

Blackstone Alternative Solutions L.L.C.

Form ADV Part 2A Brochure

March 29, 2017

Blackstone

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Item 1 – Cover Page

Blackstone Alternative Solutions L.L.C.

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March 29, 2017

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

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

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

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

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Item 2 – Material Changes

- ▶ There is no material change incorporated herein since BAS's last posting of this document on December 14, 2016 on the SEC's public disclosure website (IAPD) www.adviserinfo.sec.gov.
- ▶ BAS, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (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 contact BAS's Head of Global Client Operations and Reporting, Peter Rand, at (212) 583-5071 or BAAMClientService@blackstone.com

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Item 3.1 – Defined Terms

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

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

Advisory Client: A client to which BAAM provides advisory services regarding the client’s hedge fund portfolio, typically on a non-discretionary basis.

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

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

BAAM Funds: A series of private investment funds, Registered Funds and accounts 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.

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

BAP: Blackstone Advisory Partners L.P., a registered broker-dealer and an affiliate of BAS.

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

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

BAS Investment Committee: A BAS committee comprised of certain senior professionals of the Hedge Fund Solutions Group.

BEMAP: The Blackstone Equity Managed Account Portfolios platform (“BEMAP”) is a BAAM-managed master-feeder fund for which BAAM engages discretionary investment sub-advisers that each manage a portion of BEMAP’s assets.

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

Blackstone Affiliated Manager: A manager with which Blackstone currently has (or in the future may have) an ownership interest or revenue share, or is (and in the future may be) otherwise affiliated.

Blackstone Proprietary Funds: Pooled investment vehicles or separately managed accounts pursuing alternative investment strategies formed and managed in total or through a partnership or other arrangement by Blackstone.

Brokers: Brokers, dealers and other counterparties or intermediaries.

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

BSAA Funds or Strategic Alliance Funds: A series of private investment funds managed by BAS’ affiliate, BSAA, which are engaged in providing “seed capital” to hedge fund managers.

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Item 3.1 – Defined Terms

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

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

Client Constituent Documents: The Confidential Offering Memorandum, Limited Partnership Agreement, Memorandum and Articles of Association, Limited Liability Company Agreement, Investment Management Agreement and/or other applicable constituent documents for a Client.

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

Hedge Fund Solutions Group or HFS: The division of Blackstone which includes BAAM, BSAA, BAS, BAIA, and BSCA, each a registered investment adviser.

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

Investor: An investor in a BAS Fund.

Other Blackstone Advisers: Affiliates of BAS outside of HFS.

Other Blackstone Advisers: Entities and accounts managed by Other Blackstone Advisers.

Other HFS Advisers: Affiliates of BAS within HFS.

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

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

Restricted Issuers: Issuers BAS will be restricted from investing in

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

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

Strategic Capital Manager: An unaffiliated manager in which the BSCA Funds have taken a minority stake.

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

Underlying Managers: The investment managers to which the BAS Funds allocate capital, which, for the avoidance of doubt, include investment managers affiliated with BAS.

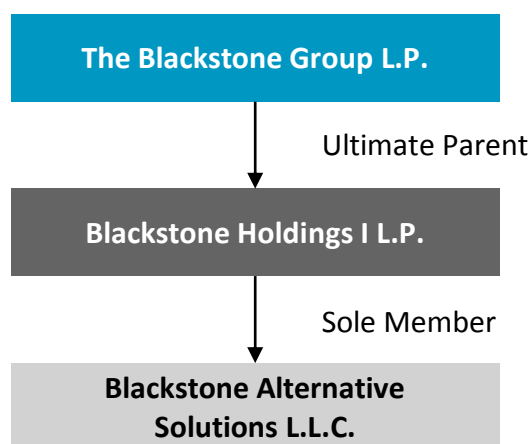
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Item 4 – Advisory Business

Overview of the Firm

BAS, a Delaware limited liability company, primarily provides investment advisory services to private investment funds (collectively, the “BAS Funds”) that predominantly invest and trade in a wide variety of securities, assets and instruments (including without limitation, equity securities, debt, debt-related instruments, currencies, commodities, futures contracts, options and other derivative instruments). BAS is an affiliate of Blackstone Alternative Asset Management L.P. (“BAAM”), a leading hedge fund solutions provider which, together with its affiliates in the Hedge Fund Solutions Group (“HFS”), manages or advises approximately \$66.9 billion as of December 31, 2016. Please note that this is an unaudited estimate and does not include non-discretionary advisory clients. BAS derives significant benefits from the experience of BAAM in the investment, operational, legal, structuring and compliance aspects of hedge funds.

BAS was founded in 2011 as part of The Blackstone Group L.P. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BAS and BAAM. Blackstone is one of the leading alternative investment managers in the world with investment programs and services concentrating in the private equity, real estate, corporate advisory and debt / credit areas, as well as the hedge fund solutions business. Subject to the HFS information walls, BAS shares employees and facilities with BAAM, Blackstone Strategic Alliance Advisors L.L.C. (“BSAA”), Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), and Blackstone Alternative Investment Advisors L.L.C. (“BAIA”), each a registered investment adviser. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



BAS’s assets under management (“AUM”) were \$6.6 billion as of December 31, 2016. This includes investments made by BAAM Clients into BAS Funds. Please note that this is an unaudited estimate.

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Item 4 – Advisory Business

Overview of Advisory Services

As investment adviser to the BAS Funds, BAS:

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

Investors in BAS Funds ("Investors") are not deemed to be BAS clients but are entitled to the rights and benefits described in the applicable Confidential Offering Memorandum, Limited Partnership Agreements, Memorandum and Articles of Association, Limited Liability Company Agreement, Investment Management Agreements and/or other applicable constituent documents for a Client.

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

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Item 5 – Fees and Compensation

Asset-Based Advisory Fees

In general, BAS charges an asset-based advisory fee of up to 1.5% of assets under management. The fee paid to BAS is generally reduced by asset-based advisory fees charged by the Underlying Managers. This arrangement may incentivize BAS to favor Underlying Managers that charge lower fees. Generally, Blackstone managed funds and Blackstone employees, retired partners, and certain former employees are not subject to such asset-based advisory fees.

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

Performance-Based Fees

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

Fee Negotiations

Fees generally are non-negotiable. However, BAS Funds in their absolute discretion have agreed with Investors (and may do so in the future) to waive or modify the fees, in accordance with BAS Funds' ability to enter into side letters as set forth in **Item 11 – Code of Ethics (Investment Related Potential Conflicts)** section.

Payment of Asset-Based Advisory Fees

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

Additional Fees and Expenses:

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

- Broken Deal Expenses
- Credit Facility Fees, including Interest Charges
- Board of Director Fees
- Legal and Accounting Fees
- Administration Fees and Expenses
- Expenses Associated with the Ongoing Offering of Interests, including Costs of Registration

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Item 5 – Fees and Compensation

- Evaluation, Acquisition, Financing, Hedging and Disposition of Investments or Prospective Investments
- Regulatory Filing Fees, including Preparation Fees
- Brokerage Commissions
- Interest on Debit Balances
- Borrowing and Investment Banking Expenses
- Clearing and Settlement Charges
- Custodial Fees
- Certain Technology Costs
- Portfolio Management and Risk Management Fees
- Travel and Research Expenses
- Information Subscriptions Utilized with Respect to the Fund's Investment Program
- Costs of Litigation and Investigation
- Indemnification Expenses
- Pro-Rata Share of Similar Expenses of the BSOF Master Fund L.P.
- Commissions
- Tax Expenses
- Expenses of Liquidating a Fund
- Reports To Be Filed With the U.S. Commodity Futures Trading Commission (“CFTC”)

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

BAS employees do not receive compensation from the purchase or sale of securities or investments that are purchased or sold for BAS Funds or for which BAS provides advisory expertise / services. BAS is a “fee only” investment adviser and, therefore, except as described below, BAS does not have any potential conflicts of interest relating to any additional, undisclosed compensation from BAS Funds or Underlying Managers.

Arcesium LLC (“Arcesium”) will provide certain middle- and back-office services and technology to the BAS Funds and certain other Blackstone-affiliated funds. BAAM holds a non-controlling, minority equity interest in Arcesium and the Chief Operating Officer of HFS sits on the board of Arcesium. The services and technology provided to the BAS Funds by Arcesium are expected to support various post-trade activities, including trade capture, cash and position reconciliations, asset servicing, margin and collateral monitoring, pricing-related services, portfolio data

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Item 5 – Fees and Compensation

warehousing, and other services and technology as agreed between BAS and Arcesium. BAS may recommend Arcesium's services to the Underlying Managers. BAS will not require any Underlying Managers to hire Arcesium as a condition to a BAS Fund investing with such Underlying Managers nor will it favor Underlying Managers who use Arcesium over Underlying Managers because they use other qualified middle- and back-office service providers when selecting Underlying Managers for the BAS Funds.

In return for the services provided to the BAS Funds, Arcesium will receive from the BAS Funds a one-time upfront implementation fee, an annual software fee (based on the BAS Funds' complexity and net asset value), and an annual operations services fee (also based on the BAS Funds' net asset value), as negotiated by BAS and Arcesium (such fees in the aggregate, the "Arcesium Fees"). Arcesium Fees paid by the BAS Funds generally will be consistent with those charged to other Arcesium clients. Additional information regarding the Arcesium Fees is available from BAS upon request.

In connection with BAAM's minority equity ownership interest in Arcesium, BAAM is expected to receive cash distributions from Arcesium from time to time. Subject to applicable law (including ERISA), such cash distributions are expected to be used to reimburse BAAM for the operating expenses of Arcesium which BAAM has previously paid. Following such expected reimbursement, any further cash distributions received by BAAM from Arcesium will be applied to reimburse the Arcesium Fees paid by the BAS Funds and the other funds managed by the Hedge Fund Solutions Group which are clients of Arcesium (the "HFS Arcesium Clients"). In the event that cash distributions received by BAAM from Arcesium exceed the Arcesium Fees paid by the BAS Funds and the HFS Arcesium Clients, any excess amounts are expected to be retained by BAAM. In the event that Arcesium is sold to a third-party, there is no guarantee that BAAM will continue to receive such cash distributions and that the BAS Funds and HFS Arcesium Clients will be reimbursed for any portion of the Arcesium Fees paid by them.

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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, BAS Funds generally will be charged a performance-based fee generally equal to 25% of net profits, generally inclusive of the Underlying Manager fee, subject to loss carryforward provisions BAS's fees will be reduced by the full amount of any fees paid to BAS Underlying Managers. This arrangement may incentivize BAS to favor Underlying Managers that charge lower fees. Under a loss carryforward provision (also referred to as a "High Water Mark"), if a BAS Fund has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such BAS Fund, there will be no performance-based fee payable to BAS with respect to such BAS Fund until the amount of the loss previously allocated has been recouped.

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

Generally, Blackstone managed funds and Blackstone employees, retired partners, and certain former employees are not subject to such performance-based advisory fees.

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

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

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

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Item 7 – Types of Clients

BAS' clients consist of the BAS Funds. Investors in BAS Funds are based in the U.S. and outside of the U.S. and may consist of:

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

All Investors are subject to applicable suitability and eligibility requirements.

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

Investment opportunities often are sourced through existing BAAM manager relationships. In addition, BAS has access to a broader manager universe through the Hedge Fund Solutions Group's ongoing sourcing efforts that may lead to the identification of attractive individual opportunities with managers and other parties not currently on the BAAM platform. BAS also sources ideas through the broader Blackstone network, subject to Blackstone's internal information wall policy.

Analysis

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

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

Investment Strategies

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

- ▶ Credit. Investments across the credit spectrum, including:
 - Distressed debt
 - Structured credit
 - TARP preferred securities
 - Sovereign and municipal credit
- ▶ Mortgage. Investments in mortgage related strategies and securities, including:
 - Mortgage servicing rights
 - Global non-performing loans
- ▶ Equity. Public equity investments across sectors and strategies, including:

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

- Fundamental
- Activist
- Merger-arbitrage
- ▶ Hard Asset / Private. Diversified opportunities, including:
 - Infrastructure assets
 - Real property
 - Select private equity investments

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

Risk of Loss

General Economic and Market Conditions: The success of BAS's and the Underlying Manager's investments 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)

Investment and Trading Risk: All investments made by the BAS Funds risk the loss of capital (*i.e.*, invested amount). BAS and 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, will increase the risk of losses. No guarantee or representation is made that BAS's or any Underlying Manager's investments will be successful, and investment results may vary substantially over time. BAS Funds and Investors are subject to the risk of substantial losses. BAS typically does not have any responsibility for, involvement with or control over the Underlying Managers' investments or other activities.

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

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

- ▶ Political, Economic, Market, and Other Market Conditions
- ▶ Risk of Investments
- ▶ Compulsory Withdrawal
- ▶ Concentration of Fund Portfolio; Diversification; Volatility
- ▶ Dependence on BAS and the Underlying Managers
- ▶ Increased Regulatory Oversight
- ▶ Information Technology Systems
- ▶ Limited Liquidity; Liquidity and Information Rights
- ▶ Lack of Management Rights
- ▶ “Style Drift”
- ▶ Valuations
- ▶ Risk Management Activities; Monitoring Investments
- ▶ Breach of Governing Investments by Underlying Managers; Termination of Underlying Managers
- ▶ Investments by the Investment Manager
- ▶ Use of Special Purpose Entities; Non-Lead Investments
- ▶ Restrictions
- ▶ Distributions
- ▶ Forms of Withdrawal Payments
- ▶ Potential Involvement in Litigation
- ▶ Access to Information; Enhanced Liquidity; Side Letters
- ▶ Investment Liabilities
- ▶ Cross Class Liabilities
- ▶ FOIA and Similar Laws
- ▶ Financial Markets and Regulatory Change
- ▶ Impact of AIFM Directive
- ▶ Execution, Risks and Error
- ▶ Government Regulation
- ▶ Cyber Security Breaches and Identity Theft

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

- ▶ Handling of Mail
- ▶ Limited Operating History
- ▶ Volatility
- ▶ Access to Information and Effect on Withdrawals
- ▶ Proprietary Investment Strategies
- ▶ Brexit

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

- ▶ Futures, Options and Derivative Instruments
- ▶ Highly Volatile Markets
- ▶ Interest Rate Fluctuations
- ▶ Borrowing; Leverage
- ▶ Non-U.S. Currencies and Investments
- ▶ Indirectly Investing in “Side Pockets”
- ▶ Short Selling
- ▶ Significant Positions
- ▶ Systemic Risk
- ▶ Tax Considerations
- ▶ Trading in Securities and Other Investments That May be Illiquid
- ▶ Turnover
- ▶ U.S. Government Securities
- ▶ Restricted New Issues
- ▶ Currency Exposure
- ▶ Arbitrage Transactions
- ▶ Debt Securities; Bank Debt
- ▶ Distressed Securities
- ▶ Emerging Market Investments
- ▶ Project Finance Investments
- ▶ Proxy Contests and Unfriendly Transactions
- ▶ Event Driven Investment
- ▶ Relative Value Investing
- ▶ Delayed Schedules K-1

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

- ▶ Equity Securities Generally
- ▶ Small and Medium Capitalization Companies
- ▶ Preferred Stock
- ▶ Investments in Unregistered Securities
- ▶ High-Yield Debt and Non-Investing Grade Securities
- ▶ Investments in Troubled and Leveraged Companies
- ▶ Uncovered Risks
- ▶ Price Risks
- ▶ Financial Fraud
- ▶ FINRA Rule 5130
- ▶ FINRA Rule 5131
- ▶ Purchasing Securities of Initial Public Offerings
- ▶ Institutional and Counterparty Risks
- ▶ Tax Liabilities without Distributions
- ▶ Unrelated Business Taxable Income
- ▶ Tax Considerations Taken Into Account
- ▶ Non-U.S. Taxation

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

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Item 9 – Disciplinary Information

As of the date of this Brochure, BAS does not have any legal, financial or other disciplinary items to report to you. BAS is obligated to disclose any disciplinary event that would be material to you when evaluating a client / adviser relationship.

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a lawsuit or arbitration. BAS does not believe that any current litigation to which Blackstone is a party will have a material adverse effect on BAS and/or the BAS Funds. As of the date of this Brochure, BAS is not the subject of litigation and, to the knowledge of BAS, no employee of BAS is the subject of litigation.

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Item 10 – Other Financial Industry Activities and Affiliations

BAS is an affiliate of the following entities:

Broker / Dealer Entities

Blackstone Advisory Partners L.P.	Provides a variety of limited investment banking services
FEF Distributors LLC	Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds
Incenter Securities Group LLC	Provides a variety of limited investment banking services

Investment Advisor Entities

Blackstone Alternative Investment Advisors L.L.C.	Provides investment advisory services to open end mutual funds
Blackstone Alternative Asset Management L.P.	Manages a series of private and closed-end funds engaged in multi-manager investment programs (<i>i.e.</i> , fund of hedge funds)
Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Communications Advisors I L.L.C.	Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Debt Advisors L.P.	Provides investment advisory services to a number of debt-focused private investment funds
Blackstone Management Partners L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Management Partners IV L.L.C.	Provides investment advisory services to various private equity funds
Blackstone Mezzanine Advisors L.P.	Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Property Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors Europe L.P.	Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds

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Item 10 – Other Financial Industry Activities and Affiliations

Blackstone Real Estate Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors (Isobel) L.L.C.	Provides investment advisory services to private investment funds and accounts which invest primarily in public and private debt and other interests of real estate assets and real estate-related holdings
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds
Blackstone Multi-Asset Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone’s private equity, real asset, credit, hedge fund and opportunistic alternative asset management strategies
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Blackstone / GSO Debt Funds Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds
Blackstone / GSO Debt Funds Management Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt-focused private investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by

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Item 10 – Other Financial Industry Activities and Affiliations

	Blackstone Strategic Capital Advisors L.L.C.
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, not traded REIT
CT High Grade Mezzanine Manager, LLC	Provides investment advisory services to assets owned by a third party insurance company
CT High Grade Partners II Manager, LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
CT Investment Management Co., LLC	Provides investment advisory services to real estate debt and securities private funds, managed accounts and CDOs focused on loans and securities backed by commercial real estate assets
First Eagle Investment Management, LLC	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt-focused 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 closed-end funds
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
Incenter Capital Management LLC	Provides investment advisory services to mortgage related asset private funds
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

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Item 10 – Other Financial Industry Activities and Affiliations

Blackstone Singapore Pte Ltd	Singapore 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
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to the registrant
Commodity Trading Advisor & Commodity Pool Operator Entities	
Blackstone Alternative Investment Advisors LLC	Provides investment advisory services to open end mutual funds
Blackstone Strategic Alliance Advisors L.L.C.	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C.	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
First Eagle Investment Management, LLC	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
Commodity Pool Operator Entities	
Blackstone Alternative Asset Management Associates L.L.C.	Serves as general partner of BAAM Funds which are structured as limited partnerships
Blackstone NWI Asset Management L.L.C.	Provides investment advisory services to private investment funds specializing in emerging market debt strategies
Blackstone Treasury Solutions Advisors L.L.C.	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
Insurance Entities	
Boston National Holdings LLC	A wholly owned subsidiary of Incenter and is a title insurance agency
Lexington National Land Services	Places title insurance and provide title services for real property owned by various funds and/or their portfolio entities
Rothsay Life Plc	Life insurer specializing in bulk annuities and other de-

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Item 10 – Other Financial Industry Activities and Affiliations

risking solutions for defined benefit pension schemes and insurance companies

Note: Other entities within the Hedge Fund Solutions Group, which serve as general partners of funds managed by BAS affiliates (and are listed in BAS's ADV Part 1, Schedule D Section 7A), may be deemed to be investment advisors but are not required to be registered as such. BAS also manages a number of private investments vehicles, which are listed in BAS'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") is a registered broker dealer and an affiliate of BAS. BAP does not make markets in any securities and generally does 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.

On October 1, 2015, Blackstone spun off the financial and strategic advisory and restructuring and reorganization advisory divisions of BAP, as well as its Park Hill Group fund placement business, and combined these businesses with PJT Partners, an independent financial advisory firm founded by Paul J. Taubman ("PJTP"). While PJTP operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJTP for a considerable period of time going forward. Such overlapping ownership, as well as the relationship between Blackstone and its former personnel involved in PJTP, may influence Blackstone in deciding to select or recommend PJTP to perform services for Blackstone-managed funds (or a portfolio company).

BAS U.S.-based marketing personnel who are responsible for raising assets for the BAS Funds are registered representatives of BAP. BAP does not receive any compensation relating to such arrangement.

Potential Conflicts of Interest specific to Pátria Investments S.A.

Blackstone owns 40% of the equity interests in Pátria Investments S.A. ("Pátria"), a leading Brazilian alternative asset manager and advisory firm. Pátria's alternative asset management businesses include the management of private equity funds, real estate funds, infrastructure funds and hedge funds. Each of Blackstone's and Pátria's respective investment funds continues to pursue investment opportunities in accordance with their existing mandates. There may be instances where appropriate investment opportunities will be shared (in whole or in part) with Pátria.

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

Blackstone Alternative Solutions L.L.C.

Item 11 – Code of Ethics

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

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

The Code includes (among other things):

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

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

Potential Conflicts of Interest

Blackstone 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. BAS has adopted, and continues to adopt, policies and procedures to address such potential conflicts of interest.

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Item 11 – Code of Ethics

Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>Blackstone currently has (or in the future may have) an ownership interest or revenue share in, or is (and in the future may be) otherwise affiliated with, various investment managers (each a “Blackstone Affiliated Manager”). BAS may have an incentive to allocate the BAS Funds’ assets to Blackstone Affiliated Managers since affiliates of BAS will receive fees relating to such allocations and otherwise will have a direct or indirect financial interest in the success of such managers.</p> <p>For example, BSCA, an affiliate of BAS, manages certain funds (the “BSCA Funds”) that seek to make minority investments in investment managers (the “Strategic Capital Managers”). An investment by a BAS Fund with a Strategic Capital Manager generally would benefit BSCA Funds and a withdrawal by a BAS Fund from such manager generally would be detrimental to the BSCA Funds.</p> <p>Similarly, BAS Funds may invest with Underlying Managers which are provided seed funding by the Blackstone Strategic Alliance Funds (the “Strategic Alliance Funds”), which are managed by BSAA, an affiliate of BAS. An investment by a BAS Fund with a manager funded by the Strategic Alliance Funds (a “SAF Manager”) generally would benefit the Strategic Alliance Funds and a withdrawal by a BAS Fund from such investment generally would be detrimental to the Strategic Alliance Funds. In addition, the BAS Fund may seek to negotiate preferential terms and conditions from the SAF Manager, which terms and conditions may be subject to the approval of BSAA and may trigger certain</p>	<p>The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval may include authorizing, from time to time, BAS portfolio managers or BAS to invest a portion of the BAS Fund’s assets under management on a discretionary basis (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, BAS or one of its affiliates may rebate or waive its fees relating to the investment by a BAS Client with such manager. For example, BSAA’s portion of the fees generated from a BAS Fund’s investment with a SAF Manager are rebated to such BAS Fund. (The Strategic Alliance Fund investors retain their portion of the fees.) There typically is no rebate or waiver in the case of a BAS Fund’s investment with a BSCA Fund unless the BAS client is subject to ERISA.</p> <p>When BAS Funds invest in an Underlying Investment Vehicle managed by a SAF Manager or a Strategic Capital Manager, BAAM / BAS Compliance and designated senior members of the BAS Investment Committee must sign a separate approval in addition to the general Investment Committee approval.</p>

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Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
<p>“most favored nation” rights for the Strategic Alliance Funds.</p> <p>There is significant overlap between the BAS Investment Committee and the investment committees for the BSCA Funds and Strategic Alliance Funds.</p> <p>BSCA and BSAA do not represent an exhaustive list of Blackstone Affiliated Managers.</p>	
<p>BAS, BAAM, or Blackstone, subject to applicable law and its fiduciary obligations, potentially could choose not to allocate fund expenses to a client that has a more advantageous fee structure and instead allocate that portion of such expense to other clients.</p> <p>BAIA, an affiliate of BAS, serves as investment manager for two open-end mutual funds and a UCITS fund, which employ a multi-manager, diversified investment strategy. As such, BAS and BAIA may be subject to conflicts in allocating assets to Underlying Managers.</p> <p>While there is significant overlap among the members of the BAAM, BSAA, BAS, and BAIA investment committees, BAS may take an investment position or action for one or more BAS Funds that may be different from or inconsistent with, an action or position taken for one or more BAAM / BSAA / BAS / BAIA Funds having similar or differing investment objectives.</p>	<p>The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval may include authorizing, from time to time, BAS portfolio managers or BAS to invest a portion of the BAS Fund’s assets under management on a discretionary basis (see Item 13 – Review of Accounts for further details).</p> <p>HFS maintains detailed policies and procedures relating to allocations among their Funds. HFS’s allocation policy is available upon request.</p> <p>HFS allocates expenses on a basis that it considers equitable and in accordance with its expense allocation policies and the Client Constituent Documents.</p>
<p>Members of BAS’s Investment Committee may sit on the advisory board and/ or investment committee of an Underlying Manager.</p>	<p>The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval may include authorizing, from time to time, BAS portfolio managers or BAS to invest a portion of the BAS Fund’s assets under</p>

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Potential Conflict	Mitigating Policy
	management on a discretionary basis (see Item 13 – Review of Accounts for further details).
To the extent permitted by applicable law, BAS may cause the BAS Funds to purchase investments from, sell investments to, to exchange investments with, or transfer investments to, another BAS Fund. Any such purchases, sales, exchanges or transfers generally will be affected based upon the independent current market value or fair market value of the investment.	The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval may include authorizing, from time to time, BAS portfolio managers or BAS to invest a portion of the BAS Fund’s assets under management on a discretionary basis (see Item 13 – Review of Accounts for further details).
Affiliates or BAS may sponsor, manage or advise other investment funds with overlapping investment objectives with those of the BAS Funds. Neither the BAS Funds nor any of their Investors will have any rights of first refusal, co-investment or other economic rights in respect of the investments of such other Blackstone funds or investment vehicles.	Investors are notified of such potential for conflicts.

Non-Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
BAS, Blackstone and their employees may invest for their own accounts in various investment opportunities, including hedge funds, in which the BAS Funds have an interest.	<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 BAS employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with BAAM / BAS Compliance and Blackstone Compliance.</p> <p>Upon hire and quarterly thereafter, all BAS employees must report all hedge fund holdings.</p> <p>All investment decisions are approved by</p>

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Potential Conflict	Mitigating Policy
	the BAS Investment Committee, which approval may include authorizing, from time to time, BAS portfolio managers or BAS to invest a portion of the BAS Fund’s assets under management on a discretionary basis (see Item 13 – Review of Accounts for further details).
<p>From time to time, BAS and/or Blackstone employees may speak at conferences and programs for potential hedge fund investors, which are sponsored by BAS / Blackstone’s third-party service providers. Through such “capital introduction” events, prospective hedge fund investors have the opportunity to meet with BAS. Such events and other services (including, without limitation, capital introduction services) provided by service providers, including prime brokers, custodian and administrators, may influence BAS / Blackstone in deciding whether to use such service provider.</p> <p>BAS may have a placement agreement with a broker-dealer that sponsors hedge fund conferences or similar events.</p>	<p>All BAS employees must pre-clear speaking at conferences and other programs with BAAM / BAS Compliance.</p> <p>Materials provided by BAS as part of such conferences and other programs must be approved by BAAM / BAS Compliance.</p> <p>Neither BAS nor the BAS Funds compensates the service providers for organizing such events.</p>
<p>Financial institutions, executives of public companies and other “value added investors” may be investors, directly or through a BAAM Fund, in the BAS Funds. These persons and their employees are a potential source of information and ideas that could benefit the BAS Funds.</p>	<p>BAS has detailed policies and procedures relating to the use of private information, information sharing and information walls in general. Additionally, BAS Compliance provides a list of potential value added investors to HFS senior management on a quarterly basis.</p>
<p>BAS Funds have entered, and in the future may enter, into letter agreements or other similar agreements (commonly referred to as “side letters”) with one or more of a Fund’s investors which provide such investor(s) with additional and/or different</p>	<p>Investors are notified of such potential for conflicts.</p>

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Potential Conflict	Mitigating Policy
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).	
BAS incurs common expenses on behalf of the BAS Funds.	BAS allocates such expenses on a basis that it considers equitable and in accordance with its expense allocation policies and the Client Constituent Documents.
<p><u>BEMAP</u> is a BAAM-managed master-feeder fund for which BAAM engages discretionary investment sub-advisers (the “<u>Underlying Managers</u>”) that each manage a portion of BEMAP’s assets. BAAM and certain other Blackstone affiliates provide office space and certain risk, operations and compliance services (the “<u>Shared Services</u>”) to the Underlying Managers. In exchange for providing the office space and Shared Services, BAAM and/or the relevant Blackstone affiliates will receive reimbursements from BEMAP for costs, expenses, obligations and liabilities attributable to (i) the office space (including, without limitation, rent, utilities, insurance, maintenance fees/expenses, supplies, office cleaning and taxes) and (ii) operating expenses attributable to the Shared Services (including, without limitation, salaries, bonuses and fringe benefits, investment and industry research related expenses, communications expenses and expenses related to computer equipment, software, supplies and office space of certain dedicated BAAM employees) incurred in connection with providing the office space and Shared Services. The amount of these expenses may be significant. As such, BAAM has a</p>	<p>The amount paid by BEMAP to BAAM and/or its affiliates for providing the office space and Shared Services will not exceed the actual expenses incurred. In addition, BAAM has enacted policies and procedures to monitor the expenses charged by BAAM to BEMAP in connection with the Shared Services.</p>

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Potential Conflict	Mitigating Policy
potential conflict of interest as between its interest in limiting BEMAP expenses on behalf of BEMAP and its interest in reducing BAAM's overhead expenses. BAAM may enter into similar arrangements with other Portfolio Funds or Portfolio Managers in the future.	

Fee Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>Certain employees of BAS and Blackstone may invest in the BAS Funds. Typically, no advisory fees are charged to such investors. Similarly, in certain instances, BAS may not charge advisory fees to BAAM Funds which invest in BAS Funds (subject to certain limitations). (In such instances, BAAM Funds are charged fees at the BAAM Fund level.)</p> <p>BAS affiliates may have an incentive to allocate assets to BAS Funds since BAS and or one of its affiliates has a direct or indirect financial interest in the success of such funds.</p>	<p>The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval may include authorizing, from time to time, BAS portfolio managers or BAS to invest a portion of the BAS Fund's assets under management on a discretionary basis (see Item 13 – Review of Accounts for further details).</p> <p>BAS and BAAM maintain detailed policies and procedures relating to allocations among BAS and BAAM Funds. BAS's allocation policy is available upon request.</p>
<p>BAS's fees generally will be reduced by the full amount of any fees paid to BAS Underlying Managers. This arrangement may incentivize BAS to favor managers that charge lower fees.</p>	<p>The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval may include authorizing, from time to time, BAS portfolio managers or BAS to invest a portion of the BAS Fund's assets under management on a discretionary basis (see Item 13 – Review of Accounts for further details).</p>

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Blackstone Related Potential Conflicts

Potential Conflict	Mitigating Policy
Blackstone Tactical Opportunities Advisors L.L.C. ("BTO"), an affiliate of BAS, manages an investment strategy that is similar in certain respects to BAS's primary investment strategy. BAS and BTO may compete for investment opportunities but also may refer investment opportunities to each other, may co-underwrite investment opportunities and may co-invest.	Blackstone maintains detailed policies and procedures relating to allocations across Blackstone. BAS's allocation policy is available upon request.
From time to time, Underlying Managers with which the BAS Funds invest may engage in transactions with Blackstone.	Such transactions will be on an arm's length basis, independent from any BAS Fund investment and BAS.
From time to time, Blackstone may refer potential investors to BAS and these investors may become investors in one of the BAS Funds.	All investors are reviewed for suitability of investments and must satisfy the BAS Funds' investment minimum and any 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"). Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary Funds. Such Blackstone Proprietary Funds may compete with Underlying Managers and the BAS Funds.	<p>The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval may include authorizing, from time to time, BAS portfolio managers or BAS to invest a portion of the BAS Fund's assets under management on a discretionary basis (see Item 13 – Review of Accounts for further details).</p> <p>BAS and BAAM maintain detailed policies and procedures relating to allocations among their Funds.</p> <p>Blackstone maintains detailed policies and procedures relating to information sharing among different Blackstone business groups and information walls in general.</p>

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

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

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Item 12 – Brokerage Practices

General Considerations

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

BAS uses brokerage services in connection with hedging transactions and investment transactions, as necessary. In selecting brokers, dealers and other counterparties or intermediaries (“Brokers”) to effect portfolio transactions, BAS will seek to obtain the best execution for the BAS Funds taking into account several factors, including but not limited to: (i) the ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any); (ii) the operational efficiency with which transactions are effected, taking into account the size of order and difficulty of execution; (iii) the financial strength, integrity, stability and reputation of the Broker; (iv) the quality, comprehensiveness and frequency of available research and brokerage related services and products (“Research Services”); (v) the broker’s willingness to commit capital; (vi) trading expertise; (vii) clearance, settlement and custodial services; (viii) other financial services offered; and (ix) the competitiveness of commission rates in comparison with other brokers satisfying other selection criteria of BAS. BAS is generally not required to weigh any of these factors equally. Subject to seeking best execution, BAS may consider other factors, such as capital introduction services and other investor referrals.

Research and Other Soft Dollar Benefits

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

BAS presently does not utilize “soft dollars” 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

BAS does not use brokerage relationships for Investor referrals. BAS, from time to time, may have distribution relationships and placement agreements, as described further in **Item 14 – Client Referrals and Other Compensation**.

Block Trading Procedures

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

Principal Trading

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

Cross Transactions – Agency Cross Transactions

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BAS may engage in cross transactions to the extent permitted by, and in accordance with, the Client Constituent Documents and all applicable laws and regulations. As it has no affiliated broker-dealer engaged in the trading of securities, BAS does not engage in agency cross transactions.

Trade Allocations

Certain investment opportunities may be appropriate for more than one BAS Fund, one or more other entities and accounts managed by affiliates of BAS within HFS (the “Other HFS Advisers”) (such entities and accounts, the “Other HFS Clients”), and/or one or more other entities and accounts managed by affiliates of BAS outside of HFS (the “Other Blackstone Advisers”) (such entities and accounts, the “Other Blackstone Clients”). As further described below, BAS, the Other HFS Advisers and the Other Blackstone Advisers are subject to actual and potential conflicts of interest in allocating investment opportunities among BAS Funds, Other HFS Clients and Other Blackstone Clients. BAS and the Other HFS Advisers maintain written policies and procedures relating to allocations among their respective clients. Such allocation policies and procedures are available upon request.

Allocations Among BAS Funds and Other HFS Clients

Investment opportunities may be appropriate for more than one BAS Fund and one or more Other HFS Clients. BAS and the applicable Other HFS Adviser(s) (if any) will determine allocations of such investment opportunities both among the BAS Funds and as among the BAS Funds and the Other HFS Clients, as the case may be, in their sole discretion in accordance with their written allocation policies and procedures, taking into account various investment criteria, such as the relative amounts of capital available for investments, relative exposure to market trends, investment objectives, available capacity, liquidity, diversification, legal and regulatory restrictions, ERISA capacity, tax considerations, client-imposed investment guidelines/restrictions, other contractual restrictions and similar factors. To the extent BAS Funds and/or Other HFS Clients invest in investment opportunities with limited capacity, BAS and/or the Other HFS Advisers may be required to choose, in accordance with their written allocation policies and procedures, between the BAS Funds and/or Other HFS Clients in allocating such opportunities. Further, the BAS Funds and the Other HFS Clients may have different management and/or incentive fee structures. As part of the investment allocation process, BAS and/or the Other HFS Advisers potentially could allocate a limited investment opportunity to a client that has a more favorable fee structure.

Co-investment Allocations

BAS from time to time, in its sole discretion, offers certain BAS Funds, Other HFS Clients, Other Blackstone Clients and/or third parties (including, without limitation, principals and employees of BAS and its affiliates) the opportunity to co-invest alongside certain BAS Funds in one or more investments. Generally, pursuant to BAS’s written allocation policies and procedures, such co-investments are made available after BAS has determined, in its sole discretion, that

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certain BAS Funds have received their desired allocation and there remains excess capacity. Subject to such allocation policies and procedures, BAS is under no obligation to offer any particular investor(s) co-investment opportunities and has the right to offer such opportunities to one or more investors or other clients and accounts on a priority basis in its sole discretion.

Blackstone-wide Policies, Procedures and Guidelines

Because Blackstone has many different asset management and advisory businesses, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight, and additional legal and contractual restrictions than those to which it would otherwise be subject if it had only one line of business. In addressing these conflicts and regulatory, legal and contractual requirements across its various businesses, Blackstone has implemented certain policies and procedures and information barriers that may reduce the positive synergies that the BAS Funds could otherwise utilize for purposes of identifying attractive investments.

Accordingly, certain information or investment opportunities which could be of benefit to the BAS Funds might become restricted or otherwise unavailable to the BAS Funds due to the activities of Blackstone's other asset management businesses. For example, BAS generally will be restricted from investing in (i) Blackstone portfolio companies and (ii) issuers with respect to which any investment advisor in the Blackstone Hedge Fund Solutions group has received material non-public information (the "Restricted Issuers"). These restrictions generally will not, however, apply to BSOF Portfolio Managers and, other than with respect to the Restricted Issuers, BAS generally will be permitted to invest in issuers in which Other Blackstone Clients have an interest.

BAS could be forced to sell or hold existing investments, or be precluded from making new investments, as a result of a relationship that Blackstone may have or investments Blackstone and its affiliates (including, without limitation, Other HFS Clients or Other Blackstone Clients) may make. Blackstone maintains information barriers that are designed to protect against the improper possession and/or use of material non-public information. Generally, no employee of BAS may contact an employee of another Blackstone group outside of HFS, and vice versa, about a substantive business matter, without BAS Compliance consent and, if appropriate, having BAS Compliance chaperone such contact. Prior to receiving confidential information each Blackstone group typically seeks to limit the impact that such receipt may have on other Blackstone groups by, among other things, limiting the applicability of any confidentiality agreement to the particular Blackstone group(s) that receive the confidential information.

With respect to BAS's ability to allocate investment opportunities to BAS Funds where such opportunities are within the common objectives and guidelines of one or more BAS Funds and Other Blackstone Clients, Blackstone has established general guidelines for determining how such allocations are made, which, among other things, sets forth priorities and presumptions regarding allocation for certain types of investments and other matters. The application of

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those guidelines may result in BAS Funds not participating (and/or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines.

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

Trade Errors

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

Subject to the standard of care in the agreement between BAS and the applicable BAS portfolio manager or other third party, if a BAS portfolio manager or other third party causes a trading error, BAS will generally attempt to recover the amount of loss from the BAS portfolio manager or other third party for the BAS Fund. BAS does not assume responsibility for compensating the BAS Funds, or assuring that the BAS portfolio manager or other third party compensates the BAS Fund, in such cases.

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

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

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

- An incorrect trade order that is identified and corrected prior to settlement, as long as there is no negative economic impact to the BAS Funds;

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

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Item 13 – Review of Accounts

The Investment Committee

The BAS Investment Committee, which includes select BAS Senior Managing Directors and Managing Directors, will approve all investment decisions of the BAS Fund, which approval may include authorizing, from time to time, Underlying Managers or BAS to invest a portion of the BAS Fund's assets under management on a discretionary basis.

The 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
- ▶ BAS Fund investment objectives
- ▶ BAS Fund risk parameters
- ▶ ERISA capacity
- ▶ General capacity
- ▶ Tax efficiency
- ▶ Investment limits
- ▶ Diversification guidelines
- ▶ Operational factors
- ▶ Legal and regulatory factors

There is significant overlap among the members of the Hedge Fund Solutions Group's investment/oversight committees.

Monitoring Process

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

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

Fund Investor Reporting

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Item 13 – Review of Accounts

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

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

BAS Operations Team

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

BAS Funds' Administrator

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

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Item 14 – Client Referrals and Other Compensation

Except as noted below regarding BAP, BAS has not entered into distribution and/or placement agent arrangements, but may do so in the future.

If retained, a third-party solicitor will receive a portion of the management fee and/or performance fee paid to BAS (although other payment arrangements could exist). A prospective investor solicited by a third party will be asked to acknowledge in writing its understanding of any such arrangement. All fees for such solicitation services will be paid by BAS and the Investor will not be subject to any increased or additional fees or charges. Third-party solicitors engaged by BAS in the U.S. will be registered as broker-dealers with the SEC. Third-party solicitors engaged by BAS 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.

Blackstone Advisory Partners L.P., an affiliate of BAS, serves as a placement agent for the BAS Funds in the U.S. but is not compensated for such services.

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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. BAS Funds structured as U.S. entities generally have a BAS affiliate acting as general partner and, as such, BAS is deemed to have custody of the Funds' assets. For the BAS Funds structured as non-U.S. entities, BAS also is typically deemed to have custody of the Funds' assets. Although BAS 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, BAS has access to Fund assets for trading purposes and to pay expenses. BAS generally complies with the Advisers Act custody rules by providing all investors in a BAS Fund with audited financial statements within 120 days of the BAS Fund's fiscal year end; provided that if the BAS Fund is deemed a fund of funds, BAS will provide all investors in the BAS Fund with audited financial statements within 180 days of the BAS Fund's fiscal year end.

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

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Item 16 – Investment Discretion

Investment Guidelines

Investment decisions are made within the investment guidelines as described in each Client Constituent Documents. BAS has discretion in determining the Underlying Managers and other investment opportunities in which the BAS Funds may invest and the amount to invest.

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

Types of Investments

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

BAS typically has full discretion and authority to make all investment decisions with respect to these transactions. When futures, forward, options, equities, and spot currency transactions are traded for multiple BAS Funds, generally trade orders are aggregated for execution and allocated pro rata.

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

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

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

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

BAS 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 and direct investments. 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 and direct investments in a manner that serves the best interests of the BAS Funds as determined by BAS in its discretion. In certain instances, the Underlying Manager may vote proxies for and on behalf of BAS. BAS Investors cannot direct BAS's vote with respect to a particular proxy solicitation.

At times, conflicts may arise between the interests of the BAS Fund, on the one hand, and the interests of BAS or its affiliates, on the other hand. If BAS determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, BAS 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. BAS, 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 BAS at the address, phone number or email address on the cover of this Brochure.

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Item 18 – Financial Information

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

As of the date of this Brochure, BAS is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the BAS Funds.

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Item 19 – Requirements for State-Registered Advisers

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