

Item 1 – Cover Page

Blackstone Strategic Alliance Advisors L.L.C.

345 Park Avenue

New York, NY 10154

(212) 583-5000

www.blackstone.com

March 31, 2011

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.

Item 2 – Material Changes

1. Initial Filing on March 31, 2011:
 - a. This is BSAA’s “initial” filing of what we regard as “The New Part 2” of BSAA’s Form ADV. This document was developed in response to new requirements adopted and imposed by the SEC under the Advisers Act. As a result, this Brochure, dated March 31, 2011, is new and is substantially different from previous versions and includes disclosures not specifically required by the old Part 2.
 - b. While this Brochure should be considered new, you will recognize most of the disclosures as similar or identical to what you have read in the past.
2. In future filings, this section of the Brochure will address only material changes that have been incorporated since BSAA’s last delivery or posting of this document on the SEC’s public disclosure website (IAPD) www.adviserinfo.sec.gov.
3. 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).
4. 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 Global Head of Client Operations, Peter Rand, at (212) 583-5071 or rand@blackstone.com.

Item 3 – Table of Contents

Item 1 – Cover Page	
Item 2 – Material Changes	i
Item 3 – Table of Contents; Defined Terms.....	ii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation.....	4
Item 6 – Performance-Based Fees.....	6
Item 7 – Types of Clients	7
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	8
Item 9 – Disciplinary Information.....	12
Item 10 – Other Financial Industry Activities and Affiliations	13
Item 11 – Code of Ethics	17
Item 12 – Brokerage Practices.....	26
Item 13 – Review of Accounts.....	28
Item 14 – Client Referrals and Other Compensation	30
Item 15 – Custody.....	31
Item 16 – Investment Discretion	32
Item 17 – Voting Client Securities (<i>i.e.</i> , Proxy Voting).....	33
Item 18 – Financial Information	34
Item 19 – Requirements for State-Registered Advisers	35

Item 3 – Defined Terms

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

BAAM: Blackstone Alternative Asset Management L.P., an affiliate of BSAA.

BAAM Executive Committee: A committee comprised of all BAAM Senior Managing Directors and Managing Directors, including BAAM’s Chief Compliance Officer.

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.

BAAM Investment Committee: A committee comprised of all BAAM Senior Managing Directors and Managing Directors on BAAM’s Investment Team.

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 committee comprised of all BSAA Senior Managing Directors and selected Managing Directors. BSAA’s Chief Compliance Officer 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.

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.

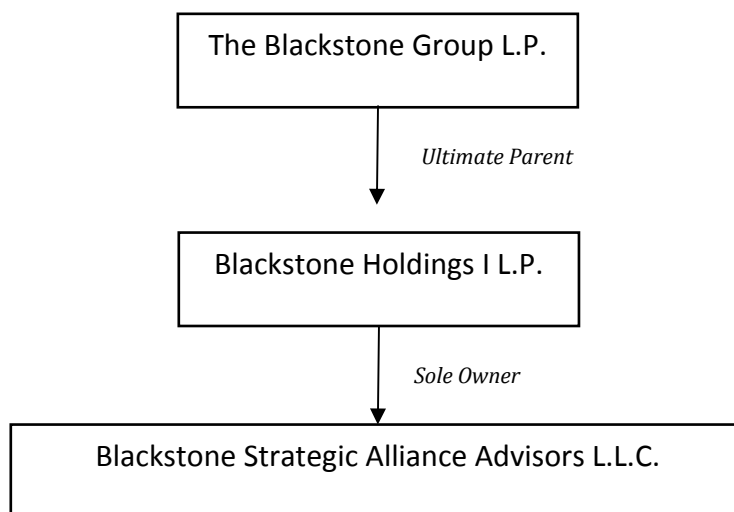
Item 4 – Advisory Business

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 \$32.8 billion in fund of hedge funds as of December 31, 2010 (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. Please see **Item 10 – Other Financial Industry Activities** for more information.



BSAA’s assets under management (“AUM”) were \$1.05 billion as of December 31, 2010. This excludes committed capital that has not been drawn to make an investment. Please note that this is an unaudited estimate and audited financials for 2010 will be available after June 29, 2011.

Overview of Advisory Services

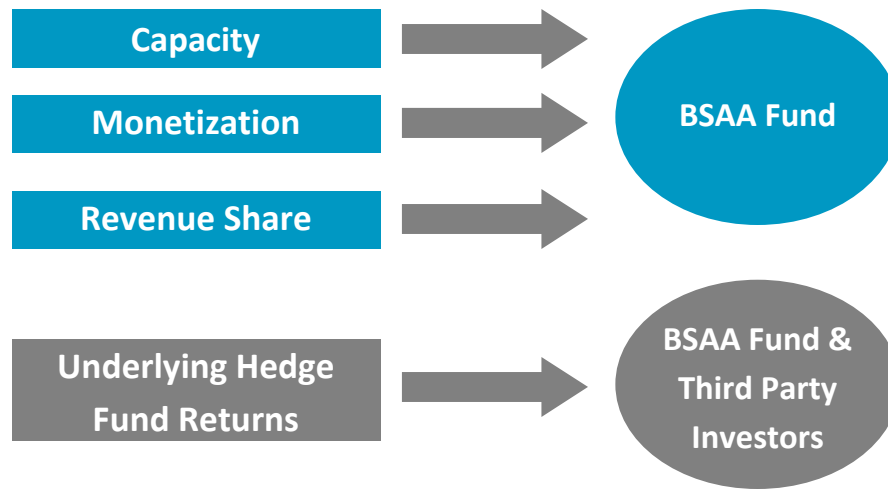
As investment advisor to the BSAA Funds, BSAA:

1. identifies and implements investment opportunities for the BSAA Funds;
2. participates in the monitoring of the BSAA Funds' investments;
3. makes decisions on behalf of the BSAA Funds to make and/or redeem investments;
4. may engage in foreign currency hedging transactions and/or the hedging of certain market exposures for certain BSAA Funds;
5. 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); and
6. may provide cash management for the BSAA Funds.

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' management 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").

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").

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.

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 are paid 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 payment period, a pro rata portion of the asset-based advisory fee (based on the number of days remaining in the payment period) will be refunded to the Investor. Fees are deducted from an Investor's assets invested with a BSAA Fund at the payment date.

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 directly 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
- Directors Fees
- Legal Fees
- Regulatory Filing Fees
- Administrative Fees
- Technology Expenses
- Audit Fees

- Brokerage Commissions
- Transaction Fees
- Custodial Fees
- Wire transfer and Electronic Fund Processing Fees
- Travel Expenses

Investors in a BSAA Fund are allocated 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 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.

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.

Please note 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.

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.

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
- 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 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

- Leverage
- Compulsory Redemption
- Concentration of Fund Portfolio
- Decision Making Authority
- Dependence on BSAA and the Underlying Managers
- Diversification
- Duplicative Payments and Expenses
- Gates, Suspensions and Redemption Fees
- Increased Regulatory Oversight
- Information Technology Systems
- Limited Liquidity
- Liquidity Mismatch
- Other Activities of BSAA
- Redemptions in Kind; Liquidating SPVs
- Volatility

Risks Primarily Arising from Investment Activities of the Underlying Managers

- Early Stage Underlying Managers
- “Style Drift”
- Business and Regulatory Risks of Underlying Investment Vehicles
- Compensation Arrangements with Underlying Managers
- Concentration of Underlying Investment Vehicles’ Portfolios
- Currency Exposure and Hedging
- Futures, Options, Swaps and Derivative Instruments
- Hedging Transactions
- Volatility
- Interest Rates
- Leverage
- Lower-Rated Securities
- Non-U.S. Securities
- Reliance on Underlying Managers for Portfolio Valuation
- Redemptions from Underlying Investment Vehicles; Re-Allocation of Investments
- Counterparty Default
- “Side Pockets”
- Short Selling
- Systemic Risk
- Trading in Securities and Other Investments That May be Illiquid
- Turnover
- New Issues
- Arbitrage Transactions
- Distressed Securities

- Emerging Market Investments
- Proxy Contests and Unfriendly Transactions
- Delayed Schedules K-1

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

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. BSAA and its employees are not currently the subject of any litigation.

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
Park Hill Real Estate Group LLC	Places real estate alternative investment products in private offerings to mostly institutional investors
Investment Advisor Entities	
Blackstone Asia Advisors L.L.C.	Provides investment advice to two closed ended mutual funds and one internal long/short hedge fund
Blackstone Alternative Asset Management L.P.	Manages a series of private funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Fund Services India Private Limited	Provides sub-advisory services to one closed end mutual fund
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 Distressed Securities Advisors L.P.	Provides investment advisory services to private investment funds specializing in distressed securities (these funds are in liquidation mode)
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

Investment Advisor Entities	
Blackstone Management Partners L.L.C	Provides investment advisory services to various private equity funds
Blackstone Clean Technology Venture Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Mezzanine Advisors II L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Real Estate Advisors III 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 Advisors L.P. (formerly Blackstone Real Estate Advisors VI 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 Europe L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C	Provides investment advisory services to private investment funds which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings

Investment Advisor Entities	
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 LLC	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
Bayview Asset Management, LLC	Provides investment advisory services focusing on real estate backed loans and mortgage securities
Pátria Investimentos	Alternative investment management and corporate advisory firm based in Brazil
The Blackstone Group International Partners LLP	U.K. investment advisory firm and an affiliate of BSAA, which serves as a sub-advisor to BSAA relating to European Investors and Underlying Managers
Commodity Trading Advisor & Commodity Pool Operator Entity	
Blackstone Alternative Asset Management L.P.	Manages a series of private funds engaged in multi-manager investment programs (<i>i.e.</i> , funds of hedge funds)
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

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.

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, Park Hill Group LLC and Park Hill Real Estate Group LLC are registered broker dealers. They do not distribute, underwrite or make markets in any securities and generally do not hold proprietary positions in securities or other investments.

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

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 ensure BSAA meets BSAA’s fiduciary obligation to Investors (or prospective Investors) and to instill a culture of compliance within BSAA. An additional benefit of the Code is to detect and prevent 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.

Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
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 the BSAA Funds’ Underlying Managers. An	BAAM Funds only may invest in managers funded by the BSAA Funds after a seasoning period (generally six to nine months after the BSAA Funds’ initial investment). BSAA’s portion of the fees generated from

Potential Conflict	Mitigating Policy
<p>investment by a BAAM Fund in an Underlying Manager 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>Most members of the BSAA Investment Committee also are members of BAAM's Investment Committee.</p>	<p>a BAAM Fund's 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 a BSAA Fund Underlying Manager, BAAM Compliance and several 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>To the extent that entities affiliated with BSAA, such as the BAAM Funds, invest in Underlying Managers that have limited capacity, BSAA, BAAM and/or Blackstone may be required to choose between the BSAA Funds and such affiliated entities in allocating assets to such Underlying Managers.</p>	<p>All investment decisions and allocations are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>BSAA and BAAM maintain detailed policies and procedures relating to allocations among BSAA Funds and BAAM Funds. In addition, each limited capacity allocation decision is documented separately and reviewed by BAAM/BSAA Compliance to ensure such allocation follows policies and procedures and is fair and equitable.</p>
<p>Some of BSAA's affiliates, including the BAAM Funds, 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>

Potential Conflict	Mitigating Policy
<p>BSAA or its affiliates, in particular BAAM, may sponsor, manage or advise other investment funds with 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 the BAAM Funds or any other Blackstone funds or investment vehicles.</p>	<p>BSAA will not launch a new BSAA Fund until at least 75% of the capital committed by Investors to the current BSAA Fund (<i>i.e.</i>, BSAA Fund II) is drawn down.</p> <p>Investors are notified of such potential conflicts.</p>
<p>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.</p>	<p>All investment decisions and allocations are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>BSAA and BAAM maintain detailed policies and procedures relating to allocations among BSAA Funds and BAAM Funds. In addition, each limited capacity allocation decision is documented separately and reviewed by BAAM/BSAA Compliance to ensure such allocation follows policies and procedures and is fair and equitable.</p>
<p>Investors may have opportunities to invest directly in the Underlying Investment Vehicles. Any such direct investment opportunity in the Underlying Investment Vehicle may involve significant additional risks.</p> <p>Although such investment opportunities generally will 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</p>	<p>Investors are notified of such potential conflicts.</p>

Potential Conflict	Mitigating Policy
<p>accuracy of any information provided to Investors.</p> <p>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 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 other 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>	

Non-Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>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 no interest. In addition, BSAA may determine that an opportunity in a particular investment is appropriate for a particular BSAA Fund, or for itself and/or affiliates, but not for other BSAA Funds.</p>	<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 Compliance and Blackstone Compliance.</p> <p>Upon hire and quarterly thereafter, all BSAA employees must report all hedge</p>

Potential Conflict	Mitigating Policy
	<p>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>The BAAM Executive Committee, which includes all of the members of the BSAA Investment Committee, receive a monthly report of BSAA employees’ and Blackstone Management Committee members’ personal hedge fund holdings (including BSAA Fund holdings) prior to approving all investment decisions.</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 for potential hedge fund investors. 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>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. BSAA may have a placement agreement with a broker-dealer that sponsors hedge fund conferences or similar events.</p>
<p>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.</p>	<p>BSAA has detailed policies and procedures relating to the use of private information, information sharing and information walls in general.</p>

Potential Conflict	Mitigating Policy
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 Investors which provide such Investor(s) with additional and/or different rights than other Investors.	Generally, BSAA does not enter into agreements that grant preferential treatment to Investors 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.

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. The employees may be individuals responsible for allocating investment opportunities to the BAAM Funds and may be biased about which BAAM Funds receive allocations to BSAA Funds.	<p>All investment decisions are approved by the BSAA Investment Committee (see Item 13 – Review of Accounts for further details).</p> <p>The BAAM Executive Committee, which includes all of the members of the BSAA Investment Committee, receives a monthly report of BSAA employees’ and Blackstone Management Committee members’ personal hedge fund holdings (including BSAA and BAAM Fund holdings) prior to approving all investment decisions.</p>
BSAA Funds may have different management and incentive fee structures. As part of the investment allocation process, BSAA potentially could allocate a limited investment opportunity to a BSAA Fund that	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>i.e.</i> , Blackstone

Potential Conflict	Mitigating Policy
has a more favorable fee structure. BSAA also potentially could choose not to allocate fund expenses to a BSAA Fund that has a more advantageous fee structure and instead allocate that portion of such expense to other BSAA Funds.	Strategic Alliance Fund II) until at least 75% of such Funds' committed capital is drawn down. In addition, no investments will be made for a future BSAA Fund until the current BSAA Fund is past its investment period. BSAA allocates expenses on a basis that it considers equitable and in accordance with its expenses allocation policies and the BSAA Funds' Constituent Documents.
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 potentially could be restricted from investing in such issuer's securities. Such restrictions would not apply to the Underlying Managers.	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, and vice versa, without informing BAAM/BSAA Compliance, if appropriate, and having BAAM/BSAA Compliance chaperone such contact.
From time to time, Underlying Managers in which the BSAA Funds invest may retain Blackstone to provide investment and	Such retentions will be on an arm's length basis, independent of any BSAA Fund investment, and BSAA, together with Blackstone, will take steps to provide that

Potential Conflict	Mitigating Policy
advisory services.	the Underlying Managers have selected Blackstone on such basis.
Blackstone may from time to time refer potential investors to BSAA and these investors may become investors in one of the BSAA Funds.	All investors are reviewed for suitability of investments and must satisfy the BSAA Funds' investor qualifications.
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"). These professionals could be partners, officers or employees of Blackstone or one of its affiliates and own a portion of, and exercise varying degrees of control over, investment managers to such Blackstone Proprietary Funds. Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary Funds, in most instances greater than the portion of the revenues Blackstone would receive from seed capital arrangements contemplated by the BSAA Funds. Such existing Blackstone Proprietary Funds and any Blackstone Proprietary Funds formed in the future may compete with Underlying Managers and the BSAA Funds. These Blackstone Proprietary Funds may consider investment opportunities that would be suitable for investment by the BSAA Funds.	<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 procedures relating to information sharing among different Blackstone business groups and information walls in general.</p>
Certain broker-dealer affiliates of BSAA may enter into placement agreements with or	Blackstone maintains detailed policies and procedures relating to information

Potential Conflict	Mitigating Policy
<p>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 BSAA's affiliate for referring investors to the Underlying Manager and such fees will not be shared with the BSAA Funds. Also, investors introduced by such BSAA affiliates 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.</p>	<p>sharing among different Blackstone business groups and information walls in general.</p>

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.

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, to obtain both research and non-research products and services.

Brokerage For Client Referrals

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

Block Trading Procedures

In the event that 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 conduct principal trading (*i.e.*, trading for BSAA's proprietary accounts).

Cross Transactions – Agency Cross Transactions

Cross transactions occur when the same broker handles a transaction for both sides of a trade (*i.e.*, buy and sell). BSAA does not engage in such transactions.

Trade Allocations

The BSAA Investment Committee will provide allocation recommendations (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, Underlying Manager's investment objectives, BSAA Fund risk parameters, ability to negotiate preferential terms, ERISA issues, capacity, tax efficiency, investment limits, operational factors, legal and regulatory factors. Allocations between domestic and offshore funds within the same series of BSAA 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 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.

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 is comprised of members of and expects to draw upon the experience and expertise of the Executive Committee of BAAM (the “BAAM Executive Committee”). Prior to any investment by the BSAA Funds in or alongside any potential Underlying Manager, the BAAM Executive Committee will evaluate such investment and provide strategic, investment and operational guidance to the BSAA Investment Committee.

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
- Underlying Manager’s investment objectives
- Risk parameters
- Ability to negotiate preferential terms
- ERISA issues
- Capacity
- Tax efficiency
- Investment limits
- Operational factors
- Legal and regulatory factors

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 monitors the performance of the BSAA Funds on an ongoing basis. This monitoring includes, but is not limited to, reviewing for:

- Potential conflicts
- Market conditions
- Style drift
- 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 on information provided by the Underlying Managers.

Operations Team Reconciliation

The Operations Team performs daily cash reconciliations to ensure 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.

Custodian Reconciliation, if applicable*

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

*Not all BSAA Funds utilize a third-party custodian.

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, 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.

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.

Certain (but not all) BSAA Funds utilize a third-party, independent custodian. 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.

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. 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.

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.

Item 18 – Financial Information

BSAA does not charge or solicit prepayment of \$1,200 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.

Item 19 – Requirements for State-Registered Advisers

Not applicable as BSAA is not registered in any states.