

Item 1: Cover Page

BLACKSTONE DEBT ADVISORS L.P.

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as of March 29, 2016

Part 2A of Form ADV (the “**Disclosure Brochure**” or “**Brochure**”), as required by the Investment Advisers Act of 1940 (the “**Advisers Act**”), provides important information about Blackstone Debt Advisors L.P. (“**BDA**”), a registered investment adviser with the Securities and Exchange Commission (the “**SEC**”).

This Brochure provides information about BDA’s qualifications and business practices. If you have any questions about the contents of this Brochure, please contact BDA at +1 (212) 503-2100. Additional information about BDA is also available on the SEC’s website, www.adviserinfo.sec.gov (click on the link “Investment Adviser Search,” select “Firm” and type in BDA’s name). Results will provide you with Parts 1 and 2A of BDA’s Form ADV.

The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. BDA’s registration as an investment adviser does not imply a certain level of skill or training. The oral and written communications provided to you, including this Brochure, may be used to evaluate BDA and should be considered in your decision to hire BDA or to continue to maintain a mutually beneficial relationship.

Item 2: Material Changes

This Brochure contains important information about BDA. This Brochure is intended to provide potential and existing clients with an overview of BDA (together with its affiliated advisory entities that operate as part of the credit-focused business of The Blackstone Group L.P., “**GSO**,” and together with its affiliated advisory entities that operate as part of the overall business of The Blackstone Group L.P., “**Blackstone**”). It also contains important disclosures such as certain practices of BDA, potential material conflicts that may arise and key potential investment risks. BDA may, at any time, update this Brochure and either send or offer to send a copy to you (either by electronic means (email) or in hard copy form).

The information below is a summary of only the material changes to this Brochure since the last annual update, dated March 25, 2015.

On July 1, 2015, Douglas I. Ostrover, one of the founding members of GSO, stepped down from his existing position as a Senior Managing Director of Blackstone.

On October 1, 2015, as part of an internal reorganization, GSO replaced its general partner with another Blackstone owned and controlled general partner. There is no change to the actual ownership and control of GSO as a result of this reorganization.

On March 11, 2015, Eric Rosenberg, GSO’s Chief Financial Officer, stepped down and was replaced by Doris Lee-Silvestri.

In addition, please carefully read Item 5, which expands upon the allocation of Broken Deal Expenses, and Item 12, which expands upon our brokerage practices, our allocation and aggregation policy, and trade errors, respectively.

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Item 4: Advisory Business

BDA serves as investment manager for pooled investment vehicles operating as private investment funds, including open-ended funds, closed-ended funds, draw down funds and funds in which affiliates or employees of BDA invest alongside such other private investment funds (the “**Funds**”). In addition, BDA provides sub-advisory services to other investment advisers (the “**Adviser Clients**”) who in turn advise their clients, which include registered investment companies. Also, BDA provides investment advisory services to individually-managed accounts (the “**Managed Accounts**”). The Funds, Adviser Clients, and the third party investors in or owners of such Managed Accounts shall be referred to herein as the “**Clients**”. Affiliates of BDA serve as general partner (each, a “**General Partner**”) of certain of the Funds.

GSO was founded in July 2005 by Bennett J. Goodman, J. Albert (Tripp) Smith III and Douglas I. Ostrover. On March 3, 2008, Blackstone acquired a controlling stake in GSO. Effective July 1, 2015, Mr. Ostrover stepped down from his position as a Senior Managing Director of Blackstone.

BCLO Advisors L.L.C. is the general partner of BDA. Blackstone Holdings I L.P. is the sole member of BCLO Advisors L.L.C. Blackstone Holdings I/II GP Inc. is the general partner of Blackstone Holdings I L.P. The Blackstone Group L.P. (“**Blackstone**”) is the controlling shareholder of Blackstone Holdings I/II GP Inc. Blackstone is a publicly traded entity on the New York Stock Exchange (Ticker: BX).

BDA provides investment advice to Clients primarily in respect of investments in first lien loans, second lien loans, high yield bonds, distressed securities, mezzanine securities, public and private equity, and derivatives in respect of the foregoing. BDA may provide advice with respect to direct lending loan origination or may provide advice with respect to trading of syndicated and actively traded loans or securities.

In certain situations, BDA is able to tailor its advisory services and investments based on specific Client objectives and/or investment strategies as discussed with such Client. BDA is available to discuss such customized investment strategies or individually-managed accounts with existing and potential clients upon request.

BDA’s regulatory assets under management were approximately \$1.4 billion as of December 31, 2015, all of which were managed on a discretionary basis.

Item 5: Fees and Compensation

For its investment advisory services provided to Funds, BDA or an affiliated entity may receive a management fee at an annual rate of up to 2% of either the net assets or invested capital, which may include capital borrowed from leverage providers, pursuant to the offering and/or governing documents, which are provided to prospective investors. Fees for the Adviser Clients are disclosed in the relevant investment management service agreement, to which the relevant Adviser Client is a party, and in the relevant offering documents. Fees for the Managed Accounts are disclosed in the relevant investment management agreement, to which the relevant account owner is a party.

While BDA's policy is that its fees are not negotiable, BDA reserves the right to waive or reduce its fees for certain investors. For example, certain affiliates or employees of Blackstone, current or former senior advisors, employees and retired partners of Blackstone, investment funds advised by Blackstone Multi-Asset Advisors L.L.C. ("BMAA"), employees of PJT Partners Inc. and certain other Blackstone funds and/or charitable programs, endowment funds and related entities established by or associated with any of the foregoing ("BDA Investors") that are investors in the Funds do not pay management fees. Further, the existence of differing management fees for Clients of BDA or its affiliates trading side-by-side may create a conflict of interest for BDA and its affiliates with respect to the allocation of investment opportunities. BDA has a trade allocation policy (see **Item 16 – Investment Discretion**) that addresses this potential conflict of interest.

Generally, the management fee payable by a Client to BDA will be reduced by all or a portion (as disclosed in the offering and/or governing agreements of the relevant Client) of any placement, origination or other transaction fees (including commitment, closing, amendment, waiver, directors', topping, organizational, break-up or other similar fees in respect of a Client's purchase, monitoring or disposition of an investment) received by BDA for transactions effected for such Client's account.

Management fees are generally payable monthly or quarterly in arrears. BDA may elect to defer payment of all or part of the management fee. Management fees are generally deducted from the applicable Fund assets and may be deducted from the Client assets. Alternatively, certain Clients may be invoiced for such management fees.

The offering and/or governing documents of each Client provide a description of any additional fees and expenses for which such Client may be responsible in addition to the management fees and any performance-based allocations or fees (see Item 6 below), except in the case of Clients that are owners of Managed Accounts, in which case such disclosure is included in the investment management agreement between BDA and such Clients. Subject to the applicable offering and/or governing documents, each Client will generally be responsible for such Client's organizational expenses, including, without limitation, legal, accounting, filing, capital raising, travel and entertainment expenses incurred in connection with the Client's investment activities (including expenses for first

class and/or business class airfare (and/or private charter, where appropriate), expenses for first class lodging, ground transportation, travel and premium meals (including closing dinners and mementos, cars and meals (outside normal business hours) and social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers) and other organizational expenses, as well as organizational expenses of any related investment vehicles and any parallel funds. In the case where a Client engages a placement agent (which may be affiliated with BDA or an unaffiliated third party) to market and sell interests or shares in such Client to prospective investors, to the extent placement agent fees are paid by such Client, the management fees payable by such Client are expected to be reduced dollar-for-dollar by the amount of such placement agent fees paid, as set forth in such Client's offering and/or governing documents.

BDA and its personnel can also be expected to receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Clients, which will not be subject to management fee offset or otherwise shared with the Clients, investors and/or portfolio companies. For example, airline travel or hotel stays incurred as fund expenses may result in "miles" or "points" or credit in loyalty/status programs, and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to BDA and/or such personnel (and not the Clients and/or portfolio companies) even though the cost of the underlying service is borne by the Clients and/or portfolio companies.

Certain Blackstone personnel may be seconded to one or more portfolio companies and provide finance and other services to such portfolio companies and the cost of such services will be borne by the portfolio companies. To the extent Blackstone receives any fees or expense reimbursement from the portfolio companies with respect to such personnel, they will not result in any offset to the management fee payable by the relevant Clients.

In addition, each Client will be responsible for all expenses related to its operation, including all costs and expenses of maintaining the operations of the Fund and its investments paid by or on behalf of the Fund, including, without limitation:

- (i) expenses relating to compliance-related matters and regulatory filings (including, without limitation, expenses relating to the preparation and filing of Form PF, filings required under the U.S. Investment Advisers Act of 1940, the Dodd-Frank Wall Street Reform Act or the U.S. Securities Act of 1933, Treasury International Capital form filing (including, without limitation, Form SLT), filings under "blue sky" laws, reporting under the Common Reporting Standard, Internal Revenue Service filing under the Foreign Account Tax Compliance Act provisions of the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, as well as Report of Foreign Bank and Financial Accounts filing requirements applicable to such Client, reports to be filed with the U.S. Commodity Futures Trading Commission ("CFTC"), reports, disclosures, filings, and notifications

prepared in accordance with the Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers (“AIFMD”) and/or the European Securities and Markets Authority, filings required by the Bureau of Economic Analysis (including, without limitation, Form BE-13 filings) and any other regulatory filings of such Client or BDA relating to such Client’s activities), in each case, attributable to such Client or such Client’s operations (including, without limitation, the marketing of interests in such Client);

- (ii) legal, filing, regulatory, compliance, auditing, consulting, engineering, accounting, loan servicing and other professional fees and expenses (including, without limitation, fees and expenses of valuation experts, senior advisors, industry experts, operating partners and other similar professionals);
- (iii) administration fees and expenses, whether provided by a third party or by BDA or an affiliate of BDA, as may be disclosed in the offering and/or governing documents of each such Client;
- (iv) research-related expenses, including, without limitation, news and quotation equipment and services, information service subscriptions and research-related travel (which may include expenses for first class or business class travel), meal and lodging;
- (v) costs of portfolio management and accounting systems;
- (vi) expenses associated with information, technology, communication and reporting(which may include internally allocated charges);
- (vii) expenses associated with the preparation of financial statements, tax returns and Schedules K-1 and the tax matters partner (or partnership representative) representation of such Client or its investors;
- (viii) the costs of insurance in respect of any litigation, director and officer liability or otherwise;
- (ix) interest and other fees and expenses incurred in respect of borrowings and indebtedness (including, without limitation, any credit facility, guarantee, letter of credit or other credit support) made by such Client, if any;
- (x) investment-related expenses associated with the carrying or management of such Client’s investment portfolio, including, without limitation, discovering, investigating, analyzing, developing, structuring, trading, acquiring, holding, monitoring, hedging and disposing of such Client’s investments, or potentially unconsummated investments (“**Broken Deal Expenses**”) (including, without limitation, any brokerage commissions, custody fees, clearing and settling charges, private placement fees, syndication fees, solicitation fees, arranger fees, sales commissions, pricing and valuation fees (including, without limitation, appraisal fees), research fees, underwriting commissions and other costs, transaction fees, breakup fees, investment banking fees, custodial, trustee, transfer agent, recordkeeping and other administrative fees and expenses, origination fees, commitment fees, collateral management fees, facility fees, float fees or similar fees, interest expenses and investment-related travel (which may include expenses for

- first class or business class travel), meal and lodging expenses (including, without limitation, attending conferences in connection with the evaluation of investments));
- (xi) the costs and expenses incurred in connection with the development of any investment or a portfolio company's assets, including the employment of third-party consultants or engineers;
 - (xii) the costs and expenses of any custodians, lenders, investment banks and other financing sources;
 - (xiii) any indemnification or extraordinary expenses or other liabilities relating to the affairs of such Client (including, without limitation, advances of fees and expenses to covered persons that may be subject to a right of indemnification under such Client's offering and/or governing documents);
 - (xiv) the costs and expenses of any litigation or governmental inquiry, examination or investigation involving such Client or any person in which such Client holds an investment and the amount of any judgments or settlements paid in connection therewith (including, without limitation, in connection with formal and informal inquiries, sweep examinations and any type of similar regulatory and/or governmental requests);
 - (xv) expenses related to a default or a transfer of interest by an investor of such Client (to the extent not paid by such investor);
 - (xvi) expenses of winding-up such Client and liquidating its assets;
 - (xvii) any taxes, fees or other governmental charges levied against such Client and all expenses incurred in connection with any tax audit, investigation, settlement or any other review of such Client;
 - (xviii) expenses of any meetings of such Client (including, without limitation, any third-party or other advisory committee meetings and investor meetings and conferences);
 - (xix) similar expenses in connection with such Client's feeder funds and special purpose entities; and
 - (xx) travel and entertainment expenses in connection with the Funds' investment activities (including first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including closing dinners and mementos, cars and meals (outside normal business hours), social and entertainment events with portfolio company management, customers, clients, borrowers, brokers and service providers)).

The foregoing categories of fees and expenses will be borne by such Client regardless of whether the person or entity providing or performing the service or product giving rise to such fees and expenses is BDA, any of its affiliates or an unaffiliated third party.

For certain Clients, BDA also is permitted to charge back a portion of the cost of overhead expenses attributable to the management of or operations related to such Clients, subject to any limitations set forth in such Clients' offering and/or governing documents. For example, with respect to a Client that is administered by BDA or an affiliated entity, such Client may be responsible for fees and expenses charged or specifically allocated by BDA or

such affiliated entity to provide administrative services to such Client. Any such fees and expenses will not be greater than what would be paid to an unaffiliated third party for substantially similar services as determined by BDA and may be subject to other limits set forth in the offering and/or governing documents of the relevant Client.

To the extent that any fees and expenses were incurred on behalf of more than one Client, each Client will generally bear an allocable portion of any such fees and expenses on a *pro rata* basis (as determined by BDA) in proportion to such Client's percentage interest in the investment to which such fees and expenses relate (subject to each Client's offering and/or governing documents), or in such other manner as BDA considers fair and equitable. Broken Deal Expenses will be allocated among one or more Clients based on BDA's assessment of the likely allocation of the prospective investment, taking into account the then available facts and circumstances. Such allocation will occur regardless of whether Client consent was sought or received in those cases where Clients have investment opt out or consent rights. Notwithstanding the foregoing, BDA or an affiliated entity may structure a co-investment opportunity such that the proposed participants (including any vehicle established in connection with Blackstone's side-by-side co-investment rights as provided in a Client's offering and/or governing documents) in such co-investment opportunity do not bear any Broken Deal Expenses and may not be allocated any share of related break-up or topping fees. In most cases, BDA expects that proposed participants in co-investments, other than identified other clients of BDA and/or Blackstone, will not bear Broken Deal Expenses (such as legal fees, reverse termination fees, extraordinary expenses such as litigation costs and judgments and other expenses), with the result that only the relevant Client and such identified other clients of BDA and or/ Blackstone will bear all such Broken Deal Expenses. In a situation where an investment opportunity was expected to be allocated among two or more Clients but the allocation determination in respect of such investment had not yet been made before the incurrence of Broken Deal Expenses (such a situation, an "**Unallocated Deal**"), a Client may be expected to bear a more than the *pro rata* share of the expenses it would have borne had the investment opportunity been executed.

No Client is required to pay any fees in advance.

No employee of BDA accepts, or otherwise directly receives, any compensation for the sale of securities or other investment products.

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

In addition to the management fees and other fees described in Item 5 above, BDA or one of the General Partners may receive a performance-based allocation or fee of up to 20% of each Client's profits, subject in certain but not all cases to a loss carryforward provision or clawback provision, as applicable. Performance-based allocations or fees may be based on either realized or unrealized profits attributable to a Client, and all performance-based allocations for the Funds will be disclosed in the relevant offering and/or governing documents of each Client.

While BDA's policy is that its performance-based allocations or fees are not negotiable, BDA reserves the right to waive or reduce such allocations or fees for certain investors. However, in no circumstance will BDA cause the allocation or fee to be increased for one investor as the result of the waiving or reduction of such allocations or fees for another investor. For example, certain BDA Investors in the Funds do not bear any performance-based allocation or fee, and that fact does not impact the allocations or fees borne by other investors.

Note that the existence of a performance-based allocation or fee may incentivize BDA to manage a Client's assets in a manner that is more aggressive than it would in the absence of such allocation or fee. Further, the existence of differing performance-based allocations or fees for Clients of BDA or its affiliates trading side-by-side may create a conflict of interest for BDA and its affiliates with respect to the allocation of investment opportunities. However, BDA manages each Client's assets in accordance with the investment strategy disclosed in each Client's offering and/or governing documents to help ensure that investors are aware of the investment strategy and the risks associated with such strategy. BDA also has a trade allocation policy (see **Item 16 – Investment Discretion**) that addresses this conflict of interest.

As described in the respective offering and/or governing documents of each Client, performance-based allocations or fees are generally allocated or paid, as the case may be, either at the end of each fiscal year or upon the making of any distribution to investors to which a performance-based allocation or fee relates.

Item 7: Types of Clients

BDA generally provides its services and markets its Funds and Managed Accounts to a limited number of sophisticated investors, namely institutional investors and high-net worth individual investors capable of understanding the risks of their investments, including the following types of investors:

- 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 and funds of funds
- High net worth individuals
- Corporations
- Business entities other than those listed above

BDA (a) must have a reasonable belief that potential investors invited to participate in Funds or other products meet certain eligibility requirements and (b) in each case must satisfy certain compliance procedures (including anti-money laundering procedures), prior to accepting any subscription or investment amount. In addition, any separate maintenance or other investment-related provisions (*e.g.*, minimum account sizes, minimum fee amounts, etc.) will be provided in the offering and/or governing documents of each Fund or Managed Account, which are made available to each potential investor prior to investment.

BDA also provides its services to registered investment companies (or Client Advisers who, in turn, provide services to registered investment companies) that are marketed to retail investors.

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

BDA's investment process for evaluating potential opportunities and investments may include a variety of proprietary and non-proprietary research models and methods of analyses, and a variety of both internal and external resources, such as financial newspapers and magazines, research, and reports provided by third parties and corporate ratings services. In addition, BDA generally conducts an in-depth review of the target companies/investments, tailored to the target and type of potential investment BDA is considering. Such reviews may include, without limitation, (i) analyses of corporate activities and financials, (ii) reviews of annual reports, prospectuses and other filings with the SEC, if any, and (iii) where appropriate, interviews and meetings with senior management of potential target companies.

Generally, BDA seeks to capitalize on both long- and short-term inefficiencies in the market by investing across a spectrum of products, often employing a bottom-up analysis, utilizing market technical and fundamental analyses to select investments. There may be occasions when (consistent with applicable Client guidelines), the strategy may be weighted to deep value or be more opportunistic and seek short term gains. The types of investments pursued by a particular Fund or Managed Account may be customized based on Client guidelines.

The specific investment strategy and corresponding method of analysis for each Client will be specified in the offering and/or governing documents of such Client. A brief description of certain investment strategies employed by BDA is provided below.

Event Driven Strategy – seeks to generate attractive risk-adjusted returns by investing primarily in a broad array of securities within the corporate credit market. BDA may invest in both public and private non-investment grade and non-rated securities, including leveraged loans, high yield bonds, distressed securities, common and preferred equity securities, and credit derivatives. BDA offers exposure to this strategy in a hedged, liquid and less concentrated form, or in an un-hedged and more concentrated form, often with less liquidity and greater potential risk.

Mezzanine Strategy – seeks to make privately negotiated investments in the leveraged finance marketplace with an emphasis on providing junior capital to companies in connection with leveraged buyouts, acquisitions, recapitalizations and growth financings.

Capital Solutions Strategy – seeks to provide privately negotiated capital solutions to companies in need of liquidity or capital structure transformation due to, among other things, pending covenant violations, debt maturities, market dislocation, cyclical downturns in their businesses or other funding requirements.

Energy – seeks to generate attractive risk-adjusted returns by originating and investing in transactions in the energy sector and various energy sub-sectors across the capital

structure, primarily in debt and preferred equity. The various energy sub-sectors in which investments will be targeted will include, but not be limited to, exploration and production of oil and natural gas, coal, midstream, energy services, refining and marketing, power generation and other commodity-driven sectors.

Direct Lending – seeks to source privately originated investments with the goal of delivering attractive risk-adjusted returns with strong downside protection, while generating current income through primarily stable, performing credit investments. The strategy intends to focus on investments that are senior in the capital structure and typically secured, with a majority of the assets expected to be floating rate instruments.

Managed Accounts – manage customized individual portfolios for select large institutional clients.

Prospective investors are advised to review the applicable Fund offering materials for a more extensive description of the risks of investing in the Funds.

An investment in a Fund or a Managed Account entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks associated with an investment in a Client and bearing the risks such investment represents. The offering and/or governing documents of each Client will contain detailed descriptions of certain of the risks associated with an investment in a Client. Below are a few of the key risks associated with such investments:

1. Loss of all or part of investment
2. No assurance of investment return
3. Changes in legal, fiscal and regulatory regimes
4. Lack of liquidity of client interests
5. Litigation risk
6. Highly competitive market for investment opportunities
7. Reliance on BDA and certain of its professionals and employees
8. Misconduct of employees and of third party service providers
9. General economic and market volatility
10. Nature of debt and credit investments, including credit securities, senior debt, mezzanine debt, distressed investments and restructurings
11. Nature of equity or equity-related investments
12. Risk of under/overvaluation
13. Risks related to use of leverage by certain clients
14. Lack of diversification of investments
15. Non-U.S. Investments
16. Cybersecurity breaches and identity theft
17. Nature of hedging or derivative instruments
18. Unspecified investments
19. Operating and financial risks of portfolio companies
20. Currency fluctuation

21. Valuation matters (see Item 10 – Valuation Matters for more information)
22. Risks arising from ERISA including potential control group liability
23. Cross incurrence of indebtedness or guarantees on a several, joint and several or cross collateralized basis (see Item 12 – Investments in Portfolio Companies Alongside Other Clients for more information)
24. Cross collateralization of investments (see Item 12 – Investments in Portfolio Companies Alongside Other Clients for more information)
25. CFTC registration requirements and compliance with the AIFMD
26. Enhanced scrutiny and potential regulation of the private investment fund industry and the financial services industry (including Dodd-Frank)

Prospective investors are advised to review the applicable Fund's offering documents for a more extensive description of the risks of investing in the Funds.

The debt and equity markets fluctuate substantially over time, and performance of any investment is not guaranteed. Clients and investors should also be aware that investments that BDA believes are likely to generate higher returns are generally accompanied by greater risk and volatility. There is a risk of loss of the assets that BDA manages that may be out of BDA's control. BDA cannot guarantee any level of performance or that investors in the Clients will not experience a loss of their account assets. There is no assurance that the Funds or Managed Accounts will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategy. Both the ability to realize investments and the value of investments (regardless of whether realized) will depend upon many factors beyond the control of the Clients or BDA. The expenses of the Clients may exceed their income, and an investor in a Client could lose the entire amount of its contributed capital. Therefore, an investor should invest in a Fund or Managed Account only if the investor can withstand a total loss of its investment. The past investment performance of a Fund or Managed Account cannot be taken to guarantee future results of a Fund or Managed Account or any investment by or in a Fund or Managed Account.

Item 9: Disciplinary Information

On occasion, in the ordinary course of its business, BDA is named as a party to certain lawsuits in connection with its management of the Funds and Managed Accounts. Although there can be no assurances of the outcome of any such legal action, BDA does not believe that any current or pending litigation to which it or its affiliates is a party is material or otherwise would have a material adverse effect on its BDA or its Clients.

Item 10: Other Financial Industry Activities and Affiliations

From time to time, various potential and actual conflicts of interest arise from the overall advisory, investment and other activities of BDA, its affiliates and personnel (each an “**Advisory Affiliate**” and, collectively, the “**Advisory Affiliates**”). The following briefly summarizes some of these conflicts, but is not intended to be an exhaustive list of all such conflicts. **Investors are advised to review the applicable Client offering and/or governing documents for a more extensive description of the potential conflicts of interest applicable to each Client.**

Blackstone Policies and Procedures. Certain policies and procedures implemented by Blackstone to mitigate potential conflicts of interest and address certain regulatory requirements and contractual restrictions will from time to time reduce the synergies across Blackstone’s various businesses that the Clients expect GSO to draw on for purposes of pursuing attractive investment opportunities. Because Blackstone has many different asset management and advisory businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In addressing related conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures (e.g., information walls) that reduce the positive synergies that Clients expect GSO to utilize for purposes of managing its Clients’ investments. For example, Blackstone will from time to time come into possession of material non-public information with respect to companies in which a Client may be considering making an investment or companies that are Blackstone’s advisory clients. As a consequence, that information, which could be of benefit to such Client, is likely to be restricted to those other businesses and otherwise be unavailable to such Client, and will also restrict such Client’s activities. Additionally, Blackstone may restrict or otherwise limit one Client and/or its portfolio companies from entering into agreements with, or related to, companies of any client of Blackstone and/or from time to time restrict or otherwise limit the ability of a Client and/or its portfolio entities to engage in businesses or activities competitive with companies of other advisory clients of Blackstone, either as result of contractual restrictions or otherwise. Furthermore, there will be circumstances in which affiliates of Blackstone (including Clients) may refrain from taking certain confidential information in order to avoid trading restrictions. Finally, Blackstone has and will enter into one or more strategic relationships in certain regions or with respect to certain types of investments that, although possibly intended to provide greater opportunities for the Clients, may require the Clients to share such opportunities or otherwise limit the amount of an opportunity the Clients can otherwise take.

Performance-Based Allocations. The existence of GSO’s or a General Partner’s performance based allocation or fee may create an incentive for the General Partner to make more speculative investments on behalf of the Clients than it would otherwise make in the absence of such allocation or fee, although the significant commitment by GSO to the

Clients and the General Partner clawback, where applicable, should tend to reduce this incentive.

Issuer Relationships. The Clients' portfolio companies are expected to be counterparties to or participants in agreements, transactions or other arrangements with portfolio companies of other clients of Blackstone or Blackstone affiliates that, although GSO determines to be consistent with the requirements of such Clients' offering and/or governing agreements, may not have otherwise been entered into but for the affiliation with GSO and/or Blackstone, and/or that involve fees and/or servicing payments to GSO and/or Blackstone affiliates from which the investor will derive no benefit. From time to time employees of Blackstone serve as directors or advisory board members of certain issuers of the Clients' investments or other entities. In connection with such services, GSO receives directors' fees or other similar compensation (unless a Client's offering and/or governing documents otherwise provide). Such amounts may, but are not expected to be, material.

For example, certain portfolio companies of one or more Clients may enter into an employer health program arrangement or similar arrangements with Equity Healthcare LLC ("**Equity Healthcare**"), a Blackstone affiliate that negotiates with providers of standard administrative services and insurance carriers for health benefit plans and other related services for cost discounts, quality of service monitoring, data services and clinical consulting. Because of the combined purchasing power of its client participants, Equity Healthcare is able to negotiate pricing terms from providers that are believed to be more favorable than the companies could obtain for themselves on an individual basis. The payments made to Blackstone in connection with Equity Healthcare, group purchasing, insurance and benefits management will not be subject to the Management Fee offset provisions.

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

Other Blackstone Business and Activities. As part of its regular business, Blackstone provides a broad range of services. In addition, from time to time, Blackstone will provide services in the future beyond those currently provided. Investors will not receive a benefit from such fees. In the regular course of its capital markets, investment banking, real estate

advisory and other businesses, Blackstone represents potential purchasers, sellers and other involved parties, including corporations, financial buyers, management, shareholders and institutions, with respect to transactions that could give rise to transactions that are suitable for a Client. In such a case, an advisory client would typically require Blackstone to act exclusively on its behalf, thereby precluding a Client from participating in such transactions. Blackstone will be under no obligation to decline any such engagements in order to make an investment opportunity available to a Client. In connection with its investment banking, advisory and other businesses, Blackstone comes into possession of information that limits its ability to engage in potential transactions. The Clients' activities are expected to be constrained as a result of the inability of Blackstone personnel to use such information. For example, employees of Blackstone from time to time are prohibited by law or contract from sharing information with members of the Clients' investment teams. Additionally, there are expected to be circumstances in which one or more individuals associated with Blackstone affiliates (including clients) will be precluded from providing services related to the Clients' activities because of certain confidential information available to those individuals or to other parts of Blackstone (e.g., trading may be restricted). Where Blackstone affiliates are engaged to find buyers or financing sources for potential sellers of assets, the seller may permit a Client to act as a participant in such transactions (as a buyer or financing participant), which would raise certain conflicts of interest inherent in such a situation (including as to the negotiation of the purchase price).

Blackstone has long-term relationships with a significant number of corporations and their senior management. GSO will consider those relationships when evaluating an investment opportunity, which may result in GSO choosing not to make such an investment due to such relationships (e.g., investments in a competitor of a client). Certain Clients or investors in funds may also co-invest with clients of Blackstone in particular investment opportunities, and the relationship with such clients could influence the decisions made by GSO with respect to such investments. Therefore, there can be no assurance that all potentially suitable investment opportunities that come to the attention of Blackstone will be made available to the Clients.

Blackstone will from time to time participate in underwriting or lending syndicates with respect to portfolio companies of a Client, or otherwise be involved in the public offering and/or private placement of debt or equity securities issued by, or loan proceeds borrowed by, a Client's portfolio companies, or otherwise in arranging financing (including loans) for portfolio companies or advise on such transactions. Such underwritings may be on a firm commitment basis or may be on an uncommitted "best efforts" basis. In certain cases, a Blackstone broker-dealer will from time to time act as the managing underwriter or a member of the underwriting syndicate and purchase securities from a Client or such portfolio companies or advise on such transactions. Blackstone will also from time to time, on behalf of a Client or other parties to a transaction involving a Client, effect transactions, including transactions in the secondary markets where it will from time to time nonetheless have a potential conflict of interest regarding a Client and the other parties to those transactions to the extent it receives commissions or other compensation from a Client and/or such other parties. Subject to applicable law, Blackstone will from time to

time receive underwriting fees, discounts, placement commissions, lending arrangement and syndication fees (or, in each case, rebates of any such fees, whether in the form of purchase price discounts or otherwise, even in cases where Blackstone or an other Client or account is purchasing debt) or other compensation with respect to the foregoing activities, none of which are required to be shared with the Clients or GSO. In addition, the Management Fee paid by the Clients generally will not be reduced by such amounts. Therefore, Blackstone will from time to time have a potential conflict of interest regarding Clients and the other parties to those transactions to the extent it receives commissions, discounts or other compensation from such other parties. GSO will approve any transactions in which a Blackstone broker-dealer acts as an underwriter, as broker for a Client, or as dealer, broker or advisor, on the other side of a transaction with a Client only where GSO believes in good faith that such transactions are appropriate for a Client. From time to time, purchases or sales of securities for the account of the Clients (particularly marketable securities) will from time to time be bunched or aggregated with orders for other accounts of Blackstone including other Clients. It is frequently not possible to receive the same price or execution on the entire volume of securities sold, and the various prices may be averaged which may be disadvantageous to the Clients.

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

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

Service Providers. Certain advisors and other service providers (or their affiliates) (including accountants, administrators, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms) to the Clients, Blackstone and/or certain entities in which the Clients have an investment also provide goods or services to, or have business, personal, financial or other relationships with, Blackstone, its affiliates and portfolio companies. Such advisors and service providers (or their affiliates) may be investors in the Funds, may have a Managed Account and/or may be sources of investment opportunities or co-investors or commercial counterparties or entities in which Blackstone and/or Clients have an investment, and payments by the Clients and/or such entities may indirectly benefit Blackstone and/or such Clients. For example, in 2013, funds controlled by Blackstone acquired Intertrust Group. From time to time, Intertrust Group performs corporate and trust services on an arms-length basis for the Clients, intermediate entities or portfolio companies. Such retention of Intertrust Group as a service provider may give rise to actual or potential conflicts of interest such as those described above.

Additionally, certain employees of GSO may have family members or relatives employed by such advisors and service providers (or their affiliates). These relationships may influence Blackstone, the General Partner and/or GSO in deciding whether to select or recommend such service providers to perform services for the Clients or portfolio companies (the cost of which will generally be borne directly or indirectly by the Clients or such entities, as applicable). Notwithstanding the foregoing, transactions relating to the Clients that require the use of a service provider will generally be allocated to service providers on the basis of best execution, the evaluation of which includes, among other considerations, such service provider's provision of certain investment-related services and research that the General Partner believes to be of benefit to the Clients. Advisers and service providers, or their affiliates, often charge different rates or have different arrangements for specific types of services. With respect to service providers, for example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by the Clients and portfolio companies differ from those used by Blackstone and its affiliates, GSO or its affiliates may pay different amounts or rates than those paid by the Clients and portfolio companies. However, GSO and its affiliates have a longstanding practice of not entering into any arrangements with advisors or service providers that could provide for lower rates or discounts than those available to the Clients or portfolio companies for the same services.

Self-Administration of Funds. In certain instances, GSO may provide fund administration services to a Fund rather than engage a third party administrator. The costs for providing these services are not included in the investment management fee and are paid separately by the Fund. GSO also reserves the right to charge one or more Clients a reduced rate for these services, or to reduce or waive such charges entirely. GSO's ability to determine the fund administration fee it receives from the Fund creates a conflict of interest. GSO addresses this conflict by periodically reviewing its current fund administration fee to ensure that it is comparable and fair with regard to equivalent services performed by a non-affiliated third party at a rate negotiated on an arm's length basis.

Allocation of Personnel. GSO, its members, partners, officers, managers and employees will devote as much of their time to the activities of the Clients as GSO believes necessary and appropriate. Subject to the terms of the applicable offering and/or governing documents, GSO and Blackstone expect to form additional investment funds, enter into other investment advisory relationships and engage in other business activities, even though such activities may be in competition with the Clients and/or may involve substantial time and resources of GSO. These activities could be viewed as creating a conflict of interest in that the time and effort of the members of GSO and its officers, managers, members and employees will not be devoted exclusively to the business of the Clients, but will be allocated between the business of the Clients and the management of the monies of other advisees of GSO.

Possible Future Activities. Blackstone, GSO and their affiliates may expand the range of services that they provide over time. Except as provided herein, Blackstone, GSO and their

affiliates will not be restricted in the scope of their business or in the performance of any such services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein.

Conflicting Interests. From time to time, GSO expects a Client to acquire a security from an issuer in which a separate security has been acquired by another Client of GSO or by a client of Blackstone. When making such investments, GSO's Clients are expected to have conflicting interests. To the extent that a Client holds interests that are different (or more senior or junior) than those held by such other vehicles, accounts and clients, GSO is likely to be presented with decisions involving circumstances where the interests of such other vehicles and accounts are in conflict with those of a Client. Furthermore, it is possible that a Client's interest may be subordinated or otherwise adversely affected by virtue of such other vehicle's or account's involvement and actions relating to its investment.

For example, conflicts would be expected to arise where one Client becomes a lender to a company when a Blackstone fund owns equity securities of that company. In this circumstance, for example, if such company goes into bankruptcy, becomes insolvent or is otherwise unable to meet its payment obligations or comply with its debt covenants, conflicts of interest could arise between the holders of different types of securities as to what actions the company should take.

Subject to the terms of a Client's offering and/or governing documents and the valuation policies and procedures of GSO, Clients may engage in cross transactions.

Regulatory Inquiries. It is worth noting that the SEC has publicly indicated its specific focus in the area of sponsors of private funds and certain of their activities. In that connection, the SEC's list of examination priorities includes, among other things, advisers' collection of fees and allocation of expenses, their marketing and valuation practices, allocation of investment opportunities and other conflicts of interests. Blackstone is regularly subject to requests for information and informal or formal investigations by the SEC and other regulatory authorities, with which Blackstone routinely cooperates and, in the current environment, even historical practices that have been previously examined are being revisited. Even if an investigation or proceeding did not result in a sanction or the sanction imposed against Blackstone or its personnel by a regulator were small in monetary amount, the adverse publicity relating to the investigation, proceeding or imposition of these sanctions could harm Blackstone and the relevant Client. While it is difficult to predict what impact, if any, the foregoing may have, there can be no assurance that any of the foregoing, whether applicable to Blackstone specifically or the underlying private funds sponsored by Blackstone, would not have a material adverse effect on a Client and/or its ability to achieve its investment objectives.

Multi-Strategy Investors. It can be expected that Blackstone and GSO will enter into agreements with investors involving an investor's overall relationship with Blackstone or GSO, including one or more strategies in addition to the Funds' strategies, with terms and

conditions applicable solely to such investor and its investment in multiple Blackstone or GSO strategies that would not apply to other investors' investments in any of the Funds. Such an agreement would typically involve an investor agreeing to make a capital commitment to multiple GSO or Blackstone funds, one of which would include one or more of the Funds. Other investors will not receive a copy of the agreement memorializing such a multi-strategy investment program (even if in the form of a side letter) and will be unable to elect any rights or benefits granted to such a multi-strategy investor. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts or rebates on fees or carried interest applied to some or all of the relevant investment program and/or investment vehicles (including, as applicable, the Funds), secondment of personnel from the investor to Blackstone or GSO (or vice versa), rights to participate in the investment review and evaluation process, as well as priority rights or targeted amounts for co-investments alongside GSO or Blackstone funds, including, without limitation, preferential allocation thereof and preferential terms and conditions related to such participation (including in respect of any carried interest and/or management fees to be charged with respect thereto)), which may include investments made by the Funds. The existence of any such arrangements could result in fewer co-investment opportunities (or reduced allocations) being made available to other investors.

Senior Advisors, Industry Experts and Operating Partners. GSO may engage and retain strategic advisors, consultants, senior advisors, executive advisors, industry experts, consultants, and other similar professionals ("**Senior and Other Advisors**") who are not employees or affiliates of GSO and who, from time to time, receive payments from, or allocations of a profits interest with respect to, portfolio companies (as well as from GSO or its Clients). In such circumstances, such payments from, or allocations of a profits interest with respect to, portfolio companies and/or the Clients may be treated as partnership expenses and will not, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by GSO, be deemed paid to or received by GSO, and such amounts will not result in the offset of any management fees otherwise due. These Senior and Other Advisors often have the right or may be offered the ability to co-invest alongside Clients, including in the specific investments in which they are involved, or to otherwise participate in equity plans for management of any such portfolio company, or to invest directly in the Funds and/or Managed Accounts or in a vehicle controlled by the Funds and/or Managed Accounts subject to reduced or waived management fees and/or carried interest, including after the termination of their engagement by or other status with Blackstone, and such co-investment and/or participation (which generally will result in the applicable Client being allocated a smaller share of the applicable investment) will not be considered as part of Blackstone's side-by-side co-investment rights. Such co-investment and/or participation may vary by transaction (i.e., it is not part of GSO's side-by-side co-investment rights) and such participation may, depending on its structure, reduce the applicable Client's returns and will not necessarily be subordinated to the return of investors' capital contributions. Additionally, and notwithstanding the foregoing, these Senior and Other Advisors, as well as other Blackstone clients may be (or have the preferred right to be) investors in other Clients and/or be permitted to participate in GSO's side-by-side co-investment right, which rights are generally offered on a no-fee / no-

carried interest basis and generally result in Clients being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side participation. The nature of the relationship with each of the Senior and Other Advisors and the amount of time devoted or required to be devoted by them varies considerably. In certain cases, they may provide the General Partner and/or GSO with industry-specific insights and feedback on investment themes, assist in transaction due diligence, make introductions to and provide reference checks on management teams. In other cases, they take on more extensive roles and serve as executives or directors on the boards of portfolio companies or contribute to the origination of new investment opportunities. In certain instances, GSO has formal arrangements with these Senior and Other Advisors (which may or may not be terminable upon notice by any party), and in other cases the relationships are more informal. They are either compensated (including pursuant to retainers and expense reimbursement, and, in any event, pursuant to negotiated arrangements that will not be confirmed as being comparable to the market rates for such services) by GSO, the relevant Clients, and/or portfolio companies or otherwise uncompensated unless and until an engagement with a portfolio company develops. Payments or allocations to the Senior and Other Advisors will not be subject to the management fee offset provisions in the Client's applicable governing documents. There can be no assurance that any of the Senior and Other Advisors will continue to serve in such roles and/or continue their arrangements with GSO, the Clients and/or any portfolio companies throughout the term of the relevant Clients.

Indemnification. Clients generally will be required to indemnify the General Partner, GSO and its affiliates for liabilities incurred in connection with the activities of the Client. The General Partner may cause the Client to advance the costs and expenses of an indemnitee pending the outcome of a particular matter and/or there may be periods where the Client is advancing expenses to an individual or entity with whom the Client is not aligned or is otherwise an adverse party in a dispute. Moreover, the General Partner, in such capacity to the Client, will be the beneficiary of any decision it makes to provide indemnification, including advancement of expenses. This may be the case with respect to settlement of actions where any indemnitee was alleged to have engaged in conduct that disqualifies any such individual or entity from indemnification or exculpation so long as the General Partner has determined that such disqualifying conduct did not occur.

Diverse Investor Group. The investors may have conflicting investment, tax and other interests with respect to their investments in the Funds and/or Managed Accounts and with respect to the interests of investors in other investment vehicles managed or advised by GSO that may participate in the same investments as the Clients. The conflicting interests of individual investors with respect to other investors and relative to investors in other investment vehicles would generally relate to or arise from, among other things, the nature of investments made by the Clients and such other partnerships, the structuring or the acquisition of investments and the timing of disposition of investments. As a consequence, conflicts of interest may arise in connection with the decisions made by GSO, including with respect to the nature or structuring of investments that may be more beneficial for one investor than for another investor, especially with respect to investors'

individual tax situations. In addition, the Clients may make investments that may have a negative impact on related investments made by the investors in separate transactions. In selecting and structuring investments appropriate for the Clients, GSO will consider the investment and tax objectives of the Funds and/or Managed Accounts and their investors (and those of investors in other investment vehicles managed or advised by GSO) as a whole, not the investment, tax or other objectives of any investor individually. As a consequence of the foregoing, the General Partner may elect to exclude certain investors from particular investments for legal or regulatory reasons applicable to any such investment, in which case non-excluded investors shall be allocated a greater proportionate interest in such investment.

1940 Act Restrictions. The Investment Company Act of 1940 (the “**Investment Company Act**”) limits certain Investment Company Act Clients’ ability to enter into certain transactions with certain of its affiliates. As a result of these restrictions, these Clients may be prohibited from buying or selling any security directly from or to any portfolio company of a fund managed by Blackstone. However, these Clients may under certain circumstances purchase any such portfolio company’s securities in the secondary market. As noted under “Conflicting Interests,” owning competing securities of the same issuer could create a conflict for GSO between the interests of such Clients and the portfolio company (or the Blackstone client that owns such portfolio company), in that the ability of GSO to recommend actions in the best interest of certain Clients might be impaired. Even despite compliance with the Investment Company Act, potential conflicts of interest may arise in such transactions. The Investment Company Act also prohibits certain “joint” or “principal” transactions with certain of GSO’s affiliates, which could include investments in the same portfolio company (whether at the same or different times) by two or more Clients, and this prohibition could limit the ability of Clients, whether subject to the Investment Company Act or otherwise, to buy investments from, to sell investments to or to invest in the same securities as other Clients. That is, these prohibitions may limit the scope of investment opportunities that would otherwise be available both to Clients that are subject to the Investment Company Act and those that are not.

Restructuring. 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, an independent financial advisory firm founded by Paul J. Taubman. While the new combined business will operate independently from Blackstone and will not be an affiliate thereof, nevertheless conflicts may arise in connection with transactions between or involving the Clients and their portfolio companies on the one hand and the spun-off firm on the other. Specifically, given the spun-off firm will not be an affiliate of Blackstone, there may be fewer or no restrictions or limitations placed on transactions or relationships engaged in by the new advisory business as compared to the limitations or restrictions that might apply to transactions engaged in by an affiliate of Blackstone. It is expected that there will be substantial overlapping ownership between Blackstone and the spun-off firm for a considerable period of time going forward. Therefore, conflicts of interest in doing transactions involving the spun-off firm will still arise. The pre-existing relationship

between Blackstone and its former personnel involved in such financial and strategic advisory services, the overlapping ownership, co-investment and other continuing arrangements, may influence Blackstone/GSO in deciding to select or recommend such new company to perform such services for the Clients (the cost of which will generally be borne directly or indirectly by the Clients). Nonetheless, the General Partner and its affiliates will be free to cause the Clients and portfolio companies to transact with PJT generally without restriction under the applicable governing documents notwithstanding such overlapping interests in, and relationships with, PJT.

Blackstone's Relationship with Pátria. Blackstone owns 40% of the equity interests in Pátria Investimentos Ltd. ("Pátria"), a leading Brazilian alternative asset manager and advisory firm. Pátria's alternative asset management businesses include the management of private equity funds, real estate funds, infrastructure funds and hedge funds (e.g., a multi-strategy fund and a long/short equity fund). Each of Blackstone's and Pátria's respective investment funds continues to pursue investment opportunities in accordance with their existing mandates. While it is not expected that there will be material overlap between the Clients' investment program and Pátria's investment activities, there may be instances where appropriate investment opportunities will be shared with (or allocated to) Pátria. Therefore, there may be opportunities available to Pátria that are not shared with the Clients, and there may be opportunities available to the Clients that are shared with one or more Pátria funds. GSO generally expects, with respect to certain types of investments in Brazil otherwise suitable for the Clients, to permit such investments to be shared with and/or pursued by Pátria, which may be on a priority basis and may result in the Clients not participating in any such investments or participating therein to a lesser extent. In addition, the Clients may invest in companies or other entities in which Pátria sponsored investment funds have or are concurrently making a different investment (e.g., an equity investment vs. a debt investment) at the time of such Client's investment, and investment funds that have been or may be formed by Pátria may invest in different securities of companies or other entities in which a Client has made an investment. In such situations, the Client and such other Pátria sponsored investment funds (and therefore Blackstone through its indirect minority interest in Pátria) may have conflicting interests (e.g., over the terms of their respective investments).

Valuation Matters. The fair value of all investments or of property received in exchange for any investments will be determined by the General Partner in accordance with the applicable offering and/or governing documents. Accordingly, the carrying value of an investment may not reflect the price at which the investment could be sold in the market, and the difference between carrying value and the ultimate sales price could be material. The valuation of such investments will be determined by the General Partner in accordance with procedures set forth in the applicable offering and/or governing documents.

Below is a listing of GSO's affiliates:

Broker/Dealer Entities

Blackstone Advisory Partners L.P. (“BAP”)	Provides a variety of limited investment banking services
FEF Distributors LLC*	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds

Investment Adviser Entities

Bayview Asset Management, LLC*	Provides investment advisory services focusing on real estate backed loans and mortgage securities
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed end funds engaged in multi-manager investment programs (i.e., fund of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Established by Blackstone Hedge Fund Solutions Group to provide investment advisory services to open end mutual funds
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the clean-tech energy sector
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds

Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds
Blackstone Real Estate Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings
Blackstone Senfina Advisors L.L.C.	Provides investment advisory services to private investment funds which allocate capital among unaffiliated portfolio managers and invest capital directly
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds
Blackstone 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 Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products

Blackstone / GSO Debt Funds Europe Limited	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe Limited	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt focused private investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to assets owned by a third party insurance company
CT High Grade Partners II Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Investment Management Co., LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Large Loan Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT OPI Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts

GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Partners International LLP	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Partners LP	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO/Blackstone Debt Funds Management LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
Strategic Partners Fund Solutions Advisors, L.P.	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
Blackstone Singapore Pte Ltd	Singapore investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to the registrant

Commodity Trading Advisor & Commodity Pool Operator Entities

Blackstone Alternative Asset Management L.P.	Manages a series of private and closed end funds engaged in multi-manager investment programs (i.e., fund of hedge funds)
Blackstone Alternative Investment Advisors L.L.C.	Established by Blackstone Hedge Fund Solutions Group to provide investment advisory services to open end mutual funds
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Senfina Advisors L.L.C.	Provides investment advisory services to private investment funds which allocate capital among unaffiliated portfolio managers and invest capital directly

Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals

Commodity Pool Operator Entities (Registered)

Blackstone Alternative Asset Management Associates L.L.C.	Serves as general partner of BAAM Funds which are structured as limited partnerships
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products

Insurance Entities

Lexington National Land Services**	Places title insurance and provides title services for real property owned by various funds and/or their portfolio entities
Lombard International Assurance S.A.***	Company specializing in global wealth structuring using life assurance
Rothsay Life Plc***	Life insurer specializing in bulk annuities and other de-risking solutions for defined benefit pension schemes and insurance companies

*Portfolio company of affiliated private equity fund

**Joint venture between Blackstone and an existing title agent

***Portfolio company of affiliated Tactical Opportunities funds

Various management personnel are registered with our broker-dealer, BAP, which serves as placement agent to the Funds but is not compensated for such services.

Item 11: Code of Ethics

As required by the Advisers Act, Blackstone and BDA have adopted a Code of Ethics (the “Code”) that governs a number of potential conflicts of interest that exist in connection with the Clients under management. This Code is designed to enable BDA to meet its fiduciary obligation to Clients (or prospective Clients) and to instill a culture of compliance within BDA. An additional benefit of the Code is to assist Blackstone and BDA in preventing violations of securities laws. The Code is distributed to each employee at the time of hire and annually thereafter.

The Code addresses, among other things, the following:

- requirements related to confidentiality;
- limitations on, and reporting of, gifts and entertainment;
- pre-clearance of political contributions;
- pre-clearance and reporting of employee personal securities transactions;
- pre-clearance of outside business activities; and
- protection of persons who engage in “whistle blowing” activities from retaliation.

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

BDA offers many different products and services across its many businesses, and several potential conflicts of interest may arise. Please see Item 10 for a list of certain relevant investment related potential conflicts.

Subject to the Code and with proper approval, BDA’s employees may buy or sell, for their personal accounts, securities that may also be purchased or sold for Client accounts. BDA and its employees are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that such trading be conducted for investment rather than speculative purposes and that certain personal securities transactions receive pre-clearance from the legal and compliance department.

BDA’s Code is available for review upon request. To request a copy of the Code, please contact BDA’s Chief Compliance Officer, Marisa Beeney, at +1 (212) 503-2100.

Item 12: Brokerage Practices

Best Execution. Portfolio transactions for Clients will be allocated to brokers and dealers on the basis of best execution (which may include, among other items, the consideration of such broker's or dealer's ability to effect transactions, its facilities and financial responsibility). The SEC generally describes "best execution" as a duty to execute securities transactions so that a client's total costs or proceeds in each transaction are the most favorable under the circumstances. The SEC also has stated that when seeking best execution the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution.

GSO considers the full range and quality of broker services including expertise and ability to perform execution services; ability to execute transactions in the markets at competitive prices without disrupting the market for a particular security; range of services provided and products offered (e.g., securities lending, margin lending, capital introduction, start-up services, reporting, research, valuation); quality and timeliness of market information provided; ability of broker to maintain confidentiality; relationship management/sales coverage; credit worthiness and financial responsibility; operational expertise; ability to maintain confidentiality; trading volumes; fees; and commission rate or spread involved.

Clients' securities transactions can be expected to generate brokerage commissions and other compensation, all of which the Clients, and not GSO or any of its affiliates, will be obligated to pay.

Certain of GSO's brokers and other service providers or their respective affiliates are also Clients or investors in the Funds. As consideration for services provided, these brokers and other service providers will receive reasonable and customary fees or commissions.

Notwithstanding the foregoing, GSO does not "pay up" for research or other services provided by any brokers through the commission rate (e.g., GSO does not use "soft dollars").

The Head of Middle Office and Operations is responsible for the implementation and oversight of the counterparty approval process. The Data Governance Team functions within Middle Office and Operations to ensure an optimal control framework between Trading and Legal/Compliance. The Data Governance Team consults with Legal/Compliance and Traders for due diligence of a potential counterparty. It is also responsible for maintaining trade workflow controls, with the objective of ensuring that trades are executed only with parties that are either on the Approved Counterparty List or that have otherwise received an approval from the Head of Middle Office and Operations and Legal/Compliance on a per trade basis.

Allocation and Aggregation Policy. GSO is committed to transacting in securities and loans in a manner that is consistent with the investment objectives of each of the Clients,

and to allocating investment opportunities (including purchase and sale opportunities) among the Clients on a fair and equitable basis. Clients and investors should be aware that, subject to various conditions set forth in the respective offering and/or governing agreements, certain Clients will receive priority with respect to certain investment allocations. In particular, certain Clients have been and will be designed, in whole or in part, to participate in investment opportunities in respect of which certain other Clients will receive a primary allocation. Any Client, in respect of the relevant Fund or any other Client and any investment opportunity, to the extent established to generally receive a primary allocation of such investment opportunity, as determined by GSO in its sole discretion, which include, without limitation, Funds organized by GSO, as well as certain other investment funds, client accounts, and proprietary accounts managed, advised or sub-advised by GSO will herein be referred to as a “**GSO Primary Client**”. Any Client, in respect of the relevant Fund or any other Client and any investment opportunity, to the extent established to generally receive an allocation of such investment opportunity only to the extent that the amount of such investment opportunity exceeds the amount of the investment required to be made available or otherwise deemed appropriate for the relevant GSO Primary Clients, as determined by GSO in its sole discretion, will herein be referred to as a “**GSO Overflow Client**”. GSO Overflow Clients include, without limitation, single investor (or multiple affiliated investor) funds organized by GSO, as well as certain other investment funds, client accounts and proprietary accounts managed, advised or sub-advised by GSO.

The respective investment programs of a given Fund and other Clients may or may not be substantially similar. GSO and/or Blackstone may give advice to (and recommend securities for) other Clients that may differ from advice given to, or securities recommended or bought for, the relevant Fund, even though their investment objectives may be the same as or similar to those of the relevant Fund. While GSO will seek to manage potential conflicts of interest in a fair and equitable manner, the portfolio strategies employed by GSO and Blackstone in managing their respective other Clients could conflict with the transactions and strategies employed by GSO in managing the relevant Fund and may affect the prices and availability of the loans, securities and instruments in which the relevant Fund invests. Conversely, participation in specific investment opportunities may be appropriate, at times, for both the relevant Fund and other Clients. In any event, it is the policy of GSO to allocate investment opportunities and sale opportunities on a basis determined by GSO, in its sole discretion, to be fair and equitable over time. GSO Overflow Clients may not always participate in opportunities allocated to investment funds that constitute GSO Primary Clients, though such opportunities may be allocated to GSO Overflow Clients.

Priority: Overflow Opportunities. Investment opportunities that fall within the investment objective of one or more GSO Overflow Clients and also within the investment objective of one or more Primary Clients, may be allocated first to such other Clients and may then be allocated by GSO in its sole discretion to any member, shareholder or equivalent equity holder of any other Client that is interested in co-investment opportunities.

Priority: Other Opportunities. In respect of certain investments with respect to which the relevant Fund is not a GSO Overflow Client, such investment opportunities may generally be allocated to the relevant Fund and certain other Clients with similar investment objectives as the relevant Fund on a primary basis as between the relevant Fund and such other Clients, *pro rata* based on targeted acquisition size (generally based on available or committed capital) or targeted sale size (generally the aggregate positions held by the applicable other Clients) for such investment in each of the foregoing, taking into account capital commitments, available cash and the relative capital of the respective funds and accounts, industry concentration, the portion of the portfolio dedicated to a particular strategy, any restrictions or guidelines set forth in the offering and/or governing agreements of such Clients and such other factors as GSO determines in good faith to be appropriate.

Notwithstanding the foregoing, GSO may also consider the following factors in making any allocation determinations, and such factors may result in a different allocation of investment and/or sale opportunities: (a) the risk-return and target return profile of the proposed investment relative to the relevant Clients' current risk profiles; (b) the relevant Clients' investment guidelines, restrictions, terms and objectives, including whether such objectives are considered solely in light of the specific investment under consideration or in the context of the respective portfolios' overall holdings; (c) the need to re-size risk in the relevant Clients' portfolios (including the potential for the proposed investment to create an industry, sector or issuer imbalance within a Clients' portfolios, as applicable) and taking into account any existing non-*pro rata* investment positions among the portfolios of the relevant Clients; (d) liquidity considerations of relevant Clients, including during a ramp-up or wind-down of one or more Client, proximity to the end of a Clients' specified term or investment period, any redemption/withdrawal requests from or with respect to a Client, anticipated future contributions and available cash; (e) tax consequences; (f) regulatory or contractual restrictions or consequences; (g) avoiding a *de minimis* allocation; (h) availability and degree of leverage and any requirements or other terms of any existing leverage facilities; (i) a Client's investment focus on a classification attributable to an investment or issuer of an investment, including geography, industry or business sector; (j) the nature and extent of involvement in the transaction on the part of the respective teams of investment professionals dedicated to a Client; (k) the management of any actual or potential conflict of interest; (l) with respect to any investments that are made available to GSO by counterparties pursuant to negotiated trading platforms (e.g., ISDA contracts), the absence of such relationships, which may not be available for all Clients; and (m) any other considerations deemed relevant by GSO in good faith. For the avoidance of doubt and notwithstanding anything herein to the contrary, an affiliate of GSO may be allocated for its own account a portion of certain origination opportunities that otherwise would be appropriate investment opportunities for a Client.

GSO shall not have any obligation to present any investment opportunity to a Client if GSO determines in good faith that such opportunity should not be presented to such Client for any one or a combination of the reasons specified above, or if GSO is otherwise restricted from presenting such investment opportunity to the Client.

Co-investment Opportunities. In addition to participation by Senior and Other Advisers in specific transactions or investment opportunities, Senior and Other Advisers and/or other Blackstone employees may be permitted to participate in Blackstone's side-by-side co-investment rights, which generally do not provide for a management fee or carried interest payable by participants therein and generally result in a Client being allocated a smaller share of an investment than would otherwise be the case in the absence of such side-by-side. Additionally, other Blackstone clients will be permitted (or have a preferred right) to participate in Blackstone's side-by-side co-investment rights. In particular, funds, vehicles, accounts and other similar arrangements managed by Blackstone Multi-Asset Advisors L.L.C., which co-invest with multiple Blackstone funds, are expected to participate in investments alongside Clients pursuant to Blackstone's side-by-side investment rights. In such cases, Blackstone would be eligible to receive fees and carried interest.

In certain circumstances, GSO will determine that a co-investment opportunity should be offered to one or more third parties (such investors, "**Co-Investors**"), including investors in one or more Clients such Co-Investors that are investors in the applicable Fund, "**LP Co-Investors**") and will maintain discretion with respect to which Co-Investors are offered any such opportunity. Each co-investment opportunity is likely to be different, and allocation of each such opportunity will depend on the facts and circumstances specific to that unique situation (e.g., timing, industry, size, geography, asset class, projected holding period, exit strategy and counterparty). Different situations will require that the various facts and circumstances of each opportunity be weighted differently, as we deem relevant to such opportunity. Such factors are likely to include, among others, whether the potential Co-Investor has demonstrated a long-term and/or continuing commitment to the potential success of Blackstone, GSO, the Clients, or other co-investments; the ability of a potential Co-Investor to process a co-investment decision within the required timing timeframe of the particular transaction; GSO's assessment of a potential Co-Investor's ability to invest an amount of capital that fits the needs of the investment (taking into account the amount of capital needed as well as the maximum number of investors that can realistically participate in the transaction). The factors listed in the foregoing sentence are neither presented in order of importance nor weighted, except that GSO has historically primarily relied upon the first two factors listed above in making the determination to offer co-investment opportunities to co-Investors: (i) whether the potential co-investor has demonstrated a long-term and/or continuing commitment to the potential success of the Fund, other affiliated funds, and/or other co-investments, including the size of any such commitment and fee revenue or profits generated for the benefit of GSO or the Blackstone as a result thereof and (ii) the ability of a potential co-investor to process a co-investment decision within the required timing deadline of the particular transaction. Additional considerations may also include, among others and without limitation, whether a potential Co-Investor has a history of participating in co-investment opportunities with Blackstone, the size of the potential co-investor's interest to be held in the underlying portfolio company as a result of the relevant Client's investment (which would, if the Co-Investor is an LP Co-Investor, be likely to be based on the size of the potential Co-Investor's capital commitment and/or investment in the Client) and such other factors that GSO deems relevant under the circumstances. In

particular, GSO may agree with investors (including third party investors and investors in the Clients) to more favorable rights with respect to co-investment opportunities, and to the extent any such arrangements are entered into, they may result in fewer co-investment opportunities being made available to investors in Clients. Furthermore, in connection with any such co-investment by third-party co-investors, GSO and/or Blackstone may establish one or more investment vehicles managed or advised by GSO and/or Blackstone to facilitate such co-investors' investment alongside one or more Clients. In addition, GSO and/or its affiliates may be incentivized to offer certain potential Co-Investors the opportunities to co-invest since the amount of carried interest and/or management fee to which GSO and/or its affiliates are entitled under the arrangements with such Co-Investors with respect to such Co-Investors' participation in one or more Clients and/or other Blackstone clients may depend on, among other things, the extent to which such Co-Investors participate in co-investments. 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 a Client will be made available to such Client. It is expected that many investors who may have expressed an interest in co-investment opportunities will not be allocated any co-investment opportunities or may receive a smaller amount of co-investment opportunities than the amount requested.

GSO will, prior to making any co-investment opportunities available to any Co-Investor, determine whether any given investment opportunity is (a) required to be offered to specific LP Co-Investors under the terms of any agreement and/or (b) appropriate for other Clients pursuant to the contractual terms governing such other Clients, taking into account the other Clients' investment strategy, GSO's policies and procedures and GSO's fiduciary duties. There are also circumstances where a portion of an investment opportunity that otherwise would have been invested in by a Client is instead allocated to Co-Investors, and there is no guarantee for any Client or investor that it will be offered any co-investment opportunities.

Apart from the factors described above, the form and terms of each co-investment opportunity will similarly be determined by GSO on a case-by-case basis, based on the facts and circumstances of the particular transaction. The terms and conditions (including, and dependent upon the proposed structure of such transaction, any fees or incentive allocation payable to GSO) will be negotiated on a case-by-case basis. GSO will be entitled to consider as a factor the likelihood that a potential Co-Investor will accept or be amenable to the proposed form and terms of such co-investment.

Additionally, it can be expected that GSO and/or Blackstone will, from time to time, enter into arrangements or strategic relationships with third parties, including other asset managers, financial firms or other businesses or companies, which, among other things, provide for referral or sharing of investment opportunities. While it is possible that one or more Clients will, along with GSO and/or Blackstone itself, benefit from the existence of those arrangements and/or relationships, it is also possible that investment opportunities that otherwise would be presented to or made by one or more Clients would instead be referred (in whole or in part) to such third party. For example, a firm with which GSO

and/or Blackstone has entered into a strategic relationship may be afforded with “first-call” rights on a particular category of investment opportunities.

Aggregation opportunities for GSO generally arise when more than one Client or Blackstone client is capable of purchasing or selling a particular asset based on investment objectives, available cash, and other factors. GSO will generally execute transactions among Clients and, if applicable, Blackstone clients on an aggregated basis when we believe that to do so will allow us to obtain best execution and to negotiate more favorable commission rates or other transaction costs that might have otherwise been paid had such orders been placed independently. When aggregating orders, Clients and Blackstone clients will be treated in a fair and equitable manner, provided that certain trades may not be aggregated by GSO to the extent that the participating Clients or Blackstone clients do not have the same counterparty relationship established. An “aggregated order” shall mean an order placed by GSO on behalf of one or more Clients that does not specify to the counterparty prior to execution: (a) the allocation among Clients, groups of Clients or Blackstone clients and (b) that any partial fills should be allocated *pro rata* among Clients, groups of Clients or Blackstone clients in accordance with the specified allocation unless otherwise designated in an allocation worksheet, if applicable. Each Client that participates in the allocation of an aggregated order will participate in such allocation at the same price for that investment on a given business day, with aggregated transaction costs shared *pro rata* based on each individual Client’s participation in the transaction.

Investments in Portfolio Companies Alongside Other Clients. From time to time, the Clients will co-invest with other Blackstone clients (including co-investment or other vehicles in which GSO or its personnel invest and that co-invest with such other Blackstone clients) in investments that are suitable for both the Clients and such other Blackstone clients. Even if the Clients and any such other Blackstone clients and/or co-investment or other vehicles invest in the same securities, conflicts of interest may still arise. For example, it is possible that as a result of legal, tax, regulatory, accounting or other considerations, the terms of such investment (and divestment thereof) (including with respect to price and timing) for the Clients and such other funds and vehicles may not be the same. Additionally, the Clients and such other Blackstone clients and/or vehicles will generally have different investment periods and/or investment objectives (including return profiles) and GSO, as a result, may have conflicting goals with respect to the price and timing of disposition opportunities. Moreover, while GSO generally seeks to use reasonable efforts to avoid cross-guarantees and other similar arrangements, a counterparty, lender or other participant in any transaction to be pursued by the Clients and/or the other Blackstone clients may require or prefer facing only one fund entity or group of entities, which may result in any of the Clients and such other Blackstone clients and/or vehicles being jointly and severally liable for such applicable obligation (subject to any limitations set forth in the applicable partnership agreements thereof), which in each case may result in the Clients and such other Blackstone clients and/or vehicles entering into a back-to-back or other similar reimbursement agreement. In such situations it is not expected that any of the Clients or such other Blackstone clients or vehicles would be

compensated (or provide compensation to the other) for being primarily liable vis-à-vis such third party counterparty.

Trade Errors. A trade error is an error made by GSO in the placement, execution, or settlement of a trade for a Client. The following circumstances do not constitute trade errors: (a) the error does not result in a transaction in a Client's account (such as an error that results in the loss of an investment opportunity), (b) the error is the fault of the executing broker-dealer or another third party, (c) the purchase or sale of the asset is reallocated to another Client prior to settlement in accordance with GSO's allocation policies, (d) the purchase or sale of an asset violates restrictions arising from a contractual obligation to a third party other than the applicable Client, (e) the offering and/or governing documents of the applicable Client expressly provide for the right of GSO to cure such that a trade error is deemed not to have occurred and GSO cures in accordance therewith, or (f) the applicable Client ratifies the trade in writing.

Trade errors are evaluated on a case-by-case basis. Errors are reported to the Chief Compliance Officer upon discovery and are to be corrected as soon after discovery as is reasonably practical. GSO generally will reimburse losses suffered by a Client as a result of a trade error caused by GSO unless otherwise specified in the applicable offering and/or governing documents of such Client. Client losses and Client gains will be reviewed on a "net" basis, taking into account, among other factors, all income attributable to the trade that is the subject of the trade error, similar trades, or trades within a specified period, provided that the resolution is equitable to the Client over time. In addition, GSO will not correct a trade error made for one Client by causing another Client to buy or sell the securities unless such transaction has been approved by a committee that oversees conflicts of interest.

The violation of any prohibitions, limits or any other guidelines (numerical, percentage-based, ratings-based or otherwise) that constitutes a "trade error" shall cease to constitute a "trade error" if (i) such violation is expressly curable under the applicable offering and/or governing documents and (ii) GSO cures such violation after becoming aware of the violation in accordance with such offering and/or governing documents. GSO may purchase, acquire, sell, exchange, liquidate, transfer or otherwise dispose of any asset or instrument (whether such asset or instrument is the cause of such violation or not) in the event of, or to cure, any such violation.

Item 13: Review of Accounts

BDA's investment professionals review Client accounts on an ongoing basis. This analysis includes, but is not limited to, a review of:

- Compliance with the investment strategy and restrictions provided in the specific offering documents of such Client
- Potential Conflicts
- Market Conditions
- Style Drift
- Performance Attribution
- Performance Deviation

These reviews take place at Investment Committee meetings, where investment ideas and strategies are discussed. A variety of internal and external resources may be reviewed during the course of such meetings. In addition to these formal meetings, which take place weekly or as needed, BDA's investment professionals may meet and discuss the review of investment advisory accounts on a more frequent, informal basis. The Investment Committee also conducts regular credit reviews based on monitoring and analysis performed by traders and investment analysts.

BDA provides unaudited performance reports on a monthly or quarterly basis to certain Clients, as specified in the offering and/or governing documents of such Clients, and provides audited financial statements to Fund investors annually. BDA may elect to provide different levels of reports to investors.

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

Item 14: Client Referrals and Other Compensation

BDA may make cash payments to third parties for solicitation activities in accordance with Rule 206(4)-3 of the Advisers Act, to the extent applicable.

In a typical distribution/placement arrangement, BDA may agree to pay a third-party solicitor for referring investors in certain Funds. Typically, the third-party solicitors will receive a portion of the management fee and/or performance fee payable to BDA (although other payment arrangements could exist). A prospective investor solicited by a third party will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be borne by BDA, and investors in such Fund will not be subject to any increased or additional fees or charges. The dollar amount of any placement agent fees is paid out of the applicable Funds, but may be credited as an offset to the management fees paid by the Funds, as provided in the applicable offering and/or governing documents of the Fund.

Third-party solicitors in the U.S. will be registered as broker-dealers with the SEC. Third-party solicitors outside the U.S. may be registered with a non-U.S. regulatory body to the extent such registration is required.

BAP, an affiliate of GSO, serves as a placement agent to the Funds in the U.S. but is not compensated for such services. Please see Item 10 – Other Financial Industry Activities & Affiliations for more information.

Item 15: Custody

In connection with the management of investments for certain Clients, BDA may have, or may be deemed to have, custody of certain funds or securities of its Clients. Rule 206(4)-2 (the “**Custody Rule**”) of the Advisers Act defines custody as holding client securities or assets or having any authority to obtain possession of them, including the authority to withdraw funds or securities from a client’s accounts or ownership of or access to client funds or securities (such as through fee deductions).

Where applicable, BDA maintains Client assets with qualified custodians, such as U.S. banks, U.S. registered broker-dealers, U.S. futures commission merchants (limited to holding client funds and security futures and any other securities incidental to client futures transactions), and certain foreign financial institutions that customarily hold customer assets and that segregate customer assets from its own assets.

In accordance with the Custody Rule, any Client assets of which BDA has custody are subject to an annual audit and the audited financial statements are distributed to each investor in such Client. The audited financial statements are prepared in accordance with generally accepted accounting principles, issued with an unqualified opinion and distributed within 120 days of the Clients’ respective fiscal year ends.

To the extent that BDA does not have custody of a Client’s assets, the applicable custodian will prepare and distribute to such Client quarterly, or more frequent, account statements, which should be reviewed carefully by the Client. Copies of Client account statements are available upon request to the relevant Client (or investors therein).

Information about a Client’s qualified custodian, if any, including such qualified custodian’s name and address and the manner in which the Client’s assets are maintained, may be provided in the relevant offering and/or governing documents of such Client. BDA will promptly notify investors of any relevant changes to the qualified custodian.

Item 16: Investment Discretion

BDA generally, although not exclusively, acts as a discretionary investment adviser and may exercise sole authority to determine the securities bought and sold for each account, as well as the amounts thereof, without obtaining specific client consent and without limitation on such authority. Any specific investment guidelines and restrictions are provided in the Fund documents or investment management agreement, as applicable.

Please refer to Item 12 for a discussion on BDA's Allocation and Aggregation Policy.

Item 17: Voting Client Securities (Proxy Voting)

As a fiduciary, an investment adviser with proxy voting authority has a duty to monitor corporate events and to vote proxies on behalf of its clients, as well as a duty to cast such votes in the best interests of its clients and to not subrogate client interests to its own. Rule 206(4)-6 under the Advisers Act (the “**Proxy Voting Rule**”) places specific requirements on registered investment advisers with proxy voting authority. Due to the nature of the investment strategies deployed by BDA, equity securities will generally not be a large portion of the investments of any Client. Nevertheless, because BDA generally has discretionary authority over the securities held by the Clients, BDA is viewed as having proxy voting authority over such securities. Accordingly, BDA is subject to the Proxy Voting Rule. To meet its obligations under this rule, BDA has adopted written Proxy Voting Policies and Procedures, which are available upon request. These policies and procedures are reasonably designed to ensure that BDA votes proxies in the best interests of its Clients and to address how BDA will resolve any conflict of interest that may arise when voting proxies.

Clients may request a copy of BDA’s proxy voting policy and the proxy voting record by contacting BDA at the address or telephone number on the cover of this Brochure.

Item 18: Financial Information

BDA is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to its Clients.