Investment Manager in furtherance of such purpose, subject to any confidentiality obligations owed by it. Any confidentiality obligations under the governing documents of the BAS Funds 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 BAS 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 BAS Funds' management fees or otherwise be shared with the BAS Funds or the Investors. As a result, BAS 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 BAS Funds and in Other Blackstone Clients, and may also provide services directly to the BAS Funds and Other Blackstone Clients, and other Blackstone affiliates and associated entities (including funds in which Blackstone, BAS 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 limitations in the governing documents of the BAS Funds and any other applicable contractual limitations, with the BAS Funds, Underlying Managers, Other Blackstone Clients, to investors in the BAS 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 applicable Data Holders on a fair and reasonable basis as determined by Blackstone in its sole discretion, with Blackstone able to make fair and equitable 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 BAS 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 BAS 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 companies) 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 BAS 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 BAS Funds.

## **BTIG**

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

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

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

## **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 BAS 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 BAS Clients, Other Blackstone Clients and their portfolio companies and Blackstone.

## Potential Mitigants

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

- Investment decisions are overseen by the BAS Investment Committee or Portfolio Managers as applicable for the particular BAS Fund based on internal protocols. BAS maintains written policies and procedures relating to allocations among BAS Clients.
- In certain circumstances where Blackstone, directly or indirectly, holds an interest in an Underlying Manager, BAS or one of its affiliates may rebate or waive its fees or other revenues relating to the investment by a BAS Fund with such manager. For example, BSAA's portion of the fees generated from a BAS Fund's investment with a fund or account managed by a SAF Manager, including co-investments, are rebated to such BAS Fund. (The BSAA Fund investors retain their portion of the fees.) There typically is no rebate in the case of a BAS Fund's investment with a GP Stakes Fund unless the BAS Fund is subject to ERISA. Generally, BAS Funds only will invest in funds managed by Underlying Managers funded by the Strategic Alliance Funds after a seasoning period (generally six months after the Strategic Alliance Funds' initial investment). This seasoning period does not apply to co-investments. When BAS Funds invest in / redeem out of a Underlying Investment Vehicles managed by a SAF Manager or a GP Stakes Manager, designated senior management of BXMA must review such transactions, in addition to the usual investment committee and allocation committee approvals.
- BXMA maintains detailed policies and procedures relating to allocations of expenses among their Funds. BXMA's allocation policy is available to be viewed upon request.
- Any purchases, sales or transfers between BAS Funds will be effected based upon the current market price, fair market value or net asset value of the investment, will be effectuated in compliance with the Advisers Act and will be subject to the approval of BAS's GC or Chief Compliance Officer (among others) in accordance with BAS's cross trade policies and procedures
- Generally, pursuant to BAS's written allocation policies and procedures, certain co-investments are made available after BAS, in its sole discretion, has determined that the BAS Funds have received their desired allocations and there remains excess capacity.
- All BAS employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with BXMA Compliance and Blackstone Compliance. Upon hire, all BAS employees must report all hedge fund holdings. After hire, all BAS employees must receive approval for additional subscriptions to, or withdrawals from, their hedge fund holdings.
- BAS has detailed policies and procedures relating to the use of private information, information sharing and information walls in general. Additionally, BAS Compliance provides a list of potential value added investors to BXMA senior management on a periodic basis.
- Any use of Service Providers will be in accordance with the Client Constituent Documents and applicable law. Blackstone has a general practice of not having lower fee arrangements for BAS and Other Blackstone Advisers as compared to fees paid by the BAS Funds for similar services.

## ITEM 11 - CODE OF ETHICS

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- BAS personnel that work on the investment programs of Other Blackstone Clients allocate their time on a basis that BAS deems to be fair and equitable.

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

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

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

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## Item 12 – Brokerage Practices

### General Considerations

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

BAS uses brokerage services in connection with hedging transactions and investment transactions, as necessary. In selecting Brokers to effect portfolio transactions, BAS will seek to obtain the best execution for the BAS 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 Broker firm's risk in positioning a block of securities; (v) the quality, comprehensiveness and frequency of available research and brokerage related services and products ("Research Services"); (vi) the broker's willingness to commit capital; (vii) trading expertise; (viii) clearance, settlement and custodial services; (ix) other financial services offered; and (x) the competitiveness of commission rates in comparison with other brokers satisfying other selection criteria of BAS. BAS is generally not required to weigh these factors equally. Subject to seeking best execution, BAS may consider other factors.

### Research and Other Soft Dollar Benefits

Research 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 BAS in the performance of its investment decision-making responsibilities.

BAS presently does not utilize "soft dollars" (i.e., consideration other than cash is exchanged for services) to pay for third-party brokerage services but may do so in the future to the extent that they fall within the safe harbor provided by Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended and subject to prevailing guidance provided by the SEC regarding Section 28(e). BAS may also engage in "commission sharing," in the future, which is a practice whereby BAS pays a broker-dealer for trade execution and requests that the broker-dealer allocate a portion of the commission to third-party providers of research or other products or services. Underlying Managers may use "soft dollars" both within and outside of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, to obtain both research and non-research products and services.

### Brokerage for Client Referrals

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

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

## Block Trading Procedures

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

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

## Principal Trading

- BAS generally does not engage in principal transactions. To the extent that it did, BAS will comply with the requirements of Section 206(3) of the Advisers Act.

## Cross Transactions – Agency Cross Transactions

- BAS has engaged, and may in the future engage, in cross transactions to the extent permitted by, and in accordance with, the Client Constituent Documents and not prohibited by all applicable laws and regulations. BAS generally does not engage in agency cross transactions. To the extent that BAS engages in an agency cross transaction, BAS will comply with the requirements of Section 206(3) of the Advisers Act.

## Investment Allocations

- Certain investment opportunities are appropriate for one or more BAS Clients and/or Other Blackstone Clients. BAS will determine allocations of such investment opportunities as among the BAS Funds in accordance with its written allocation policies and procedures as determined by BAS in its sole discretion.
- BAS and the Other Blackstone Advisers are subject to actual and potential conflicts of interest in allocating investment opportunities among one or more BAS Funds and Other Blackstone Clients. For example, the BAS Funds may have different management and/or incentive fee structures. As part of the investment allocation process, BAS 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 BAS Clients and Other Blackstone Clients please refer to [Item 11 – Code of Ethics – Blackstone-wide Policies, Procedures and Guidelines](#).

## Co-investment Allocations

BAS from time to time, in its sole discretion, offers certain BAS Funds, , Other Blackstone Clients and/or third parties (including, without limitation, principals and employees of BAS and its affiliates) the opportunity to co-invest alongside certain BAS Funds and/or certain Other Blackstone Clients in one or more investments. Generally, pursuant to BAS's written allocation policies and procedures, such co-investments are made available after BAS has determined, in its sole discretion, that certain BAS Funds have received their desired allocation and there remains excess capacity. Subject to such allocation policies and procedures, BAS is under no obligation to offer any particular investor(s) co-investment

opportunities and has the right to offer such opportunities to one or more investors or other clients and accounts on a priority basis in its sole discretion.

## **Trade Errors**

Trade errors are evaluated on a case-by-case basis. In the case of a trade error committed by BAS, the gain or loss from the error will be allocated to the BAS Funds; provided, however, if BAS determines that its gross negligence, willful misconduct or fraud was the direct cause of the trade error, BAS will generally compensate the BAS Funds for any losses resulting from the error. BAS will have a conflict of interest in determining whether a trade error should be borne by BAS or allocated to the BAS Funds.

Subject to the standard of care in the agreement between BAS and the applicable Underlying Manager, broker or other third party, if an Underlying Manager, broker or other third party causes a trading error, BAS may seek to recover the amount of loss from the Underlying Manager, broker or other third party for the BAS Fund but will not be obligated to do so. BAS does not assume responsibility for compensating the BAS Funds, or assuring that the Underlying Manager, broker or other third party compensates the BAS Fund, in such cases.

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

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

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

- an incorrect trade order that is identified and corrected prior to settlement, as long as there is no negative economic impact to the BAS Funds;
- the error is the fault of an executing broker-dealer, custodian, or other counterparty (irrespective of whether BAS seeks compensation on behalf of the BAS Funds from such parties);
- the purchase or sale of the security or financial instrument is reallocated to another fund prior to settlement in accordance with BAS's allocation policies and procedures;
- the purchase or sale of the security or financial instrument violates restrictions arising from a contractual obligation to a third party other than the applicable BAS Funds (e.g., a standstill agreement);

- The purchase or sale of the security or financial instrument violates restrictions arising from a contractual obligation to a third party other than the applicable client (e.g., a standstill agreement);
- incorrect over- or under-allocations of securities or financial instruments;
- an investment that does not perform favorably but otherwise complies with applicable contractual requirements;
- the error does not result in a transaction in the BAS Funds (such as an error that results in the loss of an investment opportunity);
- if the governing documents of the BAS Funds expressly provide for the right of BAS to cure (e.g., annul the trade error), and BAS cures in accordance therewith;
- errors resulting from unavailability of (or disruptions in) electronic services or other force majeure events;
- the applicable Investor ratifies the trade in writing; and
- good faith errors in judgment in making investment decisions for the BAS Funds, which include errors in securities analysis and, for quantitative / systematic strategies, errors in writing computer code that relate to the process by which investment decisions are made for the BAS Funds (i.e., errors that reflect subjective judgments or mistakes made at the time of programming, concern the process of constructing an investment strategy, and are not associated with nor result in a particular trade).

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## Item 13 – Review of Accounts

### The Investment Committees

The BAS Investment Committee is comprised of select BXMA and Blackstone senior personnel. Investment decisions are overseen by the BAS Investment Committee or Portfolio Managers as applicable for the particular BAS Fund based on internal protocols. From time to time, Underlying Managers are authorized to invest a portion of certain BAS Fund's assets under management on a discretionary basis.

Investment decisions are based on a variety of criteria including, but not limited to:

- The expected performance of the investment
- Availability of cash
- Liquidity needs
- BAS Fund investment objectives
- BAS Fund risk parameters
- General capacity
- Reputation of the principals of the Underlying Manager, if applicable
- Tax efficiency
- Investment limits
- Diversification guidelines
- Operational factors
- Legal and regulatory factors

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

### Monitoring Process

As applicable, the BAS Investment Committee, Portfolio Managers and the BAS investment team monitor the performance of the BAS 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



## **Fund Investor Reporting**

BAS will furnish to its Investors audited financial statements on an annual basis and unaudited monthly capital statements on a monthly basis. Certain Investors have requested, and may request in the future, information from BAS relating to the BAS Funds and, to the extent such information (i) is readily available or may be obtained without unreasonable effort or expense and (ii) is not subject to a confidentiality obligation on the part of BAS or the BAS Funds, BAS has provided, and will generally provide in the future, such Investors with the information requested, subject in all cases to compliance by BAS with its disclosure and fiduciary obligations under applicable law. BAS will provide such information to any Investor that requests it. Investors that request and receive such information consequently possess information regarding the business and affairs of the BAS Funds that is generally not known to other Investors subject in all cases to compliance by BAS with its disclosure obligations under applicable law.

In generating investor reports, BAS generally will rely, in part, on information provided by the Underlying Managers.

## **BAS Operations Team**

The BAS Operations Team oversees the performance of the Administrator on a daily basis, and performs various reviews of the Administrator's records and internal procedures. At month end, the BAS Operations Team performs a review of the components of the net asset value in order to sign off on the month-end net asset value, including the capital / shareholder statements.

## **BAS Funds' Administrator**

The BAS Funds' Administrator is responsible for maintaining the official books and records of the BAS Funds with the oversight of the BAS Operations Team. This responsibility includes, but is not limited to, performing daily cash and position reconciliations to custodians, prime brokers and counterparties and valuation of investments. At month end, the BAS Funds' Administrator independently determines the net asset value of the BAS Funds, including income and expense / fee accruals, and produces the final investor allocations and capital / shareholder statements.

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## Item 14 – Client Referrals and Other Compensation

While not an arrangement for client referrals, BAS 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 BAS Funds to certain potential investors. BAS 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 BAS Funds, and such fees generally do not reduce fees such as Management Fees paid in connection with an investment in a BAS Fund. The BAS Funds may agree to reimburse third-party placement agents for expenses and/or agree to indemnify such agents under certain circumstances. With respect to expenses relating to the diligence and negotiation of placement agent arrangements, please see [Item 5 – Fees and Compensation](#).

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

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## Item 15 – Custody

Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) defines custody as holding client securities or assets or having any authority to obtain possession of them. BAS Funds structured as partnerships generally have a BAS affiliate acting as general partner and, as such, BAS is deemed to have custody of the BAS Funds’ assets. For the BAS Funds that are not structured as partnerships, BAS also is typically deemed to have custody of the Funds’ assets since BAS has access to BAS Fund assets for trading purposes and to pay expenses. BAS generally complies with the Custody Rule by providing all investors in a BAS Fund with audited financial statements within 120 days of the BAS Fund’s fiscal year end; provided that if the BAS Fund is deemed a fund of funds, BAS will provide all investors in the BAS Fund with audited financial statements within 180 days of the BAS Fund’s fiscal year end.

A portion of certain BAS Funds’ assets are comprised of interests in Underlying Investment Vehicles, represented by a subscription agreement. BAS Funds typically utilize a third-party, independent custodian to hold the Funds’ subscription agreements for these investments in Underlying Investment Vehicles.

Unless an exception applies, a BAS Fund’s assets will typically be held in the name of the BAS Fund with a Qualified Custodian such as a bank or broker-dealer.

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## Item 16 – Investment Discretion

### Investment Guidelines

Investment decisions are made within the investment guidelines as described in each Client Constituent Documents. BAS generally has discretion in determining the investment opportunities in which the BAS Funds may invest and divest and the amount of such investments and divestments.

Multiple BAS Funds invest in the same investment opportunities and with the same Underlying Managers. If two or more BAS Funds wish to invest in, sell or redeem from the same investment opportunities or Underlying Manager at the same time, BAS will implement such decisions in accordance with BAS's allocation policies and procedures (see [Item 12 – Brokerage Practices](#) for further details).

### Types of Investments

BAS has broad discretion to make investments within the guidelines of the Client Constituent Documents. BAS Funds typically invest in a broad range of Underlying Investment Vehicles and direct investments involving equity securities, equity-related instruments, debt, debt-related instruments, hard assets, currencies, and other financial instruments, securities transactions and other instruments, including but not limited to futures, forwards, spot contracts, options, swaps, short sales and other derivative contracts and similar instruments.

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

From time to time, BAS Funds acquire and hold, directly or indirectly, assets or securities that are illiquid, including for example, where an Underlying Manager determines to side pocket all or a portion of an investment. Direct investments and Underlying Investment Vehicles have been and may in the future be themselves illiquid investments. BAS, in its sole discretion, and in accordance with the applicable Client Constituent Documents, may treat these investments (including Underlying Investment Vehicles) as "side pockets" and Investors may be issued a separate series of shares or ownership interests to represent a side pocket.

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

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

The SEC adopted Rule 206(4)-6 under the Advisers Act, which requires registered investment advisors that exercise voting authority over client securities to implement proxy voting policies. In compliance with such rule, BAS has adopted proxy voting policies and procedures. Underlying Managers also are expected to adopt and implement proxy voting policies and procedures that comply with the requirements of Rule 206(4)-6, to the extent applicable, and generally will be responsible for exercising voting discretion over proxies with respect to the investments they manage.

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

In the case of interests held by BAS clients in pooled vehicles, the general policy is for BAS to vote proxy proposals in a manner that serves the best interests of the BAS clients, determined by BAS in its discretion.

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

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## **Item 18 – Financial Information**

BAS 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 BAS Funds.

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

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