

Blackstone Strategic Alliance Advisors L.L.C.

Form ADV Part 2

March 31, 2014

Blackstone

Blackstone Strategic Alliance Advisors L.L.C.

Item 1 – Cover Page

Blackstone Strategic Alliance Advisors L.L.C.

345 Park Avenue

New York, NY 10154

(212) 583-5000

www.blackstone.com

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

If you have any questions about the contents of this brochure, please contact Peter Rand, Head of Global Client Operations for BSAA, at (212) 583-5071; rand@blackstone.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

BSAA is registered with the SEC as an investment adviser. BSAA’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, serve as information for you to use to evaluate BSAA and should be considered in your decision whether to hire BSAA or to continue to maintain a mutually beneficial relationship.

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Item 2 – Material Changes

- ▶ There is no material change incorporated herein since BSAA's last posting of this document on July 31, 2013 on the SEC's public disclosure website (www.adviserinfo.sec.gov).
- ▶ BSAA, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).
- ▶ If you would like another copy of this Brochure, please download it from the SEC website as indicated above or you may contact BSAA's Head of Global Client Operations, Peter Rand, at (212) 583-5071 or rand@blackstone.com.

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Item 3 – Defined Terms

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

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

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

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

BAS Funds: The private investment funds sponsored and managed by BAS which participate in a broad range of direct investment opportunities.

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

BSAA: Blackstone Strategic Alliance Advisors L.L.C.

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

BSAA Investment Committee: A BSAA committee comprised of all BSAA Senior Managing Directors and selected Managing Directors. BSAA's General Counsel typically attends committee meetings.

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

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

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

Hedge Fund Solutions Group: The division of Blackstone which includes BAAM, BSAA, BAS, Blackstone Alternative Investment Advisors LLC, and Blackstone Strategic Capital Advisors L.L.C., each a registered investment adviser.

Investor: An investor in a BSAA Fund.

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

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

Manager Revenues: Manager Buyout Interests and Manager Profits Interests.

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

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

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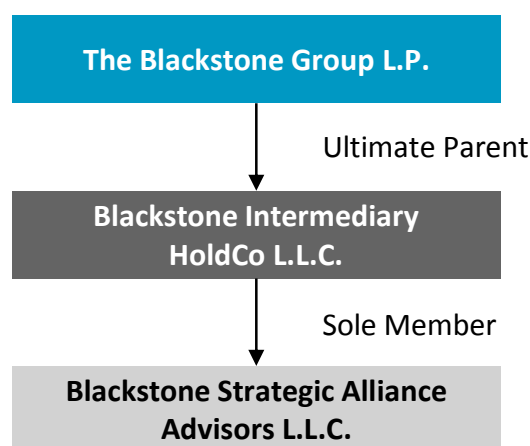
Item 4 – Advisory Business

Overview of the Firm

BSAA, a Delaware limited liability company, primarily provides investment advisory services to private investment funds (collectively, the “BSAA Funds”) that predominantly engage in multi-manager investment programs. The BSAA Funds are commonly referred to in the industry as funds of hedge funds or FoHFs.

BSAA is an affiliate of Blackstone Alternative Asset Management L.P. (“BAAM”), a leading hedge fund solutions provider which manages or advises \$54 billion in fund of hedge funds as of December 31, 2013 (does not include non-discretionary advisory clients). BSAA derives significant benefits from the experience of BAAM in the investment, operational, legal, structuring and compliance aspects of hedge funds.

BSAA was founded in 2007 as part of The Blackstone Group L.P. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BSAA and BAAM. Blackstone is one of the leading alternative investment managers in the world with investment programs and serves concentrating in the private equity, real estate, corporate advisory and debt/credit areas, as well as the hedge fund solutions business. BSAA and BAAM are part Blackstone’s Hedge Fund Solutions Group, which also includes, Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), Blackstone Strategic Investment Advisors L.L.C. (“BAIA”) and Blackstone Alternative Solutions L.L.C (“BAS”), all registered investment advisers. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



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Item 4 – Advisory Business

BSAA's assets under management ("AUM") were \$3.1 billion as of December 31, 2013. This excludes committed capital that has not been drawn to make an investment. Please note that this is an unaudited estimate.

Overview of Advisory Services

As investment advisor to the BSAA Funds, BSAA:

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

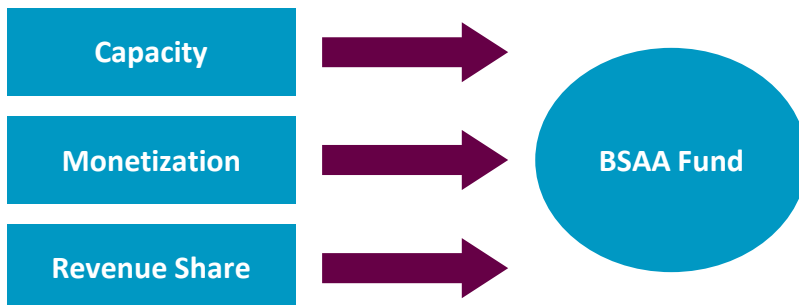
The mandate of the BSAA Funds is to provide capital to new or emerging hedge fund managers. Such managers (referred to herein as the "Underlying Managers") pursue a wide variety of investment strategies and invest or trade in a wide variety of securities and other instruments, including, but not limited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

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

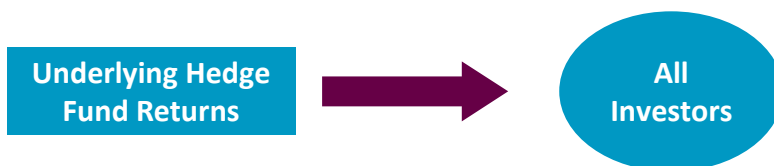
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Item 4 – Advisory Business

BSAA Fund Typical Investment in an Underlying Manager



Standard Investment in an Underlying Manager



The BSAA Funds also will be authorized to (i) provide working capital to the Underlying Managers by, among other things, acquiring preferred or equity interests in, or making loans to, the Underlying Managers, and (ii) make selected co-investments alongside Underlying Managers in specific, one-off opportunities within a Manager's focus area and strategy ("Co-Investments").

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Item 5 – Fees and Compensation

Asset-Based Advisory Fees

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

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

Performance-Based Fees

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

Fee Negotiations

Fees generally are non-negotiable.

Payment of Asset-Based Advisory Fees

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

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

Additional Fees and Expenses:

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

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

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Item 5 – Fees and Compensation

- ▶ Directors/Trustees Fees
- ▶ Legal Fees
- ▶ Regulatory Filing Fees, including Preparation Fees
- ▶ Taxes
- ▶ Administrative Fees
- ▶ Technology Expenses, including News and Quotation
- ▶ Audit and Accounting Fees
- ▶ Brokerage Commissions
- ▶ Transaction Fees
- ▶ Custodial Fees
- ▶ Wire transfer and Electronic Fund Processing Fees
- ▶ Travel Expenses
- ▶ Consulting Fees
- ▶ Litigation Expenses

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

BSAA employees do not receive (directly or indirectly) any compensation from the purchase or sale of securities or investments that are purchased or sold for BSAA Funds. BSAA is a “fee only” investment adviser and, therefore, BSAA does not have any potential conflicts of interest relating to any additional, undisclosed compensation from the BSAA Funds or Underlying Managers.

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Item 6 – Performance-Based Fees

In addition to the asset-based advisory fees disclosed in **Item 5 – Fees and Compensation** above, BSAA Funds also pay (a) a performance allocation equal to 10% of the increase in net asset value of the investment in Underlying Managers and Co-Investments, subject to a loss carryforward provision and (b) 20% of the proceeds with respect to Manager Profit Interests and Manager Buyout Interests, subject to the same loss carryforward provision. Under a loss carryforward provision (also referred to as a “high water mark”), if an Investor has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such Investor, there will be no performance-based fee payable with respect to such Investor until the amount of the loss previously allocated has been recouped.

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

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

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

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

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Item 7 – Types of Clients

Investors in BSAA Funds are based in the U.S. and outside of the U.S. and consist of:

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

All Investors are subject to applicable suitability requirements.

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

Analysis

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

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

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

Investment Strategies

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

Risk of Loss

General Economic and Market Conditions: The success of BSAA's and the Underlying Manager's investment activities will be affected by general economic and market conditions, such as:

- ▶ Interest rates
- ▶ Availability of credit
- ▶ Credit defaults
- ▶ Inflation rates

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

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

These factors may affect the level and volatility of financial instruments' prices and the liquidity of the investments. Volatility or illiquidity could impair the investment profitability or result in losses.

The Underlying Managers may maintain substantial trading positions that can be adversely affected by the level of volatility in the financial markets — the larger the positions, the greater the potential for loss. Certain Underlying Managers may invest outside of the U.S. and the economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as:

- ▶ Growth of gross domestic product
- ▶ Rate of inflation
- ▶ Currency depreciation
- ▶ Asset reinvestment
- ▶ Resource self-sufficiency, and
- ▶ Balance of payments position

Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Investment and Trading Risk: All investments made by the BSAA Funds risk the loss of capital (i.e., invested amount). Underlying Managers may utilize such investment techniques as margin transactions, short sales, option transactions, forward and futures contracts, and other derivatives trading, which practices, in certain circumstances, increase the risk of losses. No

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

guarantee or representation is made that BSAA's or any Underlying Manager's investment program will be successful, and investment results may vary substantially over time. Investors are subject to the risk of substantial losses.

Additional risks associated with investments in BSAA Funds may include (among others):

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

- ▶ General Economic and Market Conditions
- ▶ Investments and Trading Risks
- ▶ Accounting for Uncertainty in Income Taxes
- ▶ Leverage
- ▶ Compulsory Redemption
- ▶ Concentration of Fund Portfolio
- ▶ Decision Making Authority
- ▶ Dependence on BSAA and the Underlying Managers
- ▶ Direct Investments by the Fund
- ▶ Diversification
- ▶ Duplicative Payments and Expenses
- ▶ Estimates
- ▶ Gates, Suspensions and Redemption Fees
- ▶ Increased Regulatory Oversight
- ▶ Information Technology Systems
- ▶ Limited Liquidity
- ▶ Liquidity and Information Rights
- ▶ Limited Operating History of the Underlying Managers
- ▶ Lack of Operating History
- ▶ Liquidity Mismatch
- ▶ Other Activities of BSAA
- ▶ Redemptions in Kind; Liquidating SPVs
- ▶ Volatility

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

Risks Primarily Arising from Investment Activities of the Underlying Managers

- ▶ “Style Drift”
- ▶ Business and Regulatory Risks of Underlying Investment Vehicles
- ▶ Compensation Arrangements with Underlying Managers
- ▶ Concentration of Underlying Investment Vehicles’ Portfolios
- ▶ Corporate Debt Obligations
- ▶ Currency Trading
- ▶ Exemption from Regulation
- ▶ Forward Trading
- ▶ Futures, Options and Derivative Instruments
- ▶ Hedging Transactions
- ▶ Highly Volatile Markets
- ▶ Independent Underlying Managers; Offsetting Positions
- ▶ Interest Rate Risk
- ▶ Underlying Investment Vehicles’ Exposure to Lehman Brothers Bankruptcy and Its Affiliates’ Insolvency
- ▶ Leverage
- ▶ Lower-Rated Securities
- ▶ Non-U.S. Securities
- ▶ Reliance on Underlying Managers for Portfolio Valuation
- ▶ Proprietary Investment Strategies
- ▶ Redemptions from Underlying Investment Vehicles; Re-Allocation of Investments
- ▶ Risk Management Activities
- ▶ Indirectly Investing in “Side Pockets”
- ▶ Short Selling
- ▶ Significant Positions
- ▶ Systemic Risk
- ▶ Tax Considerations

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

- ▶ Trading in Securities and Other Investments That May be Illiquid
- ▶ Turnover
- ▶ U.S. Government Securities
- ▶ Use of Swap Agreements
- ▶ New Issues
- ▶ Currency Exposure
- ▶ Arbitrage Transactions
- ▶ Bank Debt
- ▶ Commodity and Financial Futures Contracts
- ▶ Distressed Securities
- ▶ Emerging Market Investments
- ▶ Project Finance Investments
- ▶ Proxy Contests and Unfriendly Transactions
- ▶ Event Driven Investment
- ▶ Relative Value Investing
- ▶ Cross Class Liability
- ▶ Regulatory Changes
- ▶ Identity of Beneficial Ownership and Withholding on Certain Payments
- ▶ Currency Hedging
- ▶ Delayed Schedules K-1
- ▶ Non-Voting Securities; Investment Company Act restrictions

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

Blackstone Strategic Alliance Advisors L.L.C.

Item 9 – Disciplinary Information

BSAA does not have any legal, financial or other “disciplinary” item to report to you. BSAA is obligated to disclose any disciplinary event that would be material to you when evaluating a client/advisor relationship.

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a lawsuit or arbitration. BSAA does not believe that any current litigation to which Blackstone is a party will have a material adverse effect on BSAA and/or the BSAA Funds. As of the date of this ADV Part 2A coversheet, BSAA and its employees are not currently the subject of litigation.

Blackstone Strategic Alliance Advisors L.L.C.

Item 10 – Other Financial Industry Activities and Affiliations

BSAA is an affiliate of the following entities:

Broker/Dealer Entities	
Blackstone Advisory Partners L.P.	Provides a variety of investment banking services
Park Hill Group LLC	Places alternative investment products in private offerings to mostly institutional investors
Investment Advisor Entities	
Bayview Asset Management, LLC	Provides investment advisory services focusing on real estate backed loans and mortgage securities
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 II 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 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.	Provides investment advisory services to open end mutual funds
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector

Blackstone Strategic Alliance Advisors L.L.C.

Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Debt Advisors L.P.	Provides investment advisory services to private investment funds specializing in debt securities
Blackstone Management Partners III 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 Management Partners 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.L.C.	Provides investment advisory services to one or more Blackstone investment funds (Relying Adviser on BREA)
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Advisors III L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors International L.L.C.	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 L.P.	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 (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

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Tactical Opportunities Advisors L.L.C	Provides investment advisory services to multi-discipline, multi-asset class private funds
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C
BXMT Advisors L.L.C.	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT High Grade 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

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
CT OPI Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
GSO / Blackstone Debt Funds Management LLC	Provides investment advisory services to a number of debt-focused private investment funds, closed-end funds and separately managed accounts
GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt focused private investment funds and separately managed accounts
GSO Capital 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
Strategic Partners Fund Solutions Advisors L.P	Provides investment advisory services to a number of pooled investment and custom vehicles operating as private investment funds
The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm, which serves as a sub-advisor to the registrant
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to the registrant

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Item 10 – Other Financial Industry Activities and Affiliations

Commodity Trading Advisor & Commodity Pool Operator Entities

Blackstone Alternative Asset Management L.P.	Manages a series of private and closed end funds engaged in multi-manager investment programs (i.e., fund of hedge funds)
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
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

Commodity Pool Operator Entity

Blackstone Alternative Asset Management Associates L.L.C.	Serves as general partner of BAAM Funds which are structured as limited partnerships
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Note: BSAA manages a number of private investments vehicles which are listed in BSAA’s ADV Part 1, Schedule D Section 7B (1).

Potential Conflicts of Interest specific to Blackstone Advisory Partners L.P.

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

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Item 10 – Other Financial Industry Activities and Affiliations

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

BAP may be engaged to render advisory services to Underlying Managers and to creditor committees and groups that include Underlying Managers. None of the fees earned by BAP in such circumstances are to the benefit of BSAA or BSAA Funds.

BAP and Park Hill Group LLC are registered broker dealers. They do not make markets in any securities and generally do not hold proprietary positions in securities or other investments. BAP engages in underwriting activities, which generally involve underwriting of debt and equity securities by Blackstone private equity portfolio companies. Park Hill Group LLC does not engage in any underwriting activities, but it does serve as placement agents for private equity, real estate and hedge fund businesses.

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

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Item 11 – Code of Ethics

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

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

The Code includes (among other things):

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

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

Potential Conflicts of Interest

Blackstone offers many different products and services and there are several potential conflicts of interest which may arise, including, but not limited to, those identified below. BSAA has adopted, and continues to adopt, policies and procedures to address such potential conflicts of interest.

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Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>Blackstone Alternative Asset Management L.P. (“BAAM”), an affiliate of BSAA, manages a series of funds that predominantly engage in multi-manager investment programs (the “BAAM Funds”). BAAM Funds may invest in funds managed by the BSAA Funds’ Underlying Managers. An investment by a BAAM Fund in an Underlying Manager fund generally would benefit the BSAA Fund and a withdrawal by a BAAM Fund from such manager generally would be detrimental to the BSAA Fund. In addition, the BAAM Fund may seek to negotiate preferential terms and conditions from the Underlying Manager, which terms and conditions may be subject to BSAA’s approval and may trigger certain “most favored nation” rights for the BSAA Funds.</p> <p>There is significant overlap between the BSAA Investment Committee and BAAM Investment Committee.</p>	<p>Generally, BAAM Funds only will invest in funds managed by Underlying Managers after a seasoning period (generally six to nine months after the BSAA Funds’ initial investment). This seasoning period does not apply to Co-Investments.</p> <p>BSAA’s portion of the fees generated from a BAAM Fund’s investment in an Underlying Investment Vehicle or Co-Investment is rebated to such BAAM Fund. (The BSAA Fund investors retain their portion of the fees.)</p> <p>When BAAM Funds invest in/redeem out of an Underlying Investment Vehicle, BAAM/BSAA Compliance and designated senior members of the BSAA Investment Committee must sign a separate approval aside from the general BAAM Investment Committee and Executive Committee approvals.</p>
<p>Some of BSAA’s affiliates, including funds managed by BAAM, may make investments in new or emerging hedge fund managers and may enter into revenue sharing agreements with such managers. Revenues generated from such arrangements accrue only to such BSAA affiliate. BSAA and its affiliates could compete for investment opportunities.</p>	<p>Investors are notified of the potential for such arrangements.</p>
<p>BSAA’s affiliates may sponsor, manage or advise other investment funds with</p>	<p>BSAA will not launch a new BSAA Fund until at least 75% of the capital committed</p>

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Potential Conflict	Mitigating Policy
overlapping investment objectives with those of the BSAA Funds. Neither the BSAA Funds nor any of their Investors will have any rights of first refusal, co-investment or other economic rights in respect of the investments of such other Blackstone funds or investment vehicles.	by Investors to the current BSAA Fund (<i>i.e.</i> , BSAA Fund II) is drawn down. Investors are notified of such potential for conflicts.
BSAA typically negotiates capacity in Underlying Investment Vehicles, which generally will be shared with Investors in the BSAA Funds. In addition, BSAA may negotiate capacity for its affiliates, including the BAAM Funds. The Investors and the BAAM Funds may absorb limited investment capacity that would otherwise be available to the BSAA Funds.	All investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details). BSAA/BAAM maintain detailed policies and procedures relating to allocations. In addition, each limited capacity allocation decision is documented separately and reviewed by BAAM/BSAA Compliance to determine that such allocation follows policies and procedures and is fair and equitable.
Investors may have opportunities to invest directly in the Underlying Investment Vehicles. Although such investment opportunities may be made available by BSAA, it may not provide complete information concerning any such investment opportunity, and will make no representation as to the completeness or accuracy of any information provided to Investors. Further, due diligence information developed by BSAA may not be made available to Investors, and any decision to participate in a direct opportunity will be made independently by the Investors and not in reliance on any	Investors are notified of such potential for conflicts.

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Potential Conflict	Mitigating Policy
<p>information provided by BSAA or its affiliates.</p> <p>Moreover, BSAA and its affiliates will have no liability or responsibility relating to the fairness or appropriateness of the terms relating to any direct investment in an Underlying Investment Vehicle (whether or not negotiated separately by the Investors with the Underlying Managers and whether or not different from the terms available to the BSAA Funds).</p>	
<p>Blackstone currently has (or in the future may have) an ownership interest in, or is (and in the future may be) otherwise affiliated with, various investment managers (each a “Blackstone Affiliated Manager”). For example, Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), an affiliate of BSAA, manages certain funds (the “BSCA Funds”) that seek to make investments in investment managers (the “Strategic Capital Managers”). Although, an investment by a BSAA Fund with a Strategic Capital Manager is unlikely, such an investment generally would benefit BSCA Funds and a withdrawal by a BSAA Fund from such manager generally would be detrimental to the BSCA Funds.</p> <p>There is significant overlap between the BSAA Investment Committee and the investment committee for the BSCA Funds.</p>	<p>All BSAA investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>In certain circumstances where Blackstone, directly or indirectly, holds an interest in an Underlying Manager, BSAA or one of its affiliates may rebate or waive its fees or other revenues relating to the investment with such manager.</p>

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Non-Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
BSAA, Blackstone and their employees may invest for their own accounts in various investment opportunities, including hedge funds, in which the BSAA Funds and Investors have an interest.	<p>All Blackstone employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with Blackstone Compliance.</p> <p>All BSAA employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with BAAM/BSAA Compliance and Blackstone Compliance.</p> <p>Upon hire and quarterly thereafter, all BSAA employees must report all hedge fund holdings.</p> <p>All investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p>
<p>From time to time, BSAA and/or Blackstone employees may speak at conferences and programs for potential hedge fund investors, which are sponsored by BSAA/Blackstone’s third-party service providers. Through such “capital introduction” events, prospective hedge fund investors have the opportunity to meet with BSAA. Such events and other services (including, without limitation, capital introduction services) provided by service providers, including prime brokers, custodian and administrators, may influence BSAA/Blackstone in deciding whether to use such service provider.</p> <p>BSAA may have a placement agreement with</p>	<p>All BSAA employees must pre-clear speaking at conferences and other programs with BAAM/BSAA Compliance.</p> <p>Materials provided by BSAA as part of such conferences and other programs must be approved by BAAM/BSAA Compliance.</p> <p>Neither BSAA nor the BSAA Funds compensate the service providers for organizing such events.</p>

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Potential Conflict	Mitigating Policy
a broker-dealer that sponsors hedge fund conferences or similar events.	
Financial institutions, executives of public companies and other “value added investors” may be investors in the BSAA Funds. These persons and their employees are a potential source of information and ideas that could benefit the BSAA Funds.	BSAA has detailed policies and procedures relating to the use of private information, information sharing and information walls in general.
A BSAA Fund may have entered, or in the future may enter, into letter agreements or other similar agreements (commonly referred to as “side letters”) with one or more of the Fund’s investors which provide such investor(s) with additional and/or different rights than other investors in the Fund (including, without limitation, with respect to access to information, management and incentive fees, minimum investment amounts, and liquidity terms).	Generally, BSAA does not enter into agreements that grant preferential treatment to Investors in the same share class, if applicable, with respect to liquidity or fee terms unless there is a specific regulatory requirement mandating such preferential treatment.
BSAA incurs common expenses on behalf of the BSAA Funds.	BSAA allocates such expenses on a basis that it considers equitable and in accordance with its expense allocation policies and the Constituent Documents.

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Fee Related Potential Conflicts

Potential Conflict	Mitigating Policy
Certain employees of BSAA and Blackstone may invest in the BSAA Funds. Typically, no advisory fees are charged to such investors.	<p>All investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>BSAA/BAAM maintain detailed policies and procedures relating to allocations among the funds they manage. In addition, each limited capacity allocation decision is documented separately and reviewed by BAAM/BSAA Compliance and the BAAM Executive Committee to determine that such allocation follows policies and procedures and is fair and equitable.</p>
Instead of a payment of all or any portion of the management fee to which BSAA may be entitled from a BSAA Fund, BSAA may receive an interest in Manager Revenues corresponding to such management fee.	Investors are notified of such potential conflicts.

Blackstone Related Potential Conflicts

Potential Conflict	Mitigating Policy
Blackstone performs investment advisory and other activities and as a result of such activities BSAA and/or BSAA Funds may face restrictions in their investment activities. For example, if Blackstone's Private Equity Group were to obtain material non-public information relating to an issuer, BSAA	Blackstone has a robust information wall policy in place which is designed to protect against the improper possession and/or use of material non-public information. Generally, no BSAA employee may contact an employee of another Blackstone group outside of the hedge funds solutions

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Potential Conflict	Mitigating Policy
<p>potentially could be restricted from investing in such issuer’s securities. Typically, such restrictions would not apply to the Underlying Managers.</p> <p>Further, BSAA and BSAA Funds could be forced to waive voting rights, sell or hold existing investments, or be precluded from making new investments as a result of investment banking or other relationships that Blackstone may have or transactions or investments that Blackstone and its affiliates may make.</p>	<p>group, and vice versa, about a substantive business matter, without informing BAAM/BSAA Compliance, if appropriate, and having BAAM/BSAA Compliance chaperone such contact.</p> <p>Prior to receiving confidential information each Blackstone group typically seeks to limit the impact that such receipt may have on other Blackstone groups by, among other things, limiting the applicability of any confidentiality agreement to the particular Blackstone group(s) that receive the confidential information.</p>
<p>From time to time, Underlying Managers with which the BSAA Funds invest may retain Blackstone to provide investment and advisory services.</p>	<p>Such retentions will be on an arm’s length basis, independent of any BSAA Fund investment and BSAA.</p>
<p>From time to time, Blackstone may refer potential investors to BSAA and these investors may become investors in one of the BSAA Funds.</p>	<p>All investors are reviewed for suitability of investments and must satisfy the BSAA Funds’ investment minimums and any investor qualifications.</p>
<p>Blackstone may hire or enter into a partnership or other arrangement with one or more investment professionals to form and manage pooled investment vehicles or separately managed accounts pursuing alternative investment strategies (“Blackstone Proprietary Funds”). Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary</p>	<p>All investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>BSAA maintains detailed policies and procedures relating to allocations among BSAA Funds.</p> <p>Blackstone maintains detailed policies and</p>

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Potential Conflict	Mitigating Policy
Funds. Such existing Blackstone Proprietary Funds and any Blackstone Proprietary Funds formed in the future may compete with Underlying Managers and the BSAA Funds.	procedures relating to information sharing among different Blackstone business groups and information walls in general.

Park Hill Group L.L.C. (“Park Hill”), a broker-dealer affiliate of BSAA, (may enter into placement agreements with or otherwise be retained as placement agent by Underlying Managers. Under these placement agent arrangements, to the extent permitted by applicable law including ERISA, an Underlying Manager may compensate Park Hill for referring investors to the Underlying Manager and such fees will not be shared with the BSAA Funds. Also, investors introduced by Park Hill to an Underlying Manager may absorb limited investment capacity in the Underlying Manager’s funds, and BSAA may have wanted to invest in this limited capacity for the BSAA Funds or Investors.

Blackstone maintains detailed policies and procedures relating to information sharing among different Blackstone business groups and information walls in general.

BSAA maintains detailed policies and procedures relating to allocations among Clients. In addition, each limited capacity allocation decision is documented separately and reviewed by BAAM/BSAA Compliance to determine that such allocation follows policies and procedures and is fair and equitable.

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

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Item 12 – Brokerage Practices

General Considerations

It is not anticipated that BSAA will effectuate brokerage transactions on behalf of the BSAA Funds although it has the authority to do so. To the extent BSAA does effectuate any brokerage transactions, there are no limitations as to which broker-dealers are used or as to the commission rates or similar charges paid. Transactions will be allocated to brokers on the basis of best execution. The following factors, among others, will be considered in determining best execution:

- ▶ Commissions and similar charges
- ▶ Quality of execution services and trading expertise
- ▶ Research services
- ▶ Clearance, settlement and custodial services
- ▶ Financial stability
- ▶ Reputation
- ▶ Integrity
- ▶ Facilities
- ▶ Financial services offered
- ▶ Willingness and ability to commit capital
- ▶ Reliability in keeping records

Research and Other Soft Dollar Benefits

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

BSAA does not utilize soft dollars to pay for third-party brokerage services. Underlying Managers may use “soft dollars” (*i.e.*, consideration other than cash is exchanged for services) both within and outside of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended (“Exchange Act”), to obtain both research and non-research products and services. The Underlying Managers will only use soft dollars with respect to the BSAA Funds in accordance with the safe harbor of Section 28(e) of the Exchange Act.

Brokerage for Client Referrals

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Item 12 – Brokerage Practices

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

Block Trading Procedures

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

Principal Trading

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

Cross Transactions – Agency Cross Transactions

BSAA does not engage in any agency cross transactions or cross transactions.

Trade Allocations

The BSAA Investment Committee will determine allocations (investment and redemption) for the BSAA Funds based upon the following criteria and any other relevant factors that the BSAA Investment Committee sees fit: the expected performance of the investment, reputation of the principals of the Underlying Manager, availability of cash, liquidity needs, Underlying Manager's investment objectives, BSAA Fund risk parameters, ability to negotiate preferential terms, ERISA capacity, general capacity, tax efficiency, investment limits, operational factors, legal and regulatory factors. Allocations between domestic and offshore funds within the same series of BAAM Funds (*e.g.*, Blackstone Strategic Alliance Fund II LP and Blackstone Strategic Alliance Offshore Fund II Ltd) are made pro rata based on committed capital. Allocations between different series of BSAA Funds are not an issue since (i) BSAA will not form or serve as investment advisor to or general partner of any investment fund with an investment strategy substantially similar to that of the current BSAA Funds (*i.e.*, Blackstone Strategic Alliance Fund II) until at least 75% of such Funds' committed capital is drawn down, and (ii) no investments will be made for future BSAA Funds until the current BSAA Funds are past their investment period.

Trade Errors

Trade errors are evaluated on a case-by-case basis. If BSAA determines that BSAA's gross negligence, willful misconduct or fraud was the direct cause of a trade error, BSAA generally will

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Item 12 – Brokerage Practices

compensate a BSAA Fund for any losses resulting from such trade error. If a third-party's negligence or other wrongdoing causes a trading error that is material to a BSAA Fund, BSAA will attempt to recover the amount of loss from the third party for the BSAA Fund. BSAA does not assume responsibility for compensating the BSAA Fund, or making the third party compensate the BSAA Fund, in such cases.

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Item 13 – Review of Accounts

The Investment Committee

BSAA has several senior investment professionals that supervise its investment advisory business through an investment committee (the “BSAA Investment Committee”). The BSAA Investment Committee discusses the potential investment and redemption opportunities for the BSAA Funds. The BSAA Investment Committee approves Underlying Managers or Co-Investments to be funded and / or redeemed. In addition, the BSAA Investment Committee includes members of and expects to draw upon the experience and expertise of the Executive and Investment Committees of BAAM.

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

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

There is significant overlap among the members of BAAM, BSAA and BAS investment committees.

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Item 13 – Review of Accounts

The Advisory Board

BSAA has established an advisory board (the “Advisory Board”) with respect to the prior series of BSAA Funds (“Blackstone Strategic Alliance Fund I”) and the current series of BSAA Funds (“Blackstone Strategic Alliance Fund II”) to advise BSAA on various matters, including, without limitation, potential conflicts of interest, the BSAA Funds’ initiatives, ideas and outreach for the sourcing pipeline, the progress of transactions between the BSAA Funds and the Underlying Managers, the business development and investment characteristics of Underlying Managers and general trends regarding the BSAA Funds’ investment activities. The size, terms, and appointment of the members of the Advisory Board and other matters relating to the functioning of the Advisory Board will be determined by BSAA in its discretion. The members of the Advisory Board typically are comprised, in whole or in part, of representatives of selected Investors that are not affiliates of BSAA. The conclusions of the Advisory Board, with respect to those matters presented for its consideration or approval, will be conclusive and binding. The specific responsibilities of the Advisory Board for the current series of BSAA Funds are set forth in such Funds’ Constituent Documents.

Monitoring Process

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

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

BSAA Fund Investor Reporting

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

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Item 13 – Review of Accounts

Operations Team Reconciliation

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

Administrator Reconciliation

Each BSAA Fund's administrator performs a reconciliation of cash, investor activity, and investments as part of its independent determination of the net asset value for such BSAA Fund, and produces the final capital/shareholder statements.

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Item 14 – Client Referrals and Other Compensation

BSAA has entered into distribution and/or placement agent arrangements. In a typical distribution/placement arrangement, BSAA agrees to pay a third-party solicitor for referring investors in BSAA Funds.

Typically, the third-party solicitors will receive a portion of the management fee and/or performance fee paid to BSAA (although other payment arrangements could exist). A prospective investor solicited by a third party will be informed of (and may be asked to acknowledge in writing its understanding of) any such arrangement. All fees for such solicitation services will be paid by BSAA and the Investor will not be subject to any increased or additional fees or charges. Third-party solicitors in the U.S. will be registered as broker-dealers with the SEC. Third-party solicitors outside the U.S. may be registered with a non-U.S. regulatory body to the extent such registration is required in the applicable non-U.S. jurisdiction.

BSAA has a placement arrangement with Park Hill Group LLC, an affiliate of BSAA. Also, Blackstone Advisory Partners L.P., an affiliate of BSAA, serves as a placement agent for the BSAA Funds in the U.S. but is not compensated for such services. BSAA has distribution/placement arrangements with a number of other unaffiliated third parties.

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Item 15 – Custody

Rule 206(4)-2 of the Advisers Act defines custody as holding client securities or assets or having any authority to obtain possession of them. BSAA Funds structured as U.S. entities generally have a BSAA affiliate acting as general partner and, as such, BSAA is deemed to have custody of the Funds' assets. For the BSAA Funds structured as non-U.S. entities, BSAA also is typically deemed to have custody of the Funds' assets. Although BSAA does not serve as the general partner or managing member of the non-U.S. Funds, does not constitute a majority of the non-U.S. Fund's Board of Directors, and does not hold voting shares in the Fund, BSAA has access to Fund assets for trading purposes and to pay expenses. BSAA generally complies with the Advisers Act custody rules by providing all Investors with audited financial statements within 180 days of the BSAA Fund's fiscal year end.

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

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Item 16 – Investment Discretion

Investment Guidelines

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

Types of Investment

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

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

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

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

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

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Item 16 – Investment Discretion

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

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

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

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

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

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

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Item 18 – Financial Information

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

BSAA is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitment to its Investors.

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Item 19 – Requirements for State-Registered Advisers

Not applicable as BSAA is not registered in any states.