

***Blackstone Treasury Solutions Advisors L.L.C.***

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Form ADV Part 2A

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March 2020

**Blackstone**

## Item 1 – Cover Page

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### **Blackstone Treasury Solutions Advisors L.L.C.**

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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 Treasury Solutions Advisors L.L.C. (“BTSA”).

If you have any questions about the contents of this Brochure, please contact Neil Schwartz, Chief Compliance Officer of BTSA, at (212) 583-5000; [Neil.Schwartz@Blackstone.com](mailto:Neil.Schwartz@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 BTSA is also available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in BTSA’s name). Results will provide you with both Parts 1 and 2A of BTSA’s Form ADV. If you would like another copy of this Brochure, please download it from the SEC website as indicated, or you may contact Neil Schwartz, at (212) 583-5000 or [Neil.Schwartz@Blackstone.com](mailto:Neil.Schwartz@Blackstone.com).

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

## **Item 2 – Material Changes**

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BTSA, 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).

Effective July 1, 2019, The Blackstone Group Inc., the ultimate parent of BTSA, converted from a Delaware limited partnership to a Delaware corporation. In addition, effective August 1, 2019, Neil Schwartz became the Chief Compliance Officer of BTSA. There have been no other material changes since the last annual update to this Brochure on March 29, 2019.

Please carefully read Items 5, 8, 10, and 11 which describe certain fees and expenses, potential risk of loss and potential conflicts of interest, respectively.

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## Defined Terms

In addition to the terms defined throughout this Brochure, the following terms have the following meanings as used throughout this Brochure:

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

**Investment Committee:** The investment committee for BLS (as defined below) which includes certain Blackstone Senior Managing Directors and Managing Directors.

### Portfolio Managers:

- ▶ Managing Director Matthew Skurbe and Managing Director Joseph Rocco.

## Item 4 – Advisory Business

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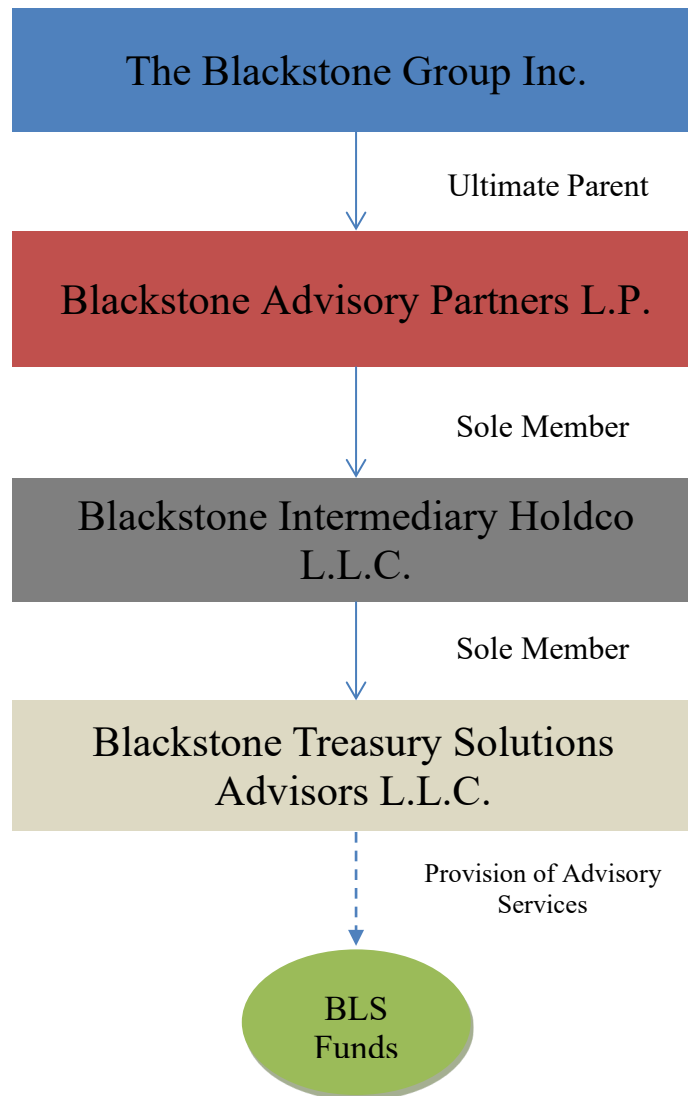
### Overview of the Firm

BTSA, a Delaware limited liability company, was founded in 2013 as part of Blackstone, which is the ultimate parent of BTSA. BTSA also does business as Blackstone Liquidity Solutions (“BLS”). BLS primarily provides investment advisory services to private investment funds (the “BLS Funds”) that predominantly invest in (i) certain Blackstone managed funds, investment programs or vehicles (such Blackstone managed funds, investment programs and vehicles, the “Blackstone Accounts” or “Blackstone Vehicles”) and (ii) certain accounts or investment vehicles managed by third-party managers that invest in cash and cash equivalents, marketable securities (including mutual funds, exchange traded funds, sovereign debt, corporate debt, mortgage-backed securities and asset-backed securities) and derivative instruments (used for both hedging and investment purposes) (such third-party accounts and investment vehicles, the “Third Party Accounts”). As used herein, the Blackstone Accounts and the Third Party Accounts are collectively referred to as the “Underlying Accounts” or “Underlying Vehicles” and the managers of the Blackstone Accounts and the Third Party Accounts are collectively referred to as the “Underlying Managers.” The BLS Funds may be marketed under the name Blackstone Liquidity Solutions or Blackstone Treasury Solutions.

Blackstone is one of the leading alternative investment managers in the world, with investment programs concentrating on private equity, real estate, credit and hedge fund solutions areas. Investors should note that certain personnel involved in the investment activities of BTSA are also involved in the management of certain assets of Blackstone and investment vehicles and accounts advised by other Blackstone-affiliated advisers. Please see Item **10 – Other Financial Industry Activities** and Item **11 – Code of Ethics and Conflicts of Interest** for more information.

## Item 4 – Advisory Business

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## Item 4 – Advisory Business

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### Overview of Advisory Services

As investment adviser to the BLS Funds, BTSA:

- ▶ Identifies and implements investment opportunities for the BLS Funds;
- ▶ Monitors and evaluates BLS Fund investments; and
- ▶ Makes recommendations regarding investment management and/or allocation decisions.

In addition, as investment adviser to the BLS Funds, BTSA will for certain BLS Funds:

- ▶ Engage in foreign currency hedging transactions and/or the hedging of certain market exposures for certain BLS Funds;
- ▶ Facilitate credit arrangements with a third party on behalf of certain BLS Funds to allow such BLS Funds to borrow for bridge financing purposes and to leverage their investments (within the leverage limits stated in such BLS Funds' governing documents); and/or
- ▶ Provide cash management for the BLS Funds.

Investors in, and beneficial owners of, the BLS Funds (collectively, "Investors") are not deemed to be clients of BTSA but are entitled to the rights and benefits described in the applicable confidential offering memorandum, limited partnership agreement, investment management agreement, subscription documents, side letter or other applicable constituent fund documents of each BLS Fund (the "Constituent Documents").

BTSA may engage third party service providers, such as custodians, administrators and/or auditors, on behalf of certain of the BLS Funds.

### The Investment Committee

The Investment Committee, which includes certain Blackstone Senior Managing Directors and Managing Directors, determines the investment policy and guidelines of each BLS Fund (including its strategic asset allocation) and reviews and approves or disapproves of the use of potential new and existing products and Underlying Accounts and/or Underlying Managers. The Investment Committee also approves hedging themes and parameters.

The Investment Committee makes the decisions regarding investment policy and guidelines and broad allocations for each of the BLS Funds based on a variety of criteria including, but not limited to:

- ▶ The relevant BLS Fund's investment objectives and risk parameters
- ▶ Availability of cash
- ▶ Liquidity needs
- ▶ General capacity
- ▶ Tax efficiency



## Item 4 – Advisory Business

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- ▶ Long-term value and growth
- ▶ Investment limits and diversification guidelines
- ▶ Operational, legal, regulatory and other relevant factors

Please see Item 8 – **Methods of Analysis, Investment Strategies and Risk of Loss** for more information.

### **The Portfolio Managers**

The Portfolio Managers are responsible for investment allocation and management decisions for the BLS Funds in accordance with the applicable Constituent Documents, and may cause the assets of the BLS Funds to be invested in or alongside a variety of Underlying Accounts and other suitable investment opportunities.

The Portfolio Managers also review available information to determine the allocations among the BLS Funds in light of the standard of being fair and equitable, particularly with respect to any potential conflicts of interest, and where necessary, seek the input of the Investment Committee. Although the standard practice will be for all investment decisions for the BLS Funds to be approved by both of the BLS Portfolio Managers, in certain circumstances (e.g., one of the BLS Portfolio Managers is unavailable), an investment decision may be made by a single BLS Portfolio Manager.

### **Assets Under Management**

BTSA's regulatory assets under management are approximately \$341,077,650 (measured as of December 31, 2019), all of which are managed on a discretionary basis.

The assets reported above exclude assets with respect to which BTSA has delegated investment advisory authority to an investment adviser that is a "related person" (as defined in Form ADV) of BTSA. Such sub-advisory assets are included in the regulatory assets under management reported in the ADV Part 2A of the affiliated adviser to which BTSA delegated such investment advisory authority. Per the instructions to Form ADV Part 1A, such excluded sub-advisory assets are included in the regulatory assets under management reported in BTSA's Form ADV Part 1A.

## **Item 5 – Fees and Compensation**

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### **Management Fees**

BTSA will be entitled to compensation for its services to the BLS Funds in the form of a management fee (“Management Fee”), in the amount and on the terms and conditions described in the relevant Constituent Documents. The BLS Funds will not incur any additional management fees with respect to any Blackstone Account, and if they do, those additional management fees will be offset from the Management Fee.

### **Performance-Based Fees**

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

### **Fee Negotiations**

Fees generally are non-negotiable; however, BTSA may waive or reduce its fees for certain Investors.

### **Payment of Management Fees**

In general, Management Fees with respect to the BLS Funds are payable on a monthly basis and are typically deducted from a BLS Fund’s assets that are invested with BTSA at the payment date. A BLS Fund typically is charged a Management Fee in arrears on the last day of each month, although BTSA may decide to charge the Management Fee on a less frequent basis. Investors will only be charged for the days that they are invested in a BLS Fund, including for days in a month to the extent a redemption or withdrawal occurs intra-month.

BTSA’s Management Fees, which are described in the applicable Constituent Documents, are not inclusive of all the fees and expenses that the BLS Funds may pay or that the Investors may bear (see below).

Finally, certain Investors, which are generally related persons, current or former senior advisors, employees, senior managing directors, retired senior managing directors or affiliates of Blackstone, BTSA or the Blackstone Vehicles, executive officers of Blackstone portfolio entities, employees of PJT Partners Inc., certain other Blackstone funds and/or charitable programs, endowment funds and other related entities established by or associated with any of the foregoing (“Blackstone Investors”), may not pay Management Fees and/or performance-based allocations (or may pay reduced Management Fees and/or performance-based allocations) in connection with their investment in either the BLS Funds or Blackstone-sponsored funds that make investments in or alongside the BLS Funds. Notwithstanding the foregoing, Blackstone Investors will either directly pay for their pro rata share of certain BLS Fund expenses (see below), or their pro rata amount of such expenses will be allocated to the general partner of the relevant BLS Fund or its affiliates.

In addition, Blackstone has, and it can be expected that Blackstone in the future will, enter into agreements with Investors involving an Investor’s overall relationship with Blackstone, involving

## Item 5 – Fees and Compensation

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one or more strategies, which may include the BLS Funds' strategies with terms and conditions applicable to such Investor and its investment in multiple Blackstone strategies that would not apply to a limited partner's investment in any of the BLS Funds (any such Investor, an "Other Investor"). Such an agreement would typically involve an Other Investor agreeing to make a capital commitment or subscription to multiple Blackstone funds or strategies. Investors that are not Other Investors will not receive a copy of the agreement memorializing such a multi-strategy investment program (even if in the form of a side letter) and will be unable to elect any rights or benefits granted to such multi-strategy investor. Specific examples of such additional rights and benefits include specialized reporting, discounts on and/or reimbursement of management fees and/or carried interest applied to some or all of the relevant investment program and/or investment vehicles (including, as applicable, any of the BLS Funds), secondment of personnel from the Investor to Blackstone (or vice versa), rights to participate in the investment review and evaluation process as well as priority rights or targeted amounts for co-investments alongside Blackstone funds, including in investments made by the BLS Funds. The existence of any such arrangements could result in fewer co-investment opportunities (or reduced allocations) being made available to Investors that are not Other Investors.

### **Additional Expenses:**

In addition to the BLS Management Fee, pursuant to the applicable Constituent Documents, Investors will bear indirectly any fees and expenses charged by BTSA or the general partner of the relevant BLS Fund or the general partner or Underlying Manager of the Underlying Vehicle in which the BLS Fund invests, which generally are deducted directly from such BLS Fund or such Underlying Vehicle, as applicable.

The following is a list of fees and/or expenses that the BLS Funds will generally pay directly or indirectly to third parties. This list is not intended to be exhaustive. Prospective and existing Investors in the BLS Funds are advised to review the Constituent Documents for a more extensive description of applicable fees and expenses associated with an investment in a BLS Fund.

- ▶ Underlying manager or underlying account advisory and performance-based fees and expenses
- ▶ Fees and expenses related to borrowings (if any), including credit facility fees and interest charges
- ▶ Directors fees (if any)
- ▶ Organizational expenses and ongoing legal fees
- ▶ Expenses relating to the structuring, holding or disposition of investments
- ▶ Indemnification (including advancement of any fees, costs or expenses to persons entitled to such indemnification), litigation (including any litigation involving the BLS Funds or entities in which the BLS Funds have an investment and the amount of any judgments or settlements paid in connection therewith) and settlement expenses
- ▶ Liquidated damages, forfeited damages and reverse term fees

## Item 5 – Fees and Compensation

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- ▶ Regulatory filing fees and reporting expenses
- ▶ Expenses related to BTSA's compliance matters and reporting obligations to the extent they relate to the BLS Funds' activities (e.g., Form PF, Alternative Investment Fund Managers Directive (AIFMD) expenses, including costs associated with any AIFMD marketing passport, and CFTC filings)
- ▶ Administrative fees
- ▶ Technology and research-related expenses, including news and quotation equipment and services, data collection and costs of service providers and researchers (including costs allocated by Blackstone's internal research group and other third-party research groups)
- ▶ Taxes and governmental fees
- ▶ Audit and accounting fees, including expenses associated with the preparation of the BLS Funds' periodic reports and related financial and other statements
- ▶ Brokerage Commissions and Hedging and Currency Conversion Costs
- ▶ Transaction fees
- ▶ Custodial fees
- ▶ Valuation expenses
- ▶ Wire transfer and electronic fund processing fees
- ▶ Travel, accommodation and related expenses including, without limitation, first class and/or business class airfare (and/or private charter, where appropriate), first class lodging, ground transportation, travel and premium meals (including closing dinners and mementos, cars and meals (outside normal business hours), and social and entertainment events with Underlying Managers, customers, investors and prospective investors, borrowers, brokers and service providers)
- ▶ Capital raising, expenses associated with investor admissions and redemptions/withdrawals and investor-related services and other similar costs, certain of which will be allocated to the particular limited partner responsible for such costs
- ▶ Expenses of investor meetings
- ▶ Expenses incurred in connection with complying with provisions in investor side letter agreements
- ▶ Expenses of Blackstone-internal printing (including a flat service fee) and publishing (including time spent performing such printing and publishing services)
- ▶ Expenses of liquidating a BLS Fund
- ▶ Insurance (including the cost of title insurance or general partnership liability insurance or other insurance)

## **Item 5 – Fees and Compensation**

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Investors are allocated their pro rata share of such additional fees and expenses for the time period during which they are invested in the relevant BLS Fund.

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

## Item 6 – Performance-Based Fees

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The BLS Funds may allocate to BTSA or its affiliates a performance-based fee in the amount and on the terms and conditions described in the Constituent Documents. To the extent a BLS Fund is subject to a performance-based fee in connection with its investment activities, Investors in that BLS Fund are allocated their pro rata share of such performance-based fees for the time period they are invested in the BLS Fund. Although the BLS Funds (and the Investors therein) will not generally bear performance-based fees with respect to the Blackstone Vehicles, the BLS Funds may indirectly bear performance-based fees that are borne by the Blackstone Vehicles with respect to the investments made by the Blackstone Vehicles.

The sizes of the various performance-based fees to be borne directly or indirectly by the BLS Funds vary and depend on a number of factors including, but not limited to, the level of Management Fees charged by BTSA (or management fees charged by the Underlying Managers) and the use of performance hurdles.

Certain Investors, which are generally Blackstone Investors, may not be subject to performance-based fees (or may be subject to reduced performance-based fees) in connection with their investment in the BLS Funds or Blackstone Vehicles.

Please note that the existence of a performance-based fee may incentivize BTSA and the Underlying Managers to manage and/or allocate the BLS Funds' assets in a more aggressive manner than if there were no performance-based fee. Further, the existence of differing performance-based fees for different BLS Funds trading side-by-side may create a conflict of interest on the part of BTSA with respect to the allocation of investment opportunities among the BLS Funds. BTSA has a trade allocation policy (see **Item 12 – Brokerage Practices**) that is designed to address these potential conflicts of interest generally, including as a result of different performance-based fees.

Performance-based fees, if charged by BTSA, will generally be allocated or paid periodically in arrears. Performance-based fees charged by Underlying Managers will generally be allocated or paid at the time of disposition of the assets giving rise to such performance-based fees, in the case of Underlying Vehicles with a private equity strategy, or periodically in arrears, in the case of Underlying Vehicles with a more liquid strategy, although Underlying Managers may charge or allocate such performance-based fees in a different manner.

## Item 7 – Types of Clients

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BTSA's clients include corporations and other entities, individuals or entities affiliated or associated with Blackstone or its personnel, and the BLS Funds, which are pooled investment vehicles that are exempt from registration under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act"), each of which generally provides for periodic withdrawal rights. All BLS Fund Investors are subject to applicable suitability and securities law requirements. BTSA requires that each Investor in a BLS Fund be (i) an "accredited investor" as defined in Regulation D under the U.S. Securities Act of 1933, as amended, and (ii) a "qualified purchaser" as defined in Section 2(a)(51) of the Investment Company Act. Other suitability requirements may also apply.

Investors generally must commit a minimum of \$50 million to invest in a personalized BLS Fund or to become a direct client of BTSA or \$5 million to invest in a pooled BLS Fund, which minimums may be waived in accordance with the Constituent Documents of any such BLS Fund, including with respect to investments by Blackstone Investors.

All potential BLS Fund Investors are also subject to certain compliance procedures (including anti-money laundering procedures) prior to acceptance of any subscription to any BLS Fund.

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

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### **Methods of Analysis**

BTSA's investment process for evaluating potential opportunities and investments may include a variety of proprietary and non-proprietary research models and methods of analysis. Specific Underlying Accounts are selected by BTSA for their discrete investment objectives and for overall portfolio diversification. BTSA executes its management approach on behalf of the BLS Funds by utilizing this set of tools to achieve the desired portfolio characteristics.

While the degree to which BTSA seeks to invest the BLS Funds' assets in Third Party Accounts will vary depending on the BLS Fund, in making any such investments relating to Third Party Accounts, BTSA will seek to identify established third-party managers that it believes can provide upside potential and mitigate downside risk and make investments through those Third Party Accounts based on the investment guidelines and policies relating to the applicable BLS Fund.

In addition, BTSA will seek to draw on its knowledge of the investment programs of the Blackstone Vehicles (subject to applicable limitations), as well as from the private offering memoranda, quarterly and annual reports and other available information relating to the Underlying Vehicles and their investments, in connection with making investment allocation decisions.

As part of the management of the overall investment programs of the BLS Funds, BTSA identifies, researches, evaluates, selects and monitors the Underlying Accounts in which the BLS Funds invest based on certain criteria, which include, but are not limited to:

- ▶ Investment performance and fundamental investment analysis
- ▶ Risk management techniques
- ▶ Levels of volatility
- ▶ Liquidity
- ▶ Investment philosophies and strategies
- ▶ Factors relating to management and investment professionals associated with such Underlying Account, such as experience, commitment and reputation
- ▶ The fees associated with such Underlying Account
- ▶ Investment capacity
- ▶ Concentrations/diversification/growth and other investment considerations

### **Investment Strategies**

The investment strategies pursued by BTSA may vary among the BLS Funds. BTSA employs various types of investment strategies, which include, but are not limited to:

- ▶ Duration neutral fixed income



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

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- Government and agency securities
- Corporate bonds and loans
- Mutual funds
- Municipal bonds
- Reverse repurchase agreements
- Mortgages and other real estate related securities
- Structured/asset back securities
- Hedging
- Interest rates
- ▶ Diversified fixed income
  - Government and agency securities
  - Corporate bonds and loans
  - Mutual funds
  - Municipal bonds
  - Reverse repurchase agreements
  - Mortgages and other real estate related securities
  - Structured/asset back securities
  - Leveraged loans
  - Hedging
  - Interest rates
- ▶ Interest rate strategies
  - Government and agency securities
  - Relative value
  - Interest rates
  - Mortgages and other real estate related securities
  - Structured/asset back securities
  - Corporate high yield
- ▶ Diversified fund of hedge funds
  - Underlying strategies may include but are not limited to:
    - Real estate and other real asset investments

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

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- Distressed debt or “mezzanine” investments
  - Credit-related investment
  - Secondary investment programs
  - Investments in other similar assets
- ▶ Credit
- Senior secured loans, notes and bonds
  - Unsecured debt
  - Subordinated debt
  - Collateralized loan obligations
- ▶ Real assets
- Commercial mortgage backed securities
  - Other real estate debt strategies

As it relates to each of the foregoing strategies or other strategies which may be implemented by BTSA from time to time, there is generally one or more Underlying Managers that manages the Underlying Account for each such strategy. The Underlying Account for each such strategy may be managed by an affiliate of Blackstone (i.e., a Blackstone Account) or a third-party (i.e., a Third Party Account). Without notice to, or consent by, clients or Investors, BTSA has the authority to terminate, retain or otherwise change the Underlying Manager of any particular strategy in its sole discretion, including to change the Underlying Manager from a third-party to a Blackstone affiliate.

The success of the BLS Funds is ultimately dependent in large part on the success of the Underlying Accounts in which they invest (including the Blackstone Vehicles). The specific investment strategy and corresponding method of analysis for each Underlying Account will vary, and the risk of each BLS Fund’s investment program will largely be a function of the strategies and investments of the Underlying Accounts in or alongside which they invest (including the Blackstone Vehicles). There can be no assurance that the BLS Funds’ investment objectives will be achieved or that the Underlying Vehicles, individually or collectively, will produce positive returns or avoid losses. Past performance is not necessarily indicative of future results. Investors should be prepared to bear these risks. The risks inherent to the strategies employed by BTSA and the Underlying Accounts, including those listed below and a number of others, are described in further detail in the Constituent Documents.

**Risk of Loss:** An investment in the BLS Funds entails a significant degree of risk and therefore should be undertaken only by investors capable of evaluating the risks of an investment in the

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

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BLS Funds and bearing the risks such investment represents including, but not limited to, the risk of loss of the entire investment.

**General Economic and Market Conditions:** The success of BTSA's and the Underlying Accounts' 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 and regulations (including laws relating to taxation of the BLS Funds' or the Underlying Accounts' investments)
- ▶ Trade barriers
- ▶ Currency exchange controls
- ▶ National and international political, environmental and socioeconomic circumstances (including wars, terrorist acts or security operations)
- ▶ Epidemic; public health risks; pandemics
- ▶ Market liquidity
- ▶ Possible U.S. federal income tax reform
- ▶ The master fund and each series that is treated as a partnership for U.S. federal income tax purposes may be liable for adjustments to its tax returns as a result of recently enacted legislation

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

Additionally, certain countries have been susceptible to epidemics, most recently COVID-19, which may be designated as pandemics by world health authorities. The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and thereby is expected to adversely affect the performance of the Funds' Investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their Investments.

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

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Investors may, indirectly through the BLS Funds and their investments in the Underlying Accounts, maintain substantial 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. Investors may also, indirectly through the BLS Funds and their investments in the Underlying Accounts, invest outside of the U.S. The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in certain respects, such as:

- ▶ Growth of gross domestic product
- ▶ Rate of inflation
- ▶ Currency depreciation
- ▶ Asset reinvestment
- ▶ Resource self-sufficiency
- ▶ 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; Lack of Control:** BTSA and the 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 BTSA's or any Underlying Manager's investment program will be successful, and investment results may vary substantially over time or result in significant losses. Although the Underlying Managers will be limited in the investment strategies they pursue, and BTSA will monitor the Underlying Accounts to determine compliance with pre-determined investment criteria, BTSA does not have direct responsibility for, involvement with or control over the Underlying Managers' investments or other activities.

Additional risks associated with investments with BTSA include (among others):

### **Other Risks Primarily Associated with BTSA and the Operation of the BLS Funds:**

- ▶ No assurance of investment returns
- ▶ Reliance on Blackstone's professionals and Underlying Managers
- ▶ Highly competitive market for investments
- ▶ Limitations on availability of Underlying Vehicles
- ▶ Lack of control and passive investment program

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

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- ▶ Multi-manager approach
- ▶ Diversification and portfolio/vintage concentration
- ▶ Rebalancing transactions and portfolio allocation
- ▶ Limited transparency and limited or no voting rights
- ▶ Trading volatility
- ▶ Possible adverse effects of substantial withdrawals
- ▶ Investment through holdings vehicles and/or master funds
- ▶ Cross-collateralization risk
- ▶ Possibility of limited or different information rights
- ▶ Creation of other series or sub-series of underlying account interests
- ▶ Lack of diversification
- ▶ Partnership borrowings and underlying account leverage
- ▶ Portfolio valuation
- ▶ Proposed Tax legislation adversely affecting Blackstone employees and other service providers
- ▶ Risk management
- ▶ Illiquidity; lack of transferability of partnership interests; limited withdrawal rights
- ▶ Suspension of withdrawals
- ▶ Reinvestment and lack of distributions
- ▶ Limitations on structuring
- ▶ Indemnification; exculpation; absence of recourse
- ▶ Absence of regulatory oversight
- ▶ U.S. Commodity Exchange Act
- ▶ Enhanced scrutiny and potential regulation, examination and investigation of the alternative asset management industry and the financial services industry
- ▶ Institutional risk
- ▶ General economic and market conditions
- ▶ United Kingdom exit from the European Union
- ▶ Dependence on service providers and key personnel
- ▶ Misconduct by employees and of third party providers
- ▶ Direct investments by the BLS Funds

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

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- ▶ Expedited transactions
- ▶ Liquidity mismatch
- ▶ Cyber security breaches and identity theft

### **Risks Primarily Associated with Investments Made by Underlying Vehicles**

- ▶ Competition
- ▶ Portfolio turnover
- ▶ Multiple levels of expense
- ▶ Other clients of Portfolio Managers
- ▶ Portfolio Manager misconduct or bad judgment
- ▶ Investment risks in general
- ▶ Underlying Accounts
- ▶ Dependence on the Portfolio Managers and their personnel
- ▶ Strategy risk
- ▶ Style drift
- ▶ Proprietary investment strategies
- ▶ Potential inability to trade or report due to systems failure
- ▶ Financing arrangements; availability of credit
- ▶ Risks related to bearing the additional layer of fees and expenses charged at the level of the Underlying Vehicles

### **Risks of Investment Strategies Arising from investments Made by Underlying Accounts, such as:**

- ▶ Equities
- ▶ Short selling
- ▶ Foreign securities
- ▶ Hedging by underlying accounts
- ▶ Commodities
- ▶ Currency trading
- ▶ Arbitrage strategies
- ▶ Emerging markets
- ▶ Fixed-income investments

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

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- ▶ Derivative instruments
- ▶ Swap transactions
- ▶ Option transactions
- ▶ Forward trading
- ▶ Credit default swap agreements
- ▶ Small and medium capitalization companies
- ▶ U.S. government securities
- ▶ Debt-oriented real estate investments
- ▶ Commercial mortgage loans
- ▶ Collateralized loan obligations
- ▶ Debt/credit investments (including senior, secured and subordinated debt)
- ▶ Distressed and non-investment grade securities
- ▶ Structured products
- ▶ Secondary investments

### **Other Risks**

- ▶ Highly volatile markets
- ▶ Illiquid investments
- ▶ Short-term trading
- ▶ Event driven
- ▶ Proxy contests and unfriendly transactions
- ▶ Leverage and distressed securities
- ▶ Lower credit quality loans
- ▶ Securities believed to be undervalued or incorrectly valued
- ▶ Convergence risk
- ▶ Credit risk
- ▶ Systemic risk
- ▶ Spread widening risk
- ▶ Counterparty and settlement risks
- ▶ Risk of counterparty default

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

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- ▶ Suspensions of trading
- ▶ Custodial risk
- ▶ Failure of futures commission merchants
- ▶ Catastrophe risk; terrorist activities; availability of insurance

Please refer to the relevant BLS Fund's Constituent Documents for a more detailed discussion of risk factors. Stock markets, credit markets, real estate markets and valuation regarding privately held fund interests and/or investments fluctuate substantially over time and performance of any investment is not guaranteed. As a result, there is a risk of loss of value in the assets which BTSA manages that may be out of BTSA's control. BTSA cannot guarantee any level of performance or that investors in the BLS Funds will not experience a substantial or complete investment loss. There is no assurance that the BLS Funds will be able to generate returns or that the returns will be commensurate with the risks inherent in their investment strategies. The marketability and value of any investment will depend upon many factors beyond the control of BTSA and the BLS Funds. The expenses of the BLS Funds may exceed their income, and an investor in a BLS Fund could lose the entire amount of its contributed capital. Therefore, an investor should only invest in a BLS Fund if the investor can withstand a total loss of its investment. The past investment performance of the BLS Funds cannot be taken to guarantee future results of the BLS Funds or any investment in the BLS Funds.



## **Item 9 – Disciplinary Information**

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BTSA is obligated to disclose any disciplinary event that would be material to a BLS Fund or an Investor when evaluating BTSA's advisory business or the integrity of its management. BTSA does not have any legal, financial or other "disciplinary" items to report.

On occasion, in the ordinary course of its business, Blackstone is named as a defendant in a legal action. Although there can be no assurance of the outcome of such legal actions, BTSA does not believe that any current legal proceeding or claim to which Blackstone is a party will individually or in the aggregate materially affect BTSA and/or the BLS Funds' results of operations, financial position or cash flows. Certain regulatory, litigation and other similar matters are disclosed in (i) Blackstone's and BTSA's public filings (including, without limitation, its current, periodic and annual reports on Forms 8-K, 10-Q and 10-K), which may be accessed through the web site of the SEC ([www.sec.gov](http://www.sec.gov)) or Blackstone (<http://ir.blackstone.com/investors/annual-reports-and-sec-filings/default.aspx>) and (ii) materials made available through Blackstone's BXAccess online portal related to the BLS Funds and/or certain of its affiliates, which is accessible to Blackstone's limited partners for the funds in which they are invested. Anything disclosed in Blackstone's or BTSA's public filings and/or which are otherwise made available to the limited partners of the BLS Funds, including by way of posting to Blackstone's online portal, is incorporated herein by reference, to the extent applicable, including with respect to litigation, investigations, settlements and similar proceedings.

## Item 10 – Other Financial Industry Activities and Affiliations

BTSA is registered as a commodity pool operator with the Commodity Futures Trading Commission (“CFTC”) and is a member of the National Futures Association (“NFA”). As a result of these registrations, certain personnel of BTSA are registered as associated persons of BTSA in accordance with the rules, registrations and bylaws of the NFA.

BTSA is an affiliate of the following entities:

Broker-Dealer Entities	
Alight Financial Solutions, LLC*	Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
Assetpoint Financial, LLC*	Operates a service that facilitates the entry by banks and other financial institutions in to repurchase agreement transactions for themselves or as agent for their customers
Blackstone Advisory Partners L.P.	Provides a variety of limited investment banking services
Dealerweb Inc.*	Operates as an interdealer broker in fixed income securities including U.S. government mortgage-backed securities, repurchase agreements, U.S. treasuries, collateralized mortgage obligations, asset backed securities, EFPs, and municipal securities; and operates as an alternative trading system for fixed income securities
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
Redi Global Technologies LLC*	Operates an EMS (“REDI”) that provides advanced trading functionality and the ability to transact across multiple asset classes from a single front-end
Redi Technologies Ltd*	The FCA entity that operates “REDI” EMS, that provides advanced trading functionality and the ability to transact across multiple asset classes from a single front-end
Refinitiv Transaction Services Limited*	UK registered company, whose main activity is the provision of electronic trading venues for foreign exchange spot and forward/swaps foreign exchange instruments

## Item 10 – Other Financial Industry Activities and Affiliations

Tradeweb Direct LLC*	Operates an alternative trading system for taxable and tax-exempt fixed income securities and serves as a venue for matching buyers and sellers in the fixed income marketplace for retail sized orders
Tradeweb Europe Limited*	Operates a fully-disclosed electronic trading platform for fixed income securities, certain derivatives and money market instruments in the United Kingdom and throughout the European economic area
Tradeweb L.L.C.*	Operates a fully-disclosed electronic trading platform for fixed income securities, certain derivatives and money market instruments
<b>Investment Advisor Entities</b>	
Alight Financial Advisors, LLC (D/B/A Aon Hewitt Financial Advisors, LLC)*	Provides advisory services to participants of plan sponsored 401(k) retirement plans
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 Alternative Investment Advisors L.L.C.	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C.	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities
Blackstone Clean Technology Advisors L.L.C.	Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone 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 Growth Advisors L.L.C.	Provides investment advisory services to private growth investment funds
Blackstone Infrastructure Advisors L.L.C.	Provides investment advisory services to one or more infrastructure-focused investment funds

## Item 10 – Other Financial Industry Activities and Affiliations

Blackstone ISF Advisors LP	Provides investment advisory services to a number of debt-focused separately managed accounts
Blackstone ISG-I Advisors L.L.C.	Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Life Sciences Advisors L.L.C.	Provides investment advisory services to Blackstone Life Sciences V L.P.
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 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 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 Advisors International L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	Provides investment advisory services to various private real estate investment funds

## Item 10 – Other Financial Industry Activities and Affiliations

Blackstone Real Estate Advisors L.P.	Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Income Advisors L.L.C.	Provides investment advisory services to one or more registered closed-end real estate investment funds
Blackstone Real Estate 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 Real Estate Special Situations Advisors L.L.C.	Provides investment advisory services to various private real estate investment 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
Blackstone Tactical Opportunities Advisors L.L.C.	Provides investment advisory services to multi-discipline, multi-asset class private funds and separately managed accounts
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 CLO Management LLC (Management Series)	Provides investment advisory services to U.S. CLOs
Blackstone / GSO Debt Funds Management Europe Limited	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone / GSO Debt Funds Management Europe II Limited	Provides investment advisory services to a number of debt-focused private investment funds
BSCA Advisors L.L.C.	Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
BX REIT Advisors L.L.C.	Provides investment advisory services to a public, non-traded REIT
BXMT Advisors L.L.C.	Provides investment advisory services to a REIT and other investment vehicles

## Item 10 – Other Financial Industry Activities and Affiliations

Clarus Ventures, LLC	Provides investment advisory services to various private investment funds specializing in the life sciences industry
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 Alternative Credit, LLC*	Provides investment advisory services for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, separately managed accounts and co-mingled funds
First Eagle Alternative Credit SLS, LLC*	Provides investment advisory services to clients in below investment grade investment opportunities in bank loans, high yield debt, collateralized loan obligations (“CLOs”), including CLO debt or equity mandates, and other securities
First Eagle BDC Adviser LLC*	Investment adviser created to provide investment advisory services to a business development company that has not yet launched
First Eagle Commercial Loan Originator II LLC*	Provides investment advisory services to CLO’s specializing in middle market credit
First Eagle Investment Management, LLC*	Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
First Eagle Private Credit Advisors, LLC*	Provides investment advisory services to a number of CLO’s, private investment funds and separately managed accounts specializing in liquid credit
First Eagle Private Credit, LLC*	Provides investment advisory services to a number of CLO’s, private investment funds and separately managed accounts specializing in middle market credit
GSO Asset Management LLC	Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
GSO Capital Advisors LLC	Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts

## Item 10 – Other Financial Industry Activities and Affiliations

GSO Capital Advisors II LLC	Provides investment advisory services to a number of debt-focused 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
Harvest Fund Advisors LLC	Provides investment advisory services to various categories of institutions and high net worth individuals via private pooled investment vehicles and separate accounts investing principally in publicly-traded energy infrastructure Master Limited Partnerships and the North American energy market
Incenter Capital Management LLC**	Provides investment advisory services to mortgage related asset private funds and managed accounts
Refinitiv Global Markets Inc. (D/B/A IFR, Municipal Market Data)*	Provides investment advisory services to U.S. treasuries and U.S. municipal markets
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
THL Credit, Inc.*	Provides investment advisory services to certain private funds and separate accounts that have invested alongside THL Credit, Inc.
THL Credit Direct Lending Manager III LLC*	Serves as the manager of a private direct lending fund
Blackstone Advisors India Private Limited	India investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
Blackstone Assessoria em Investimento Ltda.	Brazilian investment advisory firm, which serves as a sub-advisor to the registrant
Blackstone Europe Fund Management S.a.r.l.	Provides services to various alternative investment funds
Blackstone Insurance Solutions Europe LLP	Provides investment advisory services to one or more private investment funds and managed accounts focusing on European investment grade securities, investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies and origination opportunities

## Item 10 – Other Financial Industry Activities and Affiliations

Blackstone Real Estate Australia Pty Limited	Australia investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment advisory services to funds controlled by the registrant
Blackstone (Shanghai) Equity Investment Management Co. Ltd.	Chinese investment advisory firm, which serves as sub-advisor to affiliates of the registrant
Blackstone (Shanghai) Equity Investments Management Co. Ltd. – Beijing Branch Office	Chinese investment advisory firm, which serves as sub-advisor to affiliates of the registrant
Blackstone Singapore Pte Ltd	Singapore investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment advisory services to funds controlled by the registrant
BX Mexico Advisors S.A. de C.V.	Mexican advisory entity which provides services to certain publicly registered trusts
The Blackstone Group (Australia) Pty Limited	Australian investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group (HK) Limited	Hong Kong investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also has a broker-dealer license for fund marketing
The Blackstone Group International Partners LLP	U.K. investment advisory firm, which serves as a sub-advisor to affiliates of the registrant
The Blackstone Group Japan K.K.	Japanese investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also has a broker-dealer license for fund marketing
The Blackstone Group Spain SLU	Spain investment advisory firm, which serves as a sub-advisor to the registrant
<b>Registered Commodity Trading Advisor and/or Registered Commodity Pool Operator Entities</b>	
Blackstone Alternative Asset Management L.P. (CTA/CPO)	Manages a series of private and closed-end funds engaged in multi-manager investment programs ( <i>i.e.</i> , fund of hedge funds)
Blackstone Alternative Investment Advisors LLC (CTA/CPO)	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Solutions L.L.C. (CTA/CPO)	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities



## Item 10 – Other Financial Industry Activities and Affiliations

Blackstone Strategic Alliance Advisors L.L.C. (CTA/CPO)	Manages a series of private funds engaged in a hedge fund “seeding” program
Blackstone Strategic Capital Advisors L.L.C. (CPO)	Manages private funds engaged in acquisitions of minority interests in alternative asset managers
Blackstone Treasury Solutions Advisors L.L.C. (CPO)	Provides investment advisory services to funds invested primarily in diversified fixed income and hedge fund products
<b>Insurance Entities</b>	
Agents National Title Holding Company**	A wholly owned subsidiary of Incenter and is a title insurance broker serving consumers and lenders through a network of independent title agents
Boston National Holdings LLC**	A wholly owned subsidiary of Incenter and is a title insurance agency
HealthMarkets Insurance Agency, Inc.*	An independent health insurance agency that distributes healthcare and Medicare advantage insurance products from more than 200 insurance companies, as well as its own underwritten supplemental insurance products
Lexington National Land Services	Places title insurance and provide title services for real property owned by various funds and/or their portfolio entities
Partners Life Limited**	Life and medical insurance company in New Zealand
Rothsay Life Plc**	Life insurer specializing in bulk annuities and other de-risking solutions for defined benefit pension schemes and insurance companies

\*Portfolio company of affiliated private equity fund

\*\*Portfolio company of affiliated Tactical Opportunities funds

Note: BTSA also manages a number of private investments vehicles, which are listed in BTSA’s Form ADV Part 1A, Schedule D Section 7.B(1). Other affiliates of BTSA serve as general partners of such private investment vehicles and are listed in BTSA’s Form ADV Part 1A, Schedule D Section 7.A.

Additionally, certain personnel involved in the investment activities of BTSA are also involved in the management of certain assets of Blackstone and other investment vehicles and accounts

## Item 10 – Other Financial Industry Activities and Affiliations

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advised by other Blackstone-affiliated advisors. Such Blackstone-affiliated vehicles and accounts may have investment objectives similar to those of the BLS Funds and may buy and sell securities or other instruments that BTSA has purchased and sold for an applicable BLS Fund. In addition, conflicts may arise in the allocation of the time and services of BTSA personnel between or among the BLS Funds and/or other Blackstone-affiliated vehicles and accounts.

***Outside Activities of Principals and Other Personnel and their Related Parties.*** Certain personnel of Blackstone will, in certain circumstances, be subject to a variety of conflicts of interest relating to their responsibilities to the Funds, Other Blackstone Funds and their respective Portfolio Entities, and their outside personal or business activities, including as members of investment or advisory committees or boards of directors of or advisors to investment funds, corporations, foundations or other organizations. Such positions create a conflict if such other entities have interests that are adverse to those of the Funds, including if such other entities compete with the Funds for investment opportunities or other resources. The Blackstone personnel in question may have a greater financial interest in the performance of the other entities than the performance of the Funds. This involvement may create conflicts of interest in making investments on behalf of the Funds and such other funds, accounts and other entities. Although BTSA will generally seek to minimize the impact of any such conflicts, there can be no assurance they will be resolved favorably for the Funds. Also, Blackstone personnel are generally permitted to invest in alternative investment funds, private equity funds, real estate funds, hedge funds and other investment vehicles, as well as engage in other personal trading activities relating to companies, assets, securities or instruments (subject to Blackstone's Code of Ethics requirements), some of which will involve conflicts of interests. Such personal securities transactions will, in certain circumstances, relate to securities or instruments which can be expected to also be held or acquired by other Blackstone clients, including the Funds, or otherwise relate to companies or issuers in which the Funds have or acquire a different principal investment (including, for example, with respect to seniority). There can be no assurance that conflicts of interest arising out of such activities will be resolved in favor of the Funds. Limited partners will not receive any benefit from any such investments, and the financial incentives of Blackstone personnel in such other investments could be greater than their financial incentives in relation to the Funds.

***Multiple Blackstone Business Lines.*** Blackstone has multiple business lines, including the Blackstone Capital Markets Group, which Blackstone, the Funds, Other Blackstone Funds, Portfolio Entities of the Funds and Other Blackstone Funds and third parties will, in certain circumstances, engage for debt and equity financings and to provide other investment banking, brokerage, investment advisory or other services. As a result of these activities, Blackstone is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than if it had one line of business. For example, Blackstone

## Item 10 – Other Financial Industry Activities and Affiliations

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may come into possession of information that limits the Funds' ability to engage in potential transactions. Similarly, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with BTSA that would be relevant to monitoring the Funds' investments and other activities. Additionally, Blackstone or Other Blackstone Funds can be expected to enter into covenants that restrict or otherwise limit the ability of the Funds or their Portfolio Entities and their respective affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Funds could have granted exclusivity to a joint venture partner that limits the Funds and Other Blackstone Funds from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Fund could have entered into a non-compete in connection with a sale or other transaction. These types of restrictions may negatively impact the ability of a Fund to implement its investment program. Finally, Blackstone personnel who are members of the investment team or investment committee may be excluded from participating in certain investment decisions due to conflicts involving other Blackstone businesses or for other reasons, including other business activities, in which case the Funds will not benefit from their experience. The limited partners will not receive a benefit from any fees earned by Blackstone or its personnel from these other businesses.

***Additional Potential Conflicts of Interest.*** The officers, directors, members, managers and personnel of BTSA can be expected to trade in securities and make personal investments for their own accounts, subject to restrictions and reporting requirements as may be required by law and Blackstone policies or as otherwise determined from time to time by BTSA. Such personal securities transactions and investments will, in certain circumstances, result in conflicts of interest, including to the extent they relate to (i) a company in which the Funds hold or acquire an interest (either directly through a privately negotiated investment or indirectly through the purchase of securities or other traded instruments related thereto) and (ii) entities that have interests which are adverse to those of the Funds or pursue similar investment opportunities as the Funds. In addition, as a consequence of Blackstone's status as a public company, the officers, directors, members, managers and personnel of BTSA can be expected to take into account certain considerations and other factors in connection with the management of the business and affairs of the Funds and their affiliates that would not necessarily be taken into account if Blackstone were not a public company. The directors of Blackstone have fiduciary duties to shareholders of the public company that may conflict with their duties to the Funds. Finally, although Blackstone believes its positive reputation in the marketplace provides benefit to the Funds and Other Blackstone Funds, BTSA could decline to undertake investment activity or transact with a counterparty on behalf of the Funds for reputational reasons, and this decision could result in the Funds foregoing a profit or suffering a loss.

## Item 10 – Other Financial Industry Activities and Affiliations

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***Potential Conflicts of Interest specific to Blackstone Advisory Partners L.P. and Park Hill Group L.L.C.*** On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners Inc. (“PJT”), an independent financial advisory firm founded by Paul J. Taubman. While the combined business operates independently from Blackstone and is not an affiliate thereof, nevertheless conflicts may arise in connection with transactions between or involving a BTSA client and its portfolio entities on the one hand and PJT on the other. Specifically, given that PJT is not an affiliate of Blackstone, there may be fewer or no restrictions or limitations placed on transactions or relationships engaged in by PJT’s new advisory business as compared to the limitations or restrictions that might apply to transactions engaged in by an affiliate of Blackstone. It is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest in doing transactions involving PJT will still arise. The pre-existing relationship between Blackstone and its former personnel involved in such financial and strategic advisory services, the overlapping ownership, co-investment and other continuing arrangements, may influence BTSA in deciding to select or recommend PJT to perform such services for the BTSA client (or a portfolio entity) (the cost of which will generally be borne directly or indirectly by the BTSA client or such entity, as applicable). Nonetheless, a BTSA client’s general partner and its affiliates will be free to cause the BTSA client and portfolio entities to transact with PJT generally without restrictions under the Constituent Documents notwithstanding such overlapping interests in, and relationships with, PJT.

In addition, one or more investment vehicles controlled by Blackstone may be established to facilitate participation in Blackstone’s side-by-side investment program by employees and/or partners of PJT.

***Blackstone Strategic Relationships.*** Blackstone has entered, and it can be expected that Blackstone in the future will enter, into Strategic Relationships, which are agreements with investors (and/or one or more of its affiliates) in a BLS Fund and/or Other Blackstone Account involving one or more strategies, which may include the BLS Funds, as part of an integrated overall arrangement with Blackstone. A Strategic Relationship often involves an investor agreeing to make a capital commitment to multiple Blackstone funds, one or more of which may include a BLS Fund or Other Blackstone Account. Investors will not receive a copy of any agreement memorializing a Strategic Relationship program (even if in the form of a side letter) and will be unable to elect any such rights or benefits afforded through a Strategic Relationship. Specific examples of such additional rights and benefits include, among others, specialized reporting, discounts on and/or reimbursement of management fees or carried interest, secondment of personnel from the investor to Blackstone (or vice versa), targeted amounts for co-investments alongside Blackstone funds (including, without limitation, preferential allocation of co-investment, and preferential terms and conditions related to co-investment or other participation in Blackstone vehicles (including any carried interest and/or management fees to be charged with respect thereto)). The co-investment that is part of a Strategic Relationship may include co-investment in investments made by a BLS Fund or Other Blackstone Account. Strategic

## Item 10 – Other Financial Industry Activities and Affiliations

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Relationships may therefore result in fewer co-investment opportunities (or reduced allocations) being made available to investors in the BLS Funds.

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

***Allocation of Personnel.*** The general partners of the BTSA Funds and their affiliates will devote such time as shall be necessary to conduct the business affairs of BTSA in an appropriate manner. However, Blackstone personnel serving as members of an investment committee and/or a portfolio management team will work on other projects and/or Other Blackstone Accounts, including, without limitation, as members of the investment committee and/or investment teams serving Other Blackstone Accounts, will serve on other committees and have other responsibilities, including senior management responsibilities, throughout Blackstone and/or its portfolio entities, and, therefore, conflicts are expected to arise in the allocation of personnel and personnel's time. In this regard, however, a core group of Blackstone investment professionals will devote such time as is reasonably necessary to the business related to the BTSA Funds (and their respective investments).

Time spent on other initiatives diverts attention from the activities of the BTSA Funds, which could negatively impact the BTSA Funds and their investors. Furthermore, Blackstone and Blackstone personnel derive financial benefit from these other activities, including fees and performance-based compensation. These and other factors create conflicts of interest in the allocation of time by Blackstone personnel. BTSA's and the applicable general partner's determination of the amount of time necessary to conduct the BTSA Funds' activities will be conclusive, and the investors rely on BTSA's and the applicable general partner's judgment in this regard.

***Blackstone's Relationship with Pátria.*** Blackstone owns 40% of the equity interests in Pátria Investimentos Ltd. ("Pátria"), a leading Brazilian alternative asset manager and advisory firm. Pátria's alternative asset management businesses include the management of private equity funds, real estate funds, infrastructure funds and hedge funds (e.g., a multi-strategy fund and a long/short equity fund). Each of Blackstone's and Pátria's respective investment funds continues to pursue investment opportunities in accordance with their existing mandates. While it is not expected that there will be material overlap between the Funds' investment programs and Pátria's investment activities, there may be instances in which investment opportunities otherwise appropriate for the Funds will be shared with (or allocated to) Pátria. Therefore, there may be opportunities available to Pátria that are not shared with the Funds, and there may be opportunities available to the Funds that are shared with one or more Pátria funds. Blackstone generally expects, with respect to certain types of investments in Brazil otherwise suitable for the Funds, to permit such investments to be shared with and/or pursued by Pátria, which may be on a priority basis and may result in the Funds not participating in any such investments or participating therein to a lesser extent. In addition, the Funds may invest directly in companies or other entities in which Pátria sponsored investment funds make an investment in a different

## Item 10 – Other Financial Industry Activities and Affiliations

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part of the capital structure (and vice versa). In such situations, the Funds and such other Pátria sponsored investment funds (and therefore Blackstone through its indirect minority interest in Pátria) may have conflicting interests (e.g., over the terms of their respective investments). Pátria is not considered an “affiliate” of Blackstone under the applicable partnership agreements, and therefore these transactions will not be subject to approval by the advisory committees.

**Data.** Blackstone receives or obtains various kinds of data and information from the Funds, Other Blackstone Funds, the Underlying Funds and their Portfolio Entities, including data and information relating to business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as “big data.” Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes, as a result of its access to (and rights regarding) this data and information from the Funds, Other Blackstone Funds and their Portfolio Entities. Blackstone has entered and will continue to enter into information sharing and use arrangements, which will give Blackstone access to (and rights regarding) data that it would not otherwise obtain in the ordinary course, with the Funds, Other Blackstone Funds, and their Portfolio Entities, related parties and service providers. Although Blackstone believes that these activities improve Blackstone’s investment management activities on behalf of the Funds and Other Blackstone Funds, information obtained from the Funds, the Underlying Funds and their Portfolio Entities also provides material benefits to Blackstone or Other Blackstone Funds without compensation or other benefit accruing to the Funds or limited partners. For example, information from an Underlying Fund owned by a Fund can be expected to enable Blackstone to better understand a particular industry and execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Funds that do not own an interest in the Portfolio Entity, without compensation or benefit to the Funds or their Portfolio Entities.

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, and regulatory limitations on the use of material nonpublic information, Blackstone is generally free to use data and information from the Funds’ activities to assist in the pursuit of Blackstone’s various other activities, including to trade for the benefit of Blackstone or an Other Blackstone Fund. Any confidentiality obligations in the applicable partnership agreements do not limit Blackstone’s ability to do so. For example, Blackstone’s ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law, be enhanced by information of an Underlying Fund in the same or related industry. Such trading is expected to provide a material benefit to Blackstone without compensation or other benefit to the Funds or limited partners.

The sharing and use of “big data” and other information presents potential conflicts of interest and the limited partners acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in kind), costs and expenses) will not be subject to the management fee offset provisions or otherwise shared with the Funds or limited partners. As a result, the Registrant has an incentive to pursue investments that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Funds.

## Item 10 – Other Financial Industry Activities and Affiliations

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**Coronavirus and Public Health Emergencies.** As of the date of this brochure, there is an outbreak of a novel and highly contagious form of coronavirus (“COVID-19”), which the World Health Organization has declared to constitute a “Public Health Emergency of International Concern.” The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain equity, debt, derivatives and commodities markets. The global impact of the outbreak is rapidly evolving, and many countries have reacted by instituting (or strongly encouraging) quarantines, prohibitions on travel, the closure of offices, businesses, schools, retail stores, restaurants, hotels, courts and other public venues, and other restrictive measures designed to help slow the spread of COVID-19. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, hospitality, tourism, entertainment and other industries. Moreover, with the continued spread of COVID-19, governments and businesses are likely to take increasingly aggressive measures to help slow its spread. For this reason, among others, as COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, are increasingly uncertain and difficult to assess.

Any public health emergency, including any outbreak of COVID-19, SARS, H1N1/09 flu, avian flu, other coronavirus, Ebola or other existing or new epidemic diseases, or the threat thereof, could have a significant adverse impact on the Funds and their Portfolio Entities and could adversely affect the Funds’ ability to fulfill their investment objectives.

The extent of the impact of any public health emergency on the Funds’ and their Portfolio Entities’ operational and financial performance will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented, the impact of such public health emergency on overall supply and demand, goods and services, investor liquidity, consumer confidence and spending levels, and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. The effects of a public health emergency may materially and adversely impact the value and performance of the Funds’ Portfolio Entities, the Funds’ ability to source, manage and divest investments and the Funds’ ability to achieve its investment objectives, all of which could result in significant losses to the Funds. In addition, the operations of the Funds, their Portfolio Entities, and the Registrant may be significantly impacted, or even temporarily or permanently halted, as a result of government quarantine measures, voluntary and precautionary restrictions on travel or meetings and other factors related to a public health emergency, including its potential adverse impact on the health of the personnel of any such entity or the personnel of any such entity’s key service providers.

See **Item 11 – Code of Ethics and Conflicts of Interest** for a discussion of potential conflicts of interest. **A more detailed description of applicable conflicts of interest is set forth in the Private Placement Memorandum or other Constituent Documents of each BLS Fund.**

## Item 11 – Code of Ethics and Conflicts of Interest

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BTSA is governed by the Blackstone Code of Ethics (the “Code of Ethics”). The Code of Ethics governs a number of potential conflicts of interest which exist when BTSA provides advisory services to the BLS Funds it manages. The Code of Ethics is designed to ensure that BTSA meets its fiduciary obligation to BTSA’s clients (or prospective clients) and to instill a culture of compliance within BTSA. An additional benefit of the Code of Ethics 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. BTSA 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 actual or potential conflicts of interest which may arise, including, but not limited to, those identified below. BTSA has adopted, and will in the future adopt or otherwise update, policies and procedures designed to address such actual or potential conflicts of interest.

BTSA’s related persons may from time to time have bought or sold, or may subsequently transact, for their personal accounts, securities which may also be purchased or sold for the account of the Funds. BTSA and its related personnel are subject to guidelines governing the ability to trade in personal accounts. The guidelines generally require that all such personal securities transactions receive pre-clearance from the legal and compliance department. As of January 1, 2019, Blackstone prohibits the purchase of all single-name securities by all related personnel. These guidelines are reasonably designed to comply with SEC requirements that registered investment advisors have a Code of Ethics and are intended to assist Blackstone with identifying and mitigating actual or potential conflicts of interest with Blackstone’s clients that may arise as a result of such transactions. In addition, Blackstone has implemented certain policies and procedures (e.g., information walls) to restrict access to material non-public information. The Blackstone Legal and Compliance Department is responsible for overseeing compliance with the



## Item 11 – Code of Ethics and Conflicts of Interest

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requirements of the Code, which requirements include, but are not limited to, reporting of personal investment activities, accounts, pre-clearance of personal securities transactions, reporting of certain investment transactions and periodic compliance certifications. Blackstone's Code of Ethics is available for review upon request.

Blackstone may structure an investment as a result of which Other Blackstone Accounts are offered the opportunity to participate in an investment allocated to a BLS Fund or where such Other Blackstone Accounts may hold or acquire interest in portfolio entities in which such BLS Funds have indirect investments. Conversely, a BLS Fund may be offered an opportunity to participate in an investment or invest capital in an Underlying Vehicle that holds or subsequently acquires investments in which Other Blackstone Accounts have an interest. As investment advisor to both a BLS Fund and such Other Blackstone Accounts, Blackstone would owe a fiduciary duty to such Other Blackstone Accounts as well as to a BLS Fund. As such, Blackstone may, in certain instances, face a conflict of interest in respect of decisions made with regard to such Other Blackstone Accounts and the BLS Fund (e.g., with respect to the terms of high-yield securities or other debt instruments, the enforcement of covenants, the terms of recapitalizations and the resolution of workouts or bankruptcies, etc.).

In addition to the potential conflicts of interest discussed below, potential investors are encouraged to also review the information and disclosures regarding certain potential risk factors and potential conflicts of interest included in the separate offering and/or disclosure documentation and Constituent Documents provided to potential investors with respect to the BLS Funds.

### Certain Investment Related Potential Conflicts Relating to the BLS Funds Generally

Potential Conflict	Mitigating Policy
BTSA may reasonably determine that it is beneficial to cause a BLS Fund to redeem or withdraw from an Underlying Account while simultaneously determining that it is beneficial to have another BLS Fund make an initial or additional investment in such Underlying Account.	The Investment Committee determines the strategic asset allocation and approves Underlying Managers that may be used for the BLS Funds and the Underlying Vehicles in, or alongside, which the BLS Funds may invest. The Portfolio Managers determine the allocations among such approved Underlying Vehicles and/or Underlying Managers within the strategic asset allocations (with input from the Investment Committee) or otherwise in accordance with the investment guidelines established with respect to any particular BLS Fund. See <b>Item 4 – Advisory Business</b> for further details.
BTSA also may determine that an opportunity in a particular investment is appropriate for only certain BLS Funds.	

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Potential Conflict	Mitigating Policy
<p>Blackstone may have an ownership interest in, a pre-existing relationship with, or otherwise be affiliated with, an Underlying Vehicle or Underlying Manager in or alongside which BLS Funds have made an investment. Furthermore, Blackstone may hold investments that are similar (or identical) to the Underlying Accounts, which may give rise to a conflict of interest when BTSA determines to which Underlying Managers or Underlying Accounts to allocate additional capital or from which Underlying Managers or Underlying Accounts to redeem or withdraw capital. Although a BLS Fund may benefit from economies of scale in shared pricing, if Blackstone were to redeem or withdraw from an investment in an Underlying Account which it holds jointly with the BLS Fund, the fees which the BLS Fund must pay to the relevant Underlying Manager may increase.</p> <p>To the extent that entities affiliated with BTSA, or managed by other Blackstone-affiliated advisors, invest with Underlying Managers that have limited capacity, BTSA and/or Blackstone may be required to choose among the BLS Funds and such affiliated entities in allocating assets to such Underlying Managers</p> <p>Similarly, to the extent the amount which BTSA wishes to invest with an Underlying Manager exceeds the available capacity with such Underlying Manager, BTSA will have to choose among BLS Funds in allocating to such Underlying Manager.</p>	<p>The Investment Committee determines the strategic asset allocation and approves Underlying Managers that may be used for the BLS Funds and the Underlying Vehicles in, or alongside, which the BLS Funds may invest. The Portfolio Managers determine the allocations among such approved Underlying Vehicles and/or Underlying Managers within the strategic asset allocation or applicable investment guidelines (with input from the Investment Committee) or otherwise in accordance with the investment guidelines established with respect to any particular BLS Fund. See <b>Item 4 – Advisory Business</b> for further details.</p> <p>Total management fees paid to Blackstone by Investors in BLS Funds generally are capped such that Blackstone does not generally earn additional management fees by directing investments to Underlying Managers in which Blackstone has an ownership interest.</p> <p>BTSA maintains detailed policies and procedures relating to allocations among Blackstone and the BLS Funds. In addition, although not anticipated and not part of the standard allocation policies of BTSA, if there were a limited capacity allocation decision to be made among the BLS Funds, it would be documented separately and reviewed by BTSA’s compliance department to determine that such allocation follows policies and procedures and is fair and equitable.</p>
<p>BTSA may cause a BLS Fund to purchase investments from, sell investments to,</p>	<p>Any such purchases, sales, exchanges or transfers will be effected based upon the</p>

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Potential Conflict	Mitigating Policy
exchange investments with, or transfer investments to an affiliate of BTSA or Blackstone.	fair market value of the investment, as determined in accordance with BTSA's valuation policy and the applicable Constituent Documents, and will only be executed at the direction of, and with the prior written consent of, the applicable client to the extent required by applicable law or regulation.

Certain members of the Investment Committee also sit on the investment committees for certain of the Blackstone Accounts.

When the Investment Committee considers allocations across Underlying Accounts whose investment committees share a member of the Investment Committee, the relevant member of the Investment Committee recuses himself or herself with respect to such decisions.

### Certain Non-Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
BTSA, Blackstone and their employees may invest for their own accounts in various investment opportunities, including hedge funds, in which the BLS Funds have an interest.	All Blackstone employees, including BTSA personnel, must pre-clear trades in all hedge funds and other securities (subject to limited exceptions) with Blackstone's compliance department.
From time to time, BTSA and/or Blackstone employees may speak at conferences and programs for potential investors, which are sponsored by BTSA/Blackstone's third-party service providers for potential investors. Through such "capital introduction" events, prospective investors have the opportunity to meet with BTSA. In addition, BTSA and/or Blackstone employees may have the opportunity to publish articles on investment management strategies in publications prepared and distributed by such third-party service providers. Such events and services (including, without limitation, capital introduction services) provided by service providers, including prime brokers, broker-dealers, placement	<p>All BTSA employees must pre-clear speaking at conferences, publishing articles and other similar activities with Blackstone Compliance.</p> <p>Materials provided by BTSA as part of such conferences and other programs must be approved by BTSA or Blackstone Compliance.</p> <p>Neither BTSA nor the BLS Funds compensate the service providers for organizing such events; however, BTSA may have a placement agreement with a broker-dealer that sponsors hedge fund conferences or similar events.</p>

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Potential Conflict	Mitigating Policy
agents, custodians and administrators, may influence BTSA/Blackstone in deciding whether to use such service provider.	
Financial institutions, advisors, third-party service providers, executives of public companies and other “value added investors” may be Investors in certain of the BLS Funds or the Underlying Vehicles in which the BLS Funds invest. These persons and their employees are a potential source of information and ideas that could benefit BTSA. In addition, these relationships could influence the decision as to which such services providers are engaged to provide services with respect to the BLS Funds.	<p>BTSA has detailed policies and procedures relating to the use of private information, information sharing and information walls in general.</p> <p>Generally, service providers will be selected on the basis of best execution, the evaluation of which includes, among other considerations, such service provider’s provision of certain investment-related services and research believed to be of benefit to the BLS Funds.</p>
A BLS Fund may have entered, or in the future may enter, into letter agreements or other written agreements (commonly referred to as “side letters”) with one or more Investors which provide such Investor(s) with additional and/or different rights than other Investors in the BLS Fund (including, without limitation, with respect to access to information, management fees and other fees, minimum investment amounts, enhanced governance or termination rights, and liquidity terms).	Generally, BTSA does not enter into agreements that grant preferential treatment to different investors in the same BLS Fund, with respect to liquidity or fee terms, unless such investor is a Blackstone Investor (including Other Blackstone Accounts), there is a specific regulatory requirement mandating such preferential treatment, and except in the case of an investment by a BLS Fund in another BLS Fund. If BTSA were to enter into such side letters, appropriate disclosure would be made to Investors.
BTSA incurs common expenses on behalf of the BLS Funds, and will be entitled to expense reimbursement from the BLS Funds in accordance with their Constituent Documents.	BTSA allocates such expenses on a basis that it considers equitable and in accordance with its expense allocation policies and the Constituent Documents.

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### Certain Fee Related Potential Conflicts Relating to the BLS Funds

Potential Conflict	Mitigating Policy
<p>Certain employees of BTSA and Blackstone (or their family members or related entities) may invest in the BLS Funds or directly in or alongside the Blackstone Vehicles. Typically, no advisory fees have been charged on such investments, though advisory fees may be charged in the future. The employees may be individuals responsible for allocating investment opportunities to the BLS Funds, or allocating the BLS Funds' capital to the Blackstone Vehicles and may be biased with respect to which BLS Fund or Blackstone Vehicle receives which allocation.</p>	<p>The Investment Committee determines the strategic asset allocation and approves Underlying Managers that may be used for the BLS Funds and the Underlying Vehicles in, or alongside, which the BLS Funds may invest. The Portfolio Managers determine the allocations among such approved Underlying Vehicles and/or Underlying Managers within the strategic asset allocations (with input from the Investment Committee) or otherwise in accordance with the investment guidelines established with respect to any particular BLS Fund. See <b>Item 4 – Advisory Business</b> for further details.</p>
<p>The Underlying Vehicles, in or alongside which the BLS Funds invest, will have different management and incentive fee structures. As part of the investment process, BTSA potentially could invest in Underlying Vehicles (including Blackstone Accounts) on behalf of the BLS Funds that have fee or expense structures that are more favorable to Blackstone.</p>	<p>The Investment Committee determines the strategic asset allocation and approves Underlying Managers that may be used for the BLS Funds and the Underlying Vehicles in, or alongside, which the BLS Funds may invest. The Portfolio Managers determine the allocations among such approved Underlying Vehicles and/or Underlying Managers within the strategic asset allocations (with input from the Investment Committee) or otherwise in accordance with the investment guidelines established with respect to any particular BLS Fund. See <b>Item 4 – Advisory Business</b> for further details.</p>
<p>Blackstone may have an ownership interest in, a pre-existing relationship with, or otherwise be affiliated with, an Underlying Vehicle or Underlying Manager in, or alongside which, BLS Funds have made an investment.</p>	<p>As discussed above, total management fees paid to Blackstone by Investors in BLS Funds generally are capped such that Blackstone does not generally earn additional management fees by directing investments to Underlying Managers in which Blackstone has an ownership interest.</p>

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### Blackstone-Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>Blackstone performs a wide range of investment advisory and other activities as part of its broader businesses, and as a result of such activities BTSA and/or BLS 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 (including an issuer in which the Underlying Vehicles have an interest), BTSA (or a BLS Fund) could be restricted from investing in such issuer's securities.</p> <p>Blackstone has several different asset management and advisory businesses, is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and more legal and contractual restrictions than would otherwise apply if it had just one line of business.</p> <p>Further, BLS Funds could be forced to sell or hold existing investments, or be precluded from making new investments, as a result of investment banking or other relationships that Blackstone may have or transactions or investments Blackstone and its affiliates may make. BLS Funds may invest in the securities of the same issuers as the Underlying Vehicles and/or other investment vehicles and accounts advised by other Blackstone-affiliated advisors, but in differing interests or priorities, which may present circumstances where the interests of such securities are in conflict.</p>	<p>Other than with respect to investments in treasury securities and similar securities on behalf of the BLS Funds, BTSA generally does not make investments in issuer securities directly; rather BTSA intends that investments will be made through the Underlying Accounts, although in certain cases investments may be made in other appropriate investment opportunities (including on a side-by-side basis alongside one or more Underlying Vehicles), including certain direct investments. In the event BTSA does trade in issuer securities for a BLS Fund directly, any such trades will be executed solely in compliance with Blackstone's robust information walls policy which is designed to limit the inappropriate sharing of material non-public information and also requires a determination that such securities are not on Blackstone's list of restricted securities.</p> <p>In addition, the Portfolio Managers and members of the Investment Committee cannot recommend investments to the Underlying Vehicles or Underlying Managers without prior written clearance from BTSA's compliance department.</p>
<p>Certain broker-dealer affiliates of BTSA may enter into placement agreements with or otherwise be retained as placement agent by Underlying Managers. Under these placement agent arrangements, to the</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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Potential Conflict	Mitigating Policy
<p>extent permitted by applicable law, including the Employee Retirement Income Security Act of 1974 (“ERISA”), an Underlying Manager may compensate such affiliate for referring Investors to the Underlying Manager and such fees will not be shared with the BLS Funds. Also, investors introduced by such affiliates to an Underlying Manager may absorb limited investment capacity in the Underlying Manager’s funds, and BTSA may have wanted to invest in this limited capacity for the BLS Funds.</p>	
<p>Blackstone may from time to time refer potential investors to BTSA and these investors may become Investors in certain of the BLS Funds.</p>	<p>All prospective investors are reviewed for suitability of investments and must satisfy the BLS Funds’ investor qualifications.</p>
<p>Blackstone may hire or enter into a partnership or other arrangement with one or more investment professionals to form and manage pooled investment vehicles or separately managed accounts pursuing alternative investment strategies (“Blackstone Proprietary Funds”). Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary Funds. Such existing Blackstone Proprietary Funds and any Blackstone Proprietary Funds formed in the future may compete with Underlying Managers.</p>	<p>As discussed above, BTSA maintains detailed policies and procedures relating to allocations among BLS Funds.</p> <p>Blackstone maintains detailed policies and procedures relating to information sharing among different Blackstone business groups and information walls in general.</p>
<p>Certain personnel involved in the investment activities of BTSA are also involved in the management of certain assets of Blackstone and investment vehicles and accounts advised by other Blackstone-affiliated advisors. Such</p>	<p>BTSA personnel will devote such time to the affairs of each BLS Fund as is deemed necessary by the general partner of each such BLS Fund in accordance with its investment guidelines and Constituent Documents.</p>

## Item 11 – Code of Ethics and Conflicts of Interest

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Potential Conflict	Mitigating Policy
Blackstone-affiliated vehicles and accounts may have investment objectives similar to those of the BLS Funds and may buy and sell securities or other instruments that BTSA has purchased and sold for the BLS Funds.	
In addition, conflicts may arise in the allocation of the time and services of BTSA personnel as a result of Blackstone's other activities and the involvement of certain of its personnel with respect thereto.	

***Other Conflicts of Interest Relating to Service Providers and Other Counterparties.*** Certain advisors and other service providers, or their affiliates (including accountants, administrators, paying agents, depositaries, lenders, bankers, brokers, attorneys, consultants, and investment or commercial banking firms), to BLS Funds, Blackstone and/or certain portfolio entities in which the BLS Funds have an investment also provide goods or services to, or have business, personal, financial or other relationships with, Blackstone, its affiliates and portfolio entities. For example, certain portfolio entities enter into agreements regarding group procurement (such as the group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across portfolio entities and discounted due to scale) from a third party or a Blackstone affiliate, and other similar operational, administrative or management related initiatives that result in commissions, discounts or similar payments to Blackstone or its affiliates (including personnel), including related to a portion of the savings achieved by the portfolio entity, and such commissions or payments will not offset the Management Fee. Such advisors and service providers referred to above may be investors in BLS Funds, affiliates of the general partners, sources of financing and investment opportunities or co-investors or commercial counterparties or entities in which Blackstone and/or an Other Blackstone Account has an investment, and payments by BLS Funds and/or portfolio entities generally would benefit Blackstone and/or such Other Blackstone Account.

Additionally, certain employees and other professionals of Blackstone may have family members or relatives employed by such advisors and service providers or otherwise actively involved in (or have business, financial or other relationships with) relevant industries. For example, such family members or relatives might be employees, officers, directors or owners of companies or assets which (i) are actual or potential investments of the BLS Funds or (ii) are other counterparties of the BLS Funds and their portfolio entities and/or assets. Moreover, in certain instances, the BLS Funds or their portfolio entities may purchase or sell companies or assets from or to, or otherwise transact with, companies that are owned by such family members or relatives or in respect of which such family members or relatives have other involvement. These relationships may influence Blackstone, the general partners and/or BTSA in deciding whether to select or recommend or create such service providers to perform services for BLS Funds and/or a portfolio



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entity (the cost of which will generally be borne directly or indirectly by BLS Funds or such portfolio entity, as applicable) and may incentivize Blackstone to engage such service provider over another third party. The fees for services provided by such service providers may or may not be at the same rate charged by other third parties and the General Partner undertakes no obligations to select service providers who may have lower rates. Because Blackstone has many different businesses, including the Blackstone Capital Markets Group, which Blackstone investment teams and portfolio entities may engage to provide underwriting and capital market advisory services, it is subject to a number of actual and potential conflicts of interest, greater regulatory oversight and subject to more legal and contractual restrictions than that to which it would otherwise be subject if it had just one line of business. In most such circumstances, each BLS Fund's partnership agreement will not preclude the BLS Fund from undertaking any particular investment activity and/or transaction. However, Blackstone or Other Blackstone Accounts can be expected to enter into covenants that restrict or otherwise limit the ability of a BLS Fund or its portfolio entities and their affiliates to make investments in, or otherwise engage in, certain businesses or activities. For example, Other Blackstone Accounts could have granted exclusivity to a joint venture partner that limits the BLS Fund and Other Blackstone Accounts from owning assets within a certain distance of any of the joint venture's assets, or Blackstone or an Other Blackstone Accounts could have entered into a non-compete in connection with a sale or other transaction. Furthermore, other Blackstone businesses and their personnel may be prohibited by law or contract from sharing information with the BLS Funds' general partner(s) that would be relevant to monitoring such BLS Funds' investments and other activities. These types of restrictions may negatively impact the ability of the BLS Funds to implement their investment program. To the extent Blackstone in its sole discretion determines appropriate, conflict mitigation strategies may be put in place with respect to a particular circumstance, such as internal information barriers or recusal, disclosure or other steps determined appropriate by Blackstone in its sole discretion. In addition to the service providers (including portfolio entity service providers) and vendors described above, the BLS Funds and their portfolio entities will engage in transactions with one or more businesses that are owned or controlled by Blackstone directly, not through one of its funds, including the businesses described below. These businesses may also enter into transactions with other counterparties of the BLS Funds and their portfolio entities, as well as service providers, vendors and investors of the BLS Funds. Blackstone could benefit from these transactions and activities through current income and creation of enterprise value in these businesses. No fees charged by these service providers and vendors will offset or reduce Management Fees, unless otherwise required by the BLS Funds' partnership agreements. Furthermore, Blackstone, the Other Blackstone Accounts and their portfolio entities and their affiliates and related parties will use the services of these Blackstone affiliates, including at different rates. Although Blackstone believes the services provided by its affiliates are equal or better than those of third parties, Blackstone directly benefits from the engagement of these affiliates, and there is therefore an inherent conflict of interest. Blackstone-affiliated service providers, include, without limitation:

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**Aquicore.** Acquicore, Inc. (“Acquicore”) is a cloud-based platform that tracks, analyzes and predicts key metrics in real estate focused on the reduction of energy consumption. Blackstone holds a minority investment in Aquicore.

**Equity Healthcare.** Equity Healthcare LLC (“Equity Healthcare”) is a Blackstone affiliate that negotiates with providers of standard administrative services and insurance carriers for health benefit plans and other related services and insurance carriers for cost discounts, quality of service monitoring, data services and clinical consulting. Because of the combined purchasing power of its client participants, which include unaffiliated third parties, Equity Healthcare is able to negotiate pricing terms from providers that are believed to be more favorable than those that the portfolio entities could obtain on an individual basis. The fees received by Equity Healthcare in connection with services provided to Investments will not offset the Management Fee payable by the Limited Partners.

**BPM.** Blackstone Property Management (“BPM”) is a Blackstone affiliate that may provide property management, environmental, leasing oversight and development management services to certain of the BLS Funds’ (or the Underlying Accounts’) investment properties primarily located in the United Kingdom and continental Europe.

**BTIG.** In December 2016 certain funds made a strategic minority investment in BTIG. BTIG is a global financial services firm that provides institutional trading, investment banking, research and related brokerage services and may provide goods and services for the Partnership, Other Blackstone Accounts or any of their portfolio entities.

**Kryalos.** Blackstone through one or more Other Clients has committed to a minority investment in Kryalos, an operating partner in certain investments made by Other Clients, and expects that Kryalos will perform services after the investment has closed for Clients and Other Clients and receive compensation as described herein.

**LNLS.** Blackstone partnered with a leading national title agency to create Lexington National Land Services (“LNLS”), a title agent company. LNLS acts as an agent for one or more underwriters in issuing title policies and/or providing support services in connection with investments by the BLS Funds and Other Blackstone Accounts and third parties. LNLS focuses on transactions in rate-regulated states where the cost of title insurance is non-negotiable. LNLS will not perform services in nonregulated states for the BLS Funds and Other Blackstone Accounts unless (i) in the context of a portfolio transaction that includes assets in rate regulated states, (ii) as part of a syndicate of title insurance companies where the rate is negotiated by other insurers or their agents, (iii) when a third party is paying all or a material portion of the premium or (iv) when providing only support services to the underwriter and not negotiating the rate or issuing the title policy to the insured. LNLS earns fees, which would have otherwise been paid to third parties, by providing title agency services and facilitating the placement of title insurance with underwriters. Blackstone receives distributions from LNLS in connection with investments by the BLS Funds based on its equity interest in LNLS. In each aforementioned case, the fees received by LNLS do not offset Management Fees payable by the Limited Partners.

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As a result, while Blackstone believes that the venture will provide services at or better than those provided by third parties (even in jurisdictions where insurance rates are regulated) there is an inherent conflict of interest that would incentivize Blackstone to engage LNLs over a third party.

Optiv. Optiv is a portfolio entity held by certain Blackstone private equity funds that provides a full slate of information security services and solutions and may provide goods and services for the funds and their portfolio entities.

The BLS Funds or a portfolio entity could acquire from or sell to Blackstone a service provider as an investment or participate alongside Blackstone in the acquisition of a service provider. Blackstone is expected to establish a valuation methodology in relation to any such acquisition of a service provider. In addition, before entering into any transaction with respect to any such service provider, it is anticipated that Blackstone will obtain any consents that may be required under the Advisers Act or other applicable laws or regulations and, by executing a Subscription Agreement for interests in the BLS Funds, the Limited Partners consent to all such transactions to the fullest extent permitted by law.

Certain Blackstone-affiliated service providers and their respective personnel will receive a management promote, an incentive fee and/or other performance-based compensation or payments in respect of investments. Furthermore, Blackstone-affiliated service providers may charge costs and expenses based on allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses), provided that these amounts will not exceed market rates as determined by the general partner(s) of the BLS Funds to be appropriate under the circumstances.

Blackstone will make determinations of market rates (i.e., rates that fall within a range that Blackstone has determined is reflective of rates in the applicable market and certain similar markets, though not necessarily equal to or lower than the median rate of comparable firms) based on its consideration of a number of factors, which are generally expected to include Blackstone's experience with non-affiliated service providers as well as benchmarking data and other methodologies determined by Blackstone to be appropriate under the circumstances. In respect of benchmarking, while Blackstone often obtains benchmarking data regarding the rates charged or quoted by third parties for services similar to those provided by Blackstone affiliates in the applicable market or certain similar markets, relevant comparisons may not be available for a number of reasons, including, without limitation, as a result of a lack of a substantial market of providers or users of such services or the confidential or bespoke nature of such services (e.g., within property management services, different assets may receive different property management services). In addition, benchmarking data is based on general market and broad industry overviews, rather than determined on an asset by asset basis. As a result, benchmarking data does not take into account specific characteristics of individual assets then owned or to be acquired by a BLS Fund or Other Blackstone Account (such as location or size), or the particular characteristics of services provided. For these reasons, such market comparisons may not result in precise market terms for comparable services. Expenses to obtain benchmarking data will be borne by the BLS Funds, Other Blackstone Accounts and their respective portfolio entities and

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will not offset the Management Fee. Finally, in certain circumstances Blackstone may determine that third party benchmarking is unnecessary, either because the price for a particular good or service is mandated by law (e.g., title insurance in rate regulated states) or because Blackstone has access to adequate market data to make the determination without reference to third party benchmarking. By executing a Subscription Agreement with respect to the BLS Funds, the Limited Partners acknowledge these conflicts related to Blackstone affiliate service providers, acknowledge that these conflicts will not necessarily be resolved in favor of the BLS Funds, agree that Limited Partners may not be entitled to receive notice or disclosure of the occurrence of these conflicts, consent to any actual or potential conflicts of interest with respect to any transfer of portfolio entity service providers among the BLS Funds and Other Blackstone Accounts and any arrangements or transactions related thereto, including any procedures or actions taken in connection with the resolution thereof, and the BLS Funds' (and if applicable the Limited Partner's) participation therein, acknowledge that the general partner(s) of the BLS Funds will not be required to seek any consent from the Limited Partners for any such arrangements and transactions, and waive any claim against Blackstone or its affiliates and releases each of them from any liability arising from the existence of any such conflict of interest.

One or more such service providers may become available for acquisition by the BLS Funds as an investment (as a single asset or as part of an operating platform). In such transactions, Blackstone, one or more portfolio entities and/or Other Blackstone Account may be a seller to the BLS Funds and/or participate alongside the BLS Funds as a buyer. The general partners and/or BTSA are expected to establish a valuation methodology in relation to the acquisition of any such service provider. In addition, before entering into any such transaction with respect to any such service provider, it is anticipated that the general partners and/or BTSA will obtain such consents that may be required under the Advisers Act or other applicable laws or regulations and, by executing a subscription agreement for interests in the applicable partnership agreement, a limited partner consents to all such transactions to the fullest extent permitted by law.

In addition, investment banks or other financial institutions, as well as Blackstone employees, may also be investors in the BLS Funds. These institutions and employees are a potential source of information and ideas that could benefit the BLS Funds. BTSA has procedures in place reasonably designed to prevent the inappropriate use of such information by the BLS Funds.

Advisors and service providers, or their affiliates, often charge different rates, including below market or no fee, or have different arrangements for services. With respect to service providers, for example, the fee for a given type of work may vary depending on the complexity of the matter as well as the expertise required and demands placed on the service provider. Therefore, to the extent the types of services used by the BLS Funds and/or a portfolio entity are different from those used by Blackstone (including its personnel), BTSA or its affiliates (including its personnel), Blackstone may pay different amounts or rates than those paid by BLS Funds and/or a portfolio entity.

In addition, certain advisors and service providers (including law firms) may temporarily provide their personnel to Blackstone, the BLS Funds, Other Blackstone Accounts or their portfolio entities pursuant to various arrangements including at cost or at no cost. While often the BLS

## **Item 11 – Code of Ethics and Conflicts of Interest**

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Funds, Other Blackstone Accounts and their portfolio entities are the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the advisor or service provider also provides services to the BLS Funds in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Blackstone, its affiliates and/or portfolio entities and any costs of such personnel may be allocated accordingly.

Similarly, Blackstone, its affiliates, the BLS Funds, the Other Blackstone Account and/or their portfolio entities may enter into agreements or other arrangements with vendors and other similar counterparties (whether such counterparties are affiliated or unaffiliated with Blackstone) from time to time whereby such counterparty may charge lower rates (or no fee) and/or provide discounts or rebates for such counterparty's products and/or services depending on certain factors, including without limitation, volume of transactions entered into with such counterparty by Blackstone, its affiliates, the BLS Funds, the Other Blackstone Account and their portfolio entities in the aggregate. For example, certain portfolio entities enter into agreements regarding group procurement (such as CoreTrust, an independent group purchasing organization), benefits management, purchase of title and/or other insurance policies (which will from time to time be pooled across portfolio entities and discounted due to scale) from a third party or a Blackstone affiliate, and other similar operational, administrative or management related initiatives that result in commissions, discounts, rebates or similar payments to Blackstone or its affiliates (including personnel), including related to a portion of the savings achieved by the portfolio entity. However, BTSA and its affiliates have a longstanding practice of not entering into any arrangements with advisors or service providers that could provide for lower rates or discounts than those available to the BLS Funds or a portfolio entities for the same services.

The Blackstone Accounts have historically used various pricing services, including Thompson Reuters. On October 1, 2018, a consortium led by Blackstone announced that private equity funds managed by Blackstone had completed an acquisition of Thomson Reuters' Financial & Risk business ("Refinitiv"). As of the closing date of the transaction, the Blackstone-led consortium owned a 55 percent equity stake in Refinitiv. Refinitiv operates a pricing service that provides valuation services to the mutual fund industry and the Blackstone Accounts. The pricing information provided by Refinitiv to the Blackstone Accounts is substantially the same as the pricing information provided by Refinitiv to all other customers.

In addition, certain advisors and service providers (including law firms) may temporarily provide their personnel to Blackstone, the BLS Funds, Other Blackstone Accounts and/or their respective portfolio entities pursuant to various arrangements including at cost or at no cost. While often the BLS Funds, Other Blackstone Accounts and their portfolio entities are the beneficiaries of these types of arrangements, Blackstone is from time to time a beneficiary of these arrangements as well, including in circumstances where the advisor or service provider also provides services to the BLS Funds in the ordinary course. Such personnel may provide services in respect of multiple matters, including in respect of matters related to Blackstone, its affiliates, the BLS Funds, Other Blackstone Accounts, and/or their respective portfolio entities and any costs of such personnel may be allocated accordingly.

## **Item 11 – Code of Ethics and Conflicts of Interest**

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Blackstone's Treasury group may provide foreign currency exchange ("FX") services to the BLS Funds and Other Blackstone Accounts for FX trades under a certain threshold. Based on its current practices (which are subject to change in the future), at the request of the BLS Funds or Other Blackstone Account, the Blackstone Treasury group will exchange foreign currencies from Blackstone's own account on behalf of the BLS Funds or such Other Blackstone Accounts based on the end of day mid-market rate published by Bloomberg on the immediately preceding business day, and does not currently charge any fees for providing such service (apart from the same market-rate bank/wire fees the BLS Funds or such Other Blackstone Account would incur on any FX payment or receipt regardless of counterparty).

The Blackstone Senior Managing Directors and Managing Directors who comprise the Investment Committee for BTSA, also serve as the investment committee for the Blackstone Treasury group's cash and liquidity management on behalf of Blackstone. Conflicts of interest may arise as a result of the Investment Committee's responsibility for determining the investment policy and guidelines (including strategic asset allocation) for both the BLS Funds and Blackstone.

You may request a copy of Blackstone's Code of Ethics by contacting BTSA's Chief Compliance Officer, Neil Schwartz, at (212) 583-5000 or [Neil.Schwartz@Blackstone.com](mailto:Neil.Schwartz@Blackstone.com).

## **Item 12 – Brokerage Practices**

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### **General Considerations**

BTSA does not currently use brokerage services directly. The Underlying Managers, including the third-party managers which manage the Third Party Accounts, engage brokers based on their own criteria. To the extent BTSA effectuates any brokerage transactions in the future, there will be no limitations as to which broker-dealers are used or as to the commission rates or similar charges paid, subject to BTSA's duty to see best execution.

### **Research and Other Soft Dollar Benefits**

BTSA does not currently utilize soft dollars to pay for research or brokerage services. To the extent BTSA utilizes soft dollars in the future, it will do so within the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended (the "Section 28(e) safe harbor"). Research products or services might include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities, and other products or services used by BTSA in the performance of its investment decision-making responsibilities. Underlying Managers may use soft dollars both within and outside of the Section 28(e) safe harbor to obtain both research and non-research products and services.

### **Brokerage for BLS Fund Referrals**

BTSA does not use brokerage relationships for client referrals.

BTSA does not currently engage any unaffiliated person to provide client referrals, although it may do so in the future.

### **Block Trading Procedures**

In the event that Third Party Accounts' investments are traded for Blackstone and/or multiple BLS Funds, generally trade orders would be aggregated for execution and allocated pro rata across such BLS Funds based on their allocations to the relevant trades.

### **Principal Trading**

BTSA does not generally expect to engage in principal transactions. A principal transaction occurs when an investment advisor, acting for its own account (or the account of an affiliate) buys a security from, or sells a security to, a client's account. If BTSA on occasion does engage in a principal transaction, BTSA will conduct such transaction in compliance with the applicable disclosure and client consent requirements of Section 206(3) of the Advisers Act. BTSA must determine that any principal transaction is in the best interest of the participating BLS Fund.

An Independent Client Representative will be retained for certain BLS Funds, as needed, for purposes of considering whether to grant, and granting or withholding, client (including, as applicable, BLS Fund Investor) consent to certain transactions that may give rise to conflicts of interest.

## **Item 12 – Brokerage Practices**

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### **Cross Transactions**

The BLS Funds may engage in cross transactions to the extent permitted by applicable law (including, without limitation, the Advisers Act) and the governing agreements of the BLS Funds. Cross transactions, which may or may not constitute principal transactions, may be deemed to occur in certain instances where either a Third Party Account's investment is traded between BLS Funds or one BLS Fund is withdrawing from an Underlying Vehicle and another BLS Fund simultaneously is subscribing to invest in such Underlying Vehicle, and such simultaneous withdrawal and subscription is effectuated as a transfer. BTSA's employees and affiliates may hold interests in one or both of the BLS Funds involved in such transfer. Cross transactions will be conducted in accordance with BTSA's fiduciary responsibility to each participating BLS Fund and/or BTSA Investor, must be in the best interest of each participating BLS Fund and/or BTSA Investor and must be consistent with BTSA's duty to seek best execution.

### **Trade Allocations**

The Portfolio Managers will determine allocation of investment opportunities within the applicable investment guidelines for each of the BLS Funds based upon the following criteria and any other relevant factors. The investment criteria taken into account with respect to BTSA's management of one BLS Fund may differ from the investment criteria taken into account in connection with a different BLS Fund. Considerations that may be taken into account include, among others: expected performance of the investment; availability of Underlying Vehicles; long-term suitability; the availability, nature and terms of the investments in or alongside Underlying Accounts; reputation of the principals of the Underlying Manager (if applicable); availability of cash; liquidity needs; investment objectives; risk and return parameters; ERISA capacity; general capacity; tax efficiency; investment limits; diversification guidelines; operational factors; and legal and regulatory factors (collectively, the "Investment Criteria"). The applicable Portfolio Managers seek to ensure that investment opportunities will be allocated in a fair and equitable manner, after consideration of each BLS Fund's Investment Criteria pursuant to the Constituent Documents as determined by the Investment Committee. In situations of limited availability in a Blackstone Vehicle, allocations generally will be made to eligible BLS Funds on a pro rata basis in accordance with BTSA's allocation policies.

### **Trade Errors**

Trade errors are evaluated on a case-by-case basis. If BTSA determines that BTSA's gross negligence, willful misconduct or fraud was the direct cause of a trade error, BTSA generally will compensate the affected BLS 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 BLS Fund, BTSA will attempt to recover the amount of loss from the third party for the BLS Fund. BTSA does not assume responsibility for compensating the applicable BLS Funds, or making the third party compensate the applicable BLS Fund, in such cases.



## **Item 13 – Review of Accounts**

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### **Monitoring Process**

The Portfolio Managers monitor the performance of the BLS Funds on an ongoing basis. This monitoring may include, but is not limited to, a review of:

- ▶ Management reporting
- ▶ Financial statements
- ▶ Investment portfolio balances by product type
- ▶ Breakdown of credit composition of the given portfolio
- ▶ Performance metrics relative to agreed-upon benchmarks, as applicable
- ▶ A summary of investment activity
- ▶ Compliance with established investment guidelines and market risk limits
- ▶ Positions which are deemed to be illiquid

The Investment Committee will receive quarterly reports from the Portfolio Managers with respect to the products utilized, the performance of the Third Party Accounts and Blackstone Accounts and the allocations of the BLS Funds' investments.

### **Investor Reporting**

The BLS Funds and Investors therein will receive reporting as agreed upon between BTSA and/or the BLS Fund and such Investors, and as described in the Constituent Documents.

### **BTSA Operations Team Reconciliation**

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

### **Administrator Reconciliation, if applicable**

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

## **Item 14 – Client Referrals and Other Compensation**

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BTSA does not currently engage any unaffiliated person to provide client referrals, although it may do so in the future.

## **Item 15 – Custody**

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Rule 206(4)-2, as amended (the “Custody Rule”), under the Advisers Act defines custody as holding client securities or funds or having any authority to obtain possession of them. The BLS Funds generally have an affiliate of BTSA acting as general partner and, as such, BTSA is deemed to have custody of the BLS Funds’ funds. BTSA generally complies with the Custody Rule by, among other things, providing all Investors in a BLS Fund with audited financial statements.

## Item 16 – Investment Discretion

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### Investment Guidelines

Investment decisions are made within the investment guidelines as described in the Constituent Documents. BTSA has discretion in determining the Underlying Accounts in or alongside which the BLS Funds may invest and the amount to invest.

### Types of Investment

BTSA has broad discretion to make investments within the guidelines of the Constituent Documents. BLS Funds primarily will invest in or alongside the Underlying Accounts.

Underlying Managers may participate in the purchase and sale of initial equity public offerings (“New Issues”) for the BLS Funds. The subscription documents for the Investors in the BLS Funds may 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). Pursuant to the subscription documents, any such representation may be deemed repeated and reaffirmed by the Investor to the general partner of a BLS Fund as of each date that the Investor is required to make a payment to, or receives a distribution from, the BLS Fund, and, pursuant to the subscription documents, if at any time during the period when the Investor holds Interests in a BLS Fund, any such representation ceases to be true, the Investor will be required to promptly notify the general partner of the BLS Fund in writing.

BLS 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. Underlying Vehicles may themselves be illiquid investments.

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

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Rule 206(4)-6 under the Advisers Act (the “Proxy Rule”) requires registered investment advisers that exercise voting authority over client securities to implement proxy voting policies.

Because BTSA may be deemed to have authority to vote proxies relating to the companies in which its clients invest, BTSA has adopted a set of proxy voting policies and procedures (the “Proxy Policy”) in compliance with the Proxy Rule. To the extent that BTSA exercises or is deemed to be exercising voting authority over its clients’ securities, the Proxy Policy is designed and implemented in a manner reasonably expected to ensure that voting with respect to proxy proposals, amendments, consents or resolutions (collectively, “proxies”) relating to direct investments or investments in Underlying Accounts is exercised in a manner that serves the best interest of the BLS Funds, as determined by BTSA in its sole discretion. From time to time, Underlying Managers may require consent from investors to change various aspects of their business or to make certain investments.

At times, conflicts may arise between the interests of the BLS Funds, on the one hand, and the interests of BTSA, Blackstone or its affiliates, on the other hand. If BTSA determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, BTSA 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. BTSA, in its sole discretion, may elect not to vote a proxy if unduly burdensome.

Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, BTSA may not always vote proxies in accordance with the Proxy Policy. In addition, many possible proxy matters are not covered in the Proxy Policy. Generally, BTSA will vote proxies (i) in favor of management’s recommendation for the election of the board of directors and (ii) to approve the financial statements as presented by management.

Each proxy is voted on a case-by-case basis taking into consideration any relevant facts and circumstances at the time of the vote. In situations where BTSA wishes to vote differently from what is recommended in the Proxy Policy, or where a potential material conflict of interest relating to the proxy vote exists, BTSA will take such actions as are required by the Proxy Policy.

Investors may request a copy of the Proxy Policy and the proxy voting records by contacting Neil Schwartz at the address, telephone number or e-mail on the cover of this Brochure.

## **Item 18 – Financial Information**

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BTSA has never filed for bankruptcy as of the date of this Brochure and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the BLS Funds or Investors.

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

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Not applicable as BTSA is not registered in any state.