

Blackstone Alternative Asset Management L.P.

Form ADV Part 2A

March 28, 2020

Blackstone

Blackstone Alternative Asset Management L.P.

Item 1 – Cover Page

Blackstone Alternative Asset Management L.P.

345 Park Avenue

New York, NY 10154

(212) 583-5000

www.blackstone.com

March 28, 2020

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

If you have any questions about the contents of this Brochure, please contact BAAM at (212) 583-5000; BAAMClientService@blackstone.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

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

Blackstone Alternative Asset Management L.P.

Item 2 – Material Changes

- ▶ There has not been a material change to this document since the last annual update on March 29, 2019 other than updated information regarding the conversion of BAAM's indirect parent company, The Blackstone Group Inc., from a limited partnership to a corporation effective July 1, 2019.
- ▶ BAAM, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form)
- ▶ If you would like another copy of this Brochure, please download it from the SEC website as indicated above or contact BAAM at (212) 583-5000 or BAAMClientService@blackstone.com

Blackstone Alternative Asset Management L.P.

Item 3 – Table of Contents

	Page
Item 3.1 – Defined Terms	1
Item 4 – Advisory Business	4
Item 5 – Fees and Compensation	8
Item 6 – Performance-Based Fees	12
Item 7 – Types of Clients.....	13
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	14
Item 9 – Disciplinary Information	19
Item 10 – Other Financial Industry Activities and Affiliations	20
Item 11 – Code of Ethics	31
Item 12 – Brokerage Practices	44
Item 13 – Review of Accounts	48
Item 14 – Client Referrals and Other Compensation	51
Item 15 – Custody	52
Item 16 – Investment Discretion	53
Item 17 – Voting Client Securities (<i>i.e., Proxy Voting</i>)	54
Item 18 – Financial Information.....	55
Item 19 – Requirements for State Registered Advisers.....	56

Blackstone Alternative Asset Management L.P.

Item 3.1 – Defined Terms

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

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

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

Allocation Oversight Committee: A committee which includes BAAM's Chief Operating Officer, Chief Financial Officer, General Counsel, Chief Compliance Officer and certain other personnel.

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

BAAM: Blackstone Alternative Asset Management L.P., the registrant.

BAAM Clients: All of BAAM's clients, which includes the BAAM Funds and the Advisory Clients.

BAAM Funds: Private investment funds and accounts and Registered Funds sponsored and managed by BAAM (Commingled Funds and Customized Funds) that predominantly engage in multi-manager investment programs. Many BAAM Funds are commonly referred to in the industry as funds of hedge funds or FoHFs.

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

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

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

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

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

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

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

Blackstone Affiliated Manager: A manager with which Blackstone currently has an ownership interest or revenue share, or is otherwise affiliated with Blackstone.

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

Brokers: Brokers, dealers and other counterparties or intermediaries.

Blackstone Alternative Asset Management L.P.

Item 3.1 – Defined Terms

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

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

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

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

CCA: Client commission arrangements.

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

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

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

Commingled Funds: BAAM Funds that have multiple investors.

Customized Funds: BAAM Funds established by BAAM for a single investor.

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

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

Investor: An investor in a BAAM Fund.

Managed Accounts: BAAM Funds that contract with third-party hedge fund managers to conduct day-to-day investment activities on behalf of such Customized Funds.

Other Blackstone Advisers: Investment advisory affiliates of BAAM outside of HFS.

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

Other HFS Advisers: Investment advisory affiliates of BAAM within HFS.

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

Performance Hurdle: A level of return a BAAM Fund must achieve prior to charging a performance fee.

Blackstone Alternative Asset Management L.P.

Item 3.1 – Defined Terms

Pod: A BAAM term for an Underlying Investment Vehicle in which a number of BAAM Funds may invest that includes a number of Underlying Managers concentrated in one investment thesis and/or strategy.

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

Restricted Issuers: Issuers BAAM will be restricted from investing in.

SAF Managers: The alternative investment managers to which the BSAA Funds allocate capital.

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

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

Underlying Managers: The alternative investment managers to which the BAAM Funds allocate capital.

Wrapper: A BAAM term for an Underlying Investment Vehicle in which a number of BAAM Funds may invest that invests in a single Underlying Manager.

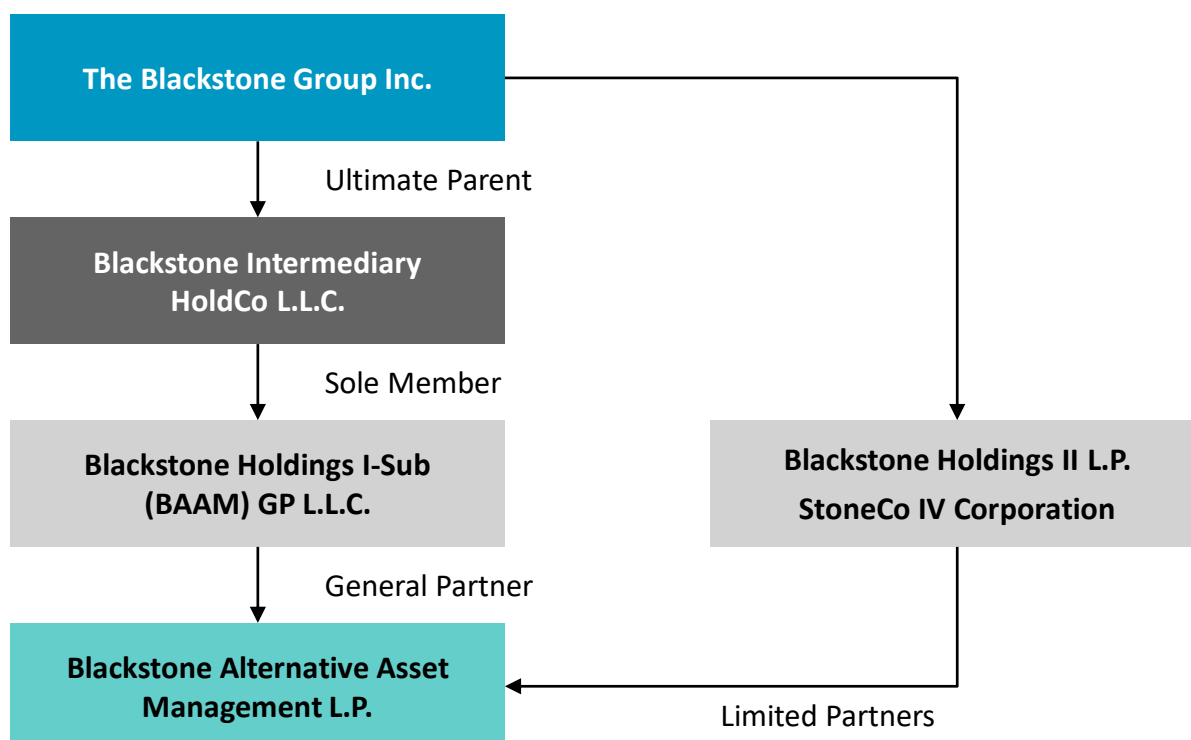
Blackstone Alternative Asset Management L.P.

Item 4 – Advisory Business

Overview of the Firm

BAAM, a Delaware limited partnership, is a leading hedge fund solutions provider and primarily provides investment advisory services to private investment funds (collectively, the “BAAM Funds”) that predominantly engage in multi-manager investment programs. BAAM also serves as investment manager of two Registered Funds. Many BAAM Funds are commonly referred to in the industry as funds of hedge funds. BAAM, together with its affiliates in the Blackstone Hedge Fund Solutions Group (“HFS”), manages or advises approximately \$81 billion as of December 31, 2019. Please note that this is an unaudited estimate and does not include non-discretionary advisory clients. BAAM also advises clients / accounts, typically on a non-discretionary basis, regarding such clients’ hedge fund portfolio (together with BAAM Funds, the “BAAM Clients”).

BAAM was founded in 1990 as part of The Blackstone Group Inc. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BAAM. Effective as of July 1, 2019, The Blackstone Group Inc. converted from a Delaware limited partnership named The Blackstone Group L.P. to a Delaware corporation. Blackstone is a leading alternative investment manager with investment programs and services concentrating in the private equity, real estate, debt / credit and secondaries businesses, as well as the hedge fund solutions business. BAAM shares employees and facilities with Blackstone Strategic Alliance Advisors L.L.C. (“BSAA”), Blackstone Alternative Solutions L.L.C. (“BAS”), Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), and Blackstone Alternative Investment Advisors LLC (“BAIA”), each a registered investment adviser. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



Blackstone Alternative Asset Management L.P.

Item 4 – Advisory Business

BAAM's assets under management ("AUM") were \$58 billion as of December 31, 2019. Please note that this is an unaudited estimate. In the case of assets managed by BAAM which are sub-advised or allocated to Other HFS Clients, such assets are included in the AUM for both BAAM and the Other HFS Advisers if BAAM is paid a fee on such assets.

Overview of Advisory Services

As investment adviser to BAAM's Clients, BAAM:

- ▶ Identifies and implements investment opportunities for BAAM Clients;
- ▶ Participates in the monitoring of BAAM Clients' investments;
- ▶ Makes decisions on behalf of BAAM Clients to purchase and/or sell investments;
- ▶ Engages in foreign currency hedging transactions and/or the hedging of certain market exposures for certain BAAM Clients; and
- ▶ Employs leverage for BAAM Clients in various forms (including via credit facilities, derivative transactions, margin transactions and other credit arrangements): (a) when BAAM believes that the use of leverage may enable the BAAM Clients to achieve a higher rate of return, (b) to meet redemptions that would otherwise result in the premature liquidation of investments, and/or (c) to finance Investments or other costs and expenses in anticipation of the receipt of equity capital from investors and/or realization proceeds from Investments. The use of leverage increases the risk of loss.

A BAAM Fund's strategy generally is to allocate capital to a diversified group of Underlying Managers that invest or trade in a wide variety of securities and other instruments, including, but not limited to, equities and fixed income securities, currencies, commodities, futures contracts, options and other derivative instruments, all of which may be listed or unlisted, rated or unrated, distressed or publicly or privately issued. From time to time, BAAM Funds also invest in separate managed accounts with Underlying Managers (the funds and accounts managed by Underlying Managers are referred to herein as the "Underlying Investment Vehicles").

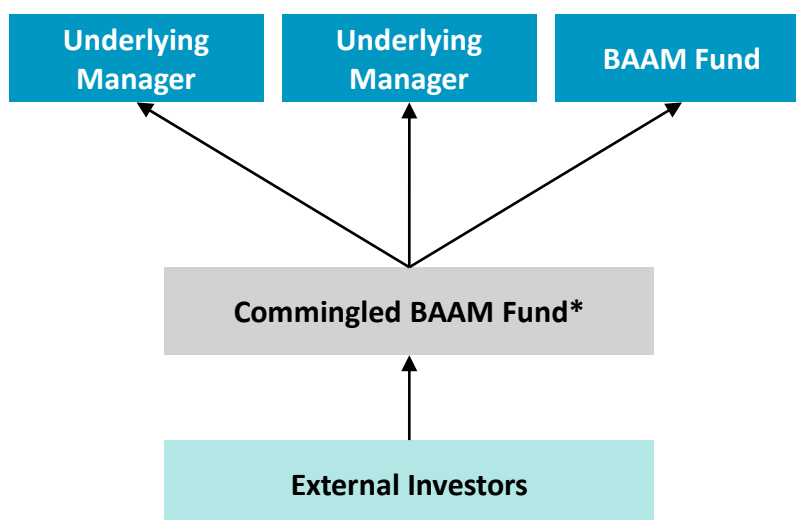
Blackstone Alternative Asset Management L.P.

Item 4 – Advisory Business

In General, BAAM Offers Three Types of Products:

1. Commingled Funds

“Commingled Funds” are BAAM Funds that are offered to multiple investors and invest in multiple Underlying Managers. Certain Commingled Funds are registered investment companies (“Registered Funds”). BAAM mandates the investment guidelines (*e.g., risk factors, leverage, concentration limits, etc.*) and makes investment decisions in its sole discretion. Generally, Commingled Funds other than Registered Funds also invest in other BAAM Funds, including in certain circumstances a BAAM Fund which provides investment exposure to a single Underlying Manager (referred to by BAAM as “Wrappers”) or a group of Underlying Managers concentrated in one investment thesis (referred to by BAAM as “Pods”) within the guidelines of the Client Constituent Documents. Where a BAAM Fund invests in other BAAM Funds, generally there is only one level of fees charged by BAAM.



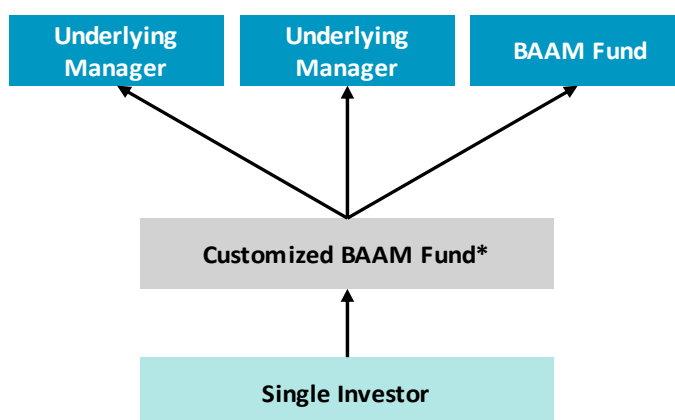
*A Commingled BAAM Fund may be an externally offered BAAM Fund or a BAAM Fund which is an intermediary fund (*e.g., pods, in some cases, wrappers*) which are only offered to other BAAM Clients. A Commingled BAAM Fund may be in the form of an entity (*e.g., Delaware limited partnership, Cayman limited liability company, etc.*) or a “Managed Account,” which are funds managed and advised by BAAM that contract with third-party hedge fund managers to conduct day-to-day investment activities on behalf of such Commingled Funds.

Blackstone Alternative Asset Management L.P.

Item 4 – Advisory Business

2. Customized Funds

A “Customized Fund” is where BAAM establishes a fund or account for a single investor and such fund or account invests directly in Underlying Investment Vehicles and/or BAAM Funds. The investor is involved in establishing the investment guidelines and terms of the Customized Fund, although generally BAAM maintains discretion to make investment decisions. Certain Customized Funds are structured as Managed Accounts. If a Customized Fund invests in another BAAM Fund, to avoid duplication of fees, typically no advisory fees are charged by the underlying BAAM Fund. Under limited circumstances, Other HFS Advisers charge fees on assets invested with such advisers by a Customized Fund.



*A Customized BAAM Fund may be in the form of an entity (e.g., *Delaware limited partnership; Cayman limited liability company*) or a Managed Account.

3. Advisory Clients

On a limited basis, BAAM provides investment advisory services regarding a Client’s hedge fund portfolio (an “Advisory Client”). Advisory Clients typically maintain discretion over their portfolios (*i.e., the right to make all investment decisions*).

BAAM Funds, Customized Funds and Advisory Clients constitute BAAM’s Clients. Investors in BAAM Funds (“Investors”) are not deemed to be BAAM Clients but are entitled to the rights and benefits described in the applicable Confidential Offering Memorandum, Limited Partnership Agreements, Investment Management Agreements and other applicable constituent fund documents (the “Client Constituent Documents”).

Investors invested in the Customized Funds and Advisory Clients generally are subject to a significantly higher minimum investment threshold than Investors invested in the Commingled Funds due to the individualized nature of services provided.

BAAM typically engages third party service providers, such as custodians, administrators and/or auditors, on behalf of the BAAM Clients other than for Advisory Clients or Customized Funds structured as Managed Accounts.

Blackstone Alternative Asset Management L.P.

Item 5 – Fees and Compensation

Asset-Based Advisory Fees

In general, BAAM charges an annual asset-based advisory fee of up to 2% of assets under management. Generally, Other HFS Clients and Other Blackstone Clients, affiliates, retired partners, and certain former employees of Blackstone, as well as endowment funds, charitable programs and/or other similar related entities associated with the foregoing, are not subject to such asset-based advisory fees.

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

Performance-Based Fees

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

Fee Negotiations

Asset-based and performance-based fees generally are non-negotiable, except in the case of affiliates, strategic / significant relationships, Customized Funds and Advisory Clients.

Payment of Asset-Based Advisory Fees

Fees are paid to BAAM in accordance with the Client Constituent Documents. In general, asset-based advisory fees accrue on a monthly basis and are paid on a quarterly basis. A Client may be charged an asset-based advisory fee in advance on the first day of each fiscal quarter or in arrears on the last day of each fiscal quarter. Investors only will be charged for the days that they are invested in the BAAM Clients. If a payment was made in advance and an Investor redeems prior to the end of the payment period, a pro rata portion of the asset-based advisory fee (based on the number of days remaining in the payment period) will be refunded by BAAM to the Investor.

Fees typically are deducted from a Client's assets invested with BAAM at the payment date, but also may be invoiced at a later time. Investors in a BAAM Fund bear indirectly their pro rata share of asset-based fees for the time period they are invested in the BAAM Funds.

Additional Fees and Expenses

BAAM's advisory fees are not inclusive of all the fees that BAAM Clients (and, indirectly, the Investors) will pay. The following is a list of fees and expenses that BAAM Clients typically will pay directly to third parties. This list is not intended to be exhaustive; the relevant Client Constituent Documents provide further detail relating to fees and expenses. Expenses paid by Customized Funds vary as negotiated between BAAM and BAAM Customized Funds' Investors.

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

Blackstone Alternative Asset Management L.P.

Item 5 – Fees and Compensation

- ▶ Ordinary Administrative Expenses
- ▶ Operating Expenses
- ▶ Risk Management
- ▶ Data Aggregation
- ▶ Custodial Fees
- ▶ Administrator Fees
- ▶ Legal Fees
- ▶ Regulatory Fees
- ▶ Compliance Fees
- ▶ Accounting Fees
- ▶ Audit Fees
- ▶ Brokerage Costs
- ▶ Interest Charges
- ▶ Bank Wire Fees
- ▶ Shareholder Onboarding
- ▶ Consulting Fees
- ▶ Preparing, Printing and Delivering All Reports, Documents and Filings Related to the Fund and its Investments
- ▶ Any Fees Related to the Preparation and Delivery of Internal Control Reports
- ▶ Any Fees Related to the Preparation and Delivery of Any Entity-Level Taxes
- ▶ Expenses Incurred in Offering of Shares / Interests
- ▶ Certain Technology Costs
- ▶ Certain Hardware Costs
- ▶ Software Fees
- ▶ News Expenses
- ▶ Quotation Services
- ▶ Travel Expenses
- ▶ Expenses Related to the Preparation and Filing of Any Reports, Disclosures, Filings and Notifications of the Fund, the Investment Manager or its Affiliates to Regulatory or Governmental Authorities Relating to the Fund or its Activities
- ▶ Form PF Fees

Blackstone Alternative Asset Management L.P.

Item 5 – Fees and Compensation

- ▶ AIFM Report Fees
- ▶ Extraordinary Expenses, Including Litigation Expenses
- ▶ Commissions
- ▶ Tax Expenses
- ▶ Hedging
- ▶ Expenses of Liquidating the Fund
- ▶ Reports To Be Filed With the U.S. Commodity Futures Trading Commission (“CFTC”)
- ▶ Premiums, fees, costs and expenses for Insurance
- ▶ Fees and Expenses Incidental to the Purchase and Sale (whether or not consummated) of Interests In, and the Fees and Expenses of, any Underlying Managers, Underlying Investment Vehicles or other Investments
- ▶ Cyber Security Breaches and Identity Theft
- ▶ Risks Inherent in Fund of Funds Investing
- ▶ Intermediate Entities.
- ▶ BREXIT
- ▶ MiFID II
- ▶ FOIA Requests
- ▶ Investment Structuring

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

BAAM employees do not receive compensation from the purchase or sale of securities or other investments for BAAM Clients. BAAM is a “fee only” investment adviser and, except as described herein, BAAM does not have any potential conflicts of interest relating to any additional, undisclosed compensation.

Arcesium LLC (“Arcesium”) provides certain middle- and back-office services and technology to one or more Underlying Investment Vehicles, including entities in which the BAAM Clients invest and certain funds or aggregating vehicles managed by BAAM and affiliates of BAAM. Additional BAAM Clients will engage Arcesium in the future. BAAM holds a non-controlling, minority equity interest in Arcesium and the HFS Chief Operating Officer serves on the board of Arcesium. The services and technology provided to the Underlying Investment Vehicles by Arcesium support various post-trade activities, including trade capture, cash and position reconciliations, asset servicing, margin and collateral monitoring, pricing-related services, portfolio data warehousing, and other services and technology as agreed between the applicable Underlying Manager and Arcesium. BAAM may recommend Arcesium's services to

Blackstone Alternative Asset Management L.P.

Item 5 – Fees and Compensation

the Underlying Managers. BAAM does not require any Underlying Manager to hire Arcesium as a condition to investing with such Underlying Manager, nor will it favor Underlying Managers because they use Arcesium over Underlying Managers who use other qualified middle- and back-office service providers when selecting Underlying Managers for the BAAM Fund's portfolio.

In return for such services, Arcesium receives from the Underlying Manager a one-time upfront implementation fee, an annual software fee (based on the Underlying Investment Vehicle's complexity and net asset value), and an annual operations services fee (also based on the Underlying Investment Vehicle's net asset value), as negotiated by the applicable client and Arcesium (such fees in the aggregate, the "Arcesium Fees"). Additional information regarding the Arcesium Fees is available from BAAM upon request.

In connection with BAAM's minority equity ownership interest in Arcesium, BAAM is expected to receive cash distributions from Arcesium from time to time. Cash distributions received by BAAM from Arcesium will be applied first to reimburse the Arcesium Fees paid by funds managed by the Hedge Fund Solutions Group which are clients of Arcesium (the "HFS Arcesium Clients") for the amount of Arcesium Fees paid by such entities to Arcesium. In the event that cash distributions received by BAAM from Arcesium exceed the Arcesium Fees paid by the HFS Arcesium Clients, any excess amounts will be retained by BAAM. In the event that Arcesium is sold to a third-party, there is no guarantee that BAAM will continue to receive such cash distributions and that the HFS Arcesium Clients will be reimbursed for any portion of the Arcesium Fees paid by them. As additional BAAM Clients engage Arcesium and pay Arcesium Fees in the future, the reimbursement described above will apply to such BAAM Clients as well.

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"). Refinitiv operates a pricing service that provides valuation services and may provide goods and services for the BAAM Clients and the Underlying Managers.

Blackstone Alternative Asset Management L.P.

Item 6 – Performance-Based Fees

In addition to the asset-based advisory fees disclosed in **Item 5 – Fees and Compensation** above, most BAAM Clients also pay a performance-based fee of up to 20% of net profits, subject to loss carryforward provisions (and, in some cases, a “performance hurdle”). Under a loss carryforward provision (also referred to as a High Water Mark), if a BAAM Client has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such BAAM Client, there will be no performance-based fee payable with respect to such BAAM Client until the amount of the loss previously allocated has been recouped.

The size of the performance-based fee varies and depends on a number of factors including, but not limited to, the level of asset-based advisory fee charged and the use of performance hurdles. Investors in a BAAM Fund are allocated their pro rata share of performance-based fees for the time period they are invested in the BAAM Fund. These fee arrangements are more thoroughly described in the relevant Client Constituent Documents.

Generally, Other HFS Clients, affiliates, and Other Blackstone Clients and employees, retired partners, and certain former employees of Blackstone, as well as endowment funds, charitable programs and/or other similar related entities associated with the foregoing are not subject to such performance-based fees.

BAAM’s asset-based advisory fees and performance-based fees are not inclusive of all fees. Please see **Item 5 – Fees and Compensation** (Additional Fees and Expenses).

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

Since Underlying Managers are compensated based on their performance of their Underlying Investment Vehicles, a particular Underlying Manager will typically receive the BAAM Funds performance allocation in respect of its Underlying Investment Vehicles’ performance even during a period when the BAAM Funds experience losses.

Blackstone Alternative Asset Management L.P.

Item 7 – Types of Clients

BAAM's clients consist of the BAAM Clients. Please see **Item 4 – Advisory Business** for more information on the BAAM Clients. Investors in BAAM Clients are based in the U.S. and outside of the U.S. and may include, without limitation:

- ▶ Banks and Other Financial Institutions
- ▶ Insurance Companies
- ▶ Investment Companies
- ▶ Public and Private Retirement and Pension Plans
- ▶ Public and Private Profit Sharing Plans
- ▶ Trusts and Estates
- ▶ Charitable Organizations
- ▶ State and Municipal Government Agencies
- ▶ Sovereign Wealth Funds
- ▶ Hedge Funds
- ▶ High Net Worth Individuals
- ▶ Corporations
- ▶ Business Entities Other than those Listed Above
- ▶ Certain Blackstone Employees
- ▶ Blackstone Managed Funds

All BAAM Clients and Investors are subject to applicable suitability and eligibility requirements.

Blackstone Alternative Asset Management L.P.

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

Analysis

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

- ▶ Investment Performance
- ▶ Risk Management Techniques
- ▶ Levels of Volatility
- ▶ Liquidity
- ▶ Investment Philosophies
- ▶ Factors relating to Management and Investment Professionals such as Experience and Commitment

Investment Strategies

BAAM employs various types of investment strategies, which include, but are not limited to:

- ▶ Broadly Diversified
- ▶ Strategy Focused
 - Special Situations
 - Equity Long / Short
 - Equities – Fundamental
 - Equities – Trading
 - Quantitative Strategies
 - Emerging Market – Equity
 - Equities – Activist
 - Arbitrage and Event
 - Multi-strategy
 - Residential Mortgages
 - Credit – Distressed
 - Credit – Fundamental
 - Multi-strategy Event
 - Credit – Trading
 - Structured / Asset-Backed Securities

Blackstone Alternative Asset Management L.P.

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

- Reinsurance
- Emerging Market / Credit
- Hedging
- Directional Trading and Fixed Income
 - Macro Rates
 - Commodities
 - Commodity Trading Advisors
 - Emerging Market Macro
 - Macro-thematic
- Liquidity Management

Risk of Loss

General Economic and Market Conditions: The success of BAAM's and the Underlying Manager's investments activities will be affected by general economic and market conditions, including, without limitation:

- ▶ Interest Rates
- ▶ Availability of Credit
- ▶ Credit Defaults
- ▶ Inflation Rates
- ▶ Economic Uncertainty
- ▶ Changes in Laws (including Laws Relating to Taxation of the Underlying Managers' Investments)
- ▶ Trade Barriers
- ▶ Currency Exchange Controls
- ▶ National and International Political Circumstances (including Wars, Terrorist Acts or Security Operations)
- ▶ Growth of Gross Domestic Product
- ▶ Rate of Inflation
- ▶ Currency Depreciation
- ▶ Asset Reinvestment
- ▶ Resource Self-Sufficiency
- ▶ Balance of Payments Position
- ▶ Epidemics/Pandemics

Blackstone Alternative Asset Management L.P.

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

Investment and Trading Risk: All investments made by the BAAM Clients risk the loss of capital (*i.e., invested amount*). Many Underlying Managers 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 BAAM's or any Underlying Manager's investment program will be successful, and investment results may vary substantially over time. BAAM Clients and Investors are subject to the risk of substantial losses. BAAM does not have any responsibility for, involvement with or control over the Underlying Managers' investments or other activities.

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

- ▶ Accounting for Uncertainty in Income Taxes
- ▶ Borrowing by the Fund; Investments are Leveraged
- ▶ Compulsory Redemption
- ▶ Concentration of Fund Portfolio
- ▶ Decision Making Authority
- ▶ Dependence on BAAM and the Underlying Managers
- ▶ Direct Investments by the Fund
- ▶ Diversification
- ▶ Duplicative Payments and Expenses
- ▶ Estimates
- ▶ Gates, Suspensions and Redemption Fees
- ▶ Increased Regulatory Oversight
- ▶ Information Technology Systems
- ▶ Limited Liquidity; Liquidity and Information Rights
- ▶ Limited Operating History of the Underlying Managers
- ▶ Lack of Operating History
- ▶ Liquidity Mismatch
- ▶ Other Activities of BAAM and the Underlying Managers
- ▶ Redemptions in Kind; Liquidating SPVs
- ▶ Volatility
- ▶ No Decision Making Authority

Blackstone Alternative Asset Management L.P.

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

Risks Primarily Arising from Investment Activities of the Underlying Managers

- ▶ “Style Drift”
- ▶ Business and Regulatory Risks of Underlying Investment Vehicles
- ▶ Compensation Arrangements with Underlying Managers
- ▶ Concentration of Underlying Investment Vehicles’ Portfolios
- ▶ Corporate Debt Obligations
- ▶ Counterparty Default
- ▶ Currency Trading
- ▶ Exemption from Regulation
- ▶ Forward Trading
- ▶ Futures, Options and Derivative Instruments
- ▶ Hedging Transactions
- ▶ Highly Volatile Markets
- ▶ Independent Underlying Managers; Offsetting Positions
- ▶ Interest Rate Risk
- ▶ Leverage
- ▶ Non-U.S. Securities
- ▶ Proprietary Investment Strategies
- ▶ Redemptions from Underlying Investment Vehicles; Re-Allocation of Investments
- ▶ Risk Management Activities
- ▶ Indirectly Investing in “Side Pockets”
- ▶ Short Selling
- ▶ Significant Positions
- ▶ Systemic Risk
- ▶ Tax Considerations
- ▶ Trading in Securities and Other Investments That May be Illiquid
- ▶ Turnover
- ▶ U.S. Government Securities

Blackstone Alternative Asset Management L.P.

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

- ▶ Use of Swap Agreements
- ▶ New Issues
- ▶ Currency Exposure
- ▶ Arbitrage Transactions
- ▶ Bank Debt
- ▶ Commodity and Financial Futures Contracts
- ▶ Distressed Securities
- ▶ Emerging Market Investments
- ▶ Project Finance Investments
- ▶ Proxy Contests and Unfriendly Transactions
- ▶ Event Driven Investment
- ▶ Relative Value Investing
- ▶ Cross Class Liability
- ▶ Regulatory Changes
- ▶ Identity of Beneficial Ownership and Withholding on Certain Payments
- ▶ Currency Hedging
- ▶ Delayed Schedules K-1
- ▶ Non-Voting Securities; Investment Company Act Restrictions
- ▶ Long/Short
- ▶ Portfolio Valuation
- ▶ Non-U.S. Securities
- ▶ Bank Debt
- ▶ Lower-Rated Securities
- ▶ Business, Terrorism and Catastrophe Risks

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

Blackstone Alternative Asset Management L.P.

Item 9 – Disciplinary Information

BAAM is obligated to disclose any legal or disciplinary event that would be material to you when evaluating a client / adviser relationship. On occasion, in the ordinary course of its business, Blackstone is named as a defendant in proceedings that could result in findings, settlements, charges or various forms of sanctions against Blackstone and/or one of its affiliates, including BAAM. There have been no material regulatory findings against BAAM in the past and as of the date of this Brochure, there are no regulatory proceedings pending against BAAM.

While BAAM does not believe that any current litigation to which Blackstone or BAAM is a party will have a material adverse effect on BAAM or the BAAM Clients or should be material when evaluating your relationship with us, you should note that BAAM is a defendant in a purported derivative lawsuit on behalf of the Kentucky Retirement Systems (“KRS”), which was filed in Franklin County, Kentucky, Circuit Court on December 26, 2017. The defendants in the suit include The Blackstone Group Inc. (BAAM’s ultimate parent) and two of its executive officers, as well as other investment managers and their executive officers, current and former KRS trustees and officers, and several outside advisors. The lawsuit concerns, among other issues, KRS’s investment in a BAAM-managed fund, and alleges a variety of state law claims. On November 30, 2018, the Circuit Court denied defendants’ motions to dismiss. In January 2019, certain trustee and officer defendants noticed appeals from the denial of the motions to dismiss to the Kentucky Court of Appeals. Plaintiffs then filed a motion to transfer the trustee and officer defendants’ appeals to the Kentucky Supreme Court. In April 2019, the Kentucky Supreme Court granted the motion to transfer and such appeals are pending before the Kentucky Supreme Court. In addition, in January 2019, several other defendants, including the Blackstone defendants, filed petitions in the Kentucky Court of Appeals for a writ of prohibition against the ongoing Circuit Court proceedings on the ground that Plaintiffs lack standing. On April 23, 2019, the Kentucky Court of Appeals granted the writ petitions and vacated the Circuit Court’s November 30, 2018 Opinion and Order, thereby dismissing the action for lack of standing. On April 24, 2019, Plaintiffs filed a notice of appeal of this order to the Kentucky Supreme Court. A decision from the Kentucky Supreme Court is pending. Additional information about this lawsuit can be found under docket number CI-17-1348 (County of Franklin, Circuit Court).

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

BAAM Is an Affiliate of the following Entities:

Broker-Dealer Entities	
Blackstone Advisory Partners L.P.	▶ Provides a variety of limited investment banking services
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
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
Alight Financial Solutions, LLC	▶ Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans
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
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

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

Tradeweb L.L.C.	▶ Operates a fully-disclosed electronic trading platform for fixed income securities, certain derivatives and money market instruments
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

Investment Advisor Entities

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 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. (Relying Advisor)	▶ Provides investment advisory services to private investment funds specializing in the cleantech energy sector
Blackstone Communications Advisors I L.L.C. (Relying Advisor)	▶ Provides investment advisory services to a private investment fund specializing in communications-related private equity investments
Blackstone Core Equity Advisors L.L.C. (Relying Advisor)	▶ 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 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
Blackstone ISF Advisors LP	▶ Provides investment advisory services to a number of debt-focused separately managed accounts
Blackstone Infrastructure Advisors L.L.C.	▶ Provides investment advisory services to one or more infrastructure-focused investment funds

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities

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. (Relying Adviser)	▶ Provides investment advisory services to various private equity funds
Blackstone Mezzanine Advisors L.P.	▶ Provides investment advisory services to private investment funds specializing in mezzanine financing
Blackstone Property Advisors L.P.	▶ Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors Europe L.P.	▶ Provides investment advisory services to various real estate investment funds
Blackstone Real Estate Income Advisors L.L.C.	▶ Provides investment advisory services to one or more registered closed-end real estate investment funds
Blackstone Real Estate Advisors International L.L.C.	▶ Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	▶ Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	▶ Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	▶ Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Special Situations Advisors L.L.C.	▶ Provides investment advisory services to various private real estate investment funds

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

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

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
Clarus Ventures, LLC	▶ Provides investment advisory services to various private investment funds specializing in the life sciences industry
CT High Grade Mezzanine Manager, LLC (Relying Adviser)	▶ Provides investment advisory services to assets owned by a third party insurance company
CT High Grade Partners II Manager, LLC (Relying Adviser)	▶ 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

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
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
GSO Capital Advisors II LLC (Relying Adviser)	▶ 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
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
Refinitiv Global Markets Inc. (D/B/A IFR, Municipal Market Data)	▶ Provides investment advisory services to U.S. treasuries and U.S. municipal markets
THL Credit, Inc.	▶ Provides investment advisory services to certain private funds and separate accounts that have invested alongside THL Credit, Inc.

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities			
THL Credit Direct Lending Manager III LLC (Relying Adviser)			▶ Serves as the manager of a private direct lending fund
Blackstone Europe Fund Management S.a.r.l.			▶ Provides services to various alternative investment funds
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
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
Registered or Exempt Commodity Trading Advisor and/or Commodity Pool Operator Entities			
Blackstone Alternative Investment Advisors LLC (CTA / CPO)			▶ Provides investment advisory services to open end mutual funds and UCITS
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., fund of hedge funds</i>)
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
Blackstone Strategic Alliance Advisors L.L.C. (CTA / CPO)			▶ Manages a series of private funds engaged in a hedge fund “seeding” program

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

Registered or Exempt Commodity Trading Advisor and/or Commodity Pool Operator Entities

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

Insurance Entities

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

Note: Other entities within the Hedge Fund Solutions Group, which serve as general partners of funds managed by BAAM affiliates (and are listed in BAAM's ADV Part 1, Schedule D Section 7A), may be deemed to be investment advisors but are not required to be registered as such. BAAM also manages a number of private investments vehicles which are listed in BAAM's ADV Part 1, Schedule D Section 7B(1). BAAM manages a number of public investment companies, which are listed at: <https://www.blackstone.com/the-firm/asset-management/registered-funds>.

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

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

Blackstone Advisory Partners L.P. (“BAP”) is a registered broker dealer and an affiliate of BAAM. BAP does not make markets in any securities and generally does not hold proprietary positions in securities or other investments. BAP engages in underwriting activities, which generally involve underwriting of debt and equity securities by Blackstone private equity portfolio companies. BAP serves as principal underwriter and distributor for the Registered Funds managed by BAAM.

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

Potential Conflicts of Interest specific to PJTP

On October 1, 2015, Blackstone spun off the financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill Group fund placement businesses, and combined these businesses with PJT Partners, an independent financial advisory firm founded by Paul J. Taubman (“PJTP”). While PJTP operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJTP for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving the BAAM Clients on the one hand, and PJTP, on the other. The pre-existing relationship between Blackstone and its former personnel, the overlapping ownership and certain continuing arrangements between PJTP and Blackstone may influence BAAM to select or recommend PJTP to perform services for Blackstone managed funds, including the BAAM Clients, the cost of which will generally be borne directly or indirectly by the BAAM Clients and investors (to the extent of their ownership therein). Given that PJTP is no longer an affiliate of Blackstone, BAAM will be free to transact with PJTP generally without restriction under the Client Constituent Documents, notwithstanding the historical relationship between Blackstone and PJTP.

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

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. There may be instances where appropriate investment opportunities will be shared (in whole or in part) with Pátria.

Potential Conflicts of Interest Specific to Data Management

Blackstone or an affiliate of Blackstone formed in the future will provide data management services to Blackstone portfolio entities, the funds managed by the Hedge Fund Solutions Group and Other Blackstone Clients (collectively, “Data Holders”). Such services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping,

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

holding, transforming, enhancing, marketing and selling such data for monetization through licensing or sale arrangements with third parties and directly with Data Holders (subject to the limitations in the Client Constituent Documents and any other applicable contractual or legal limitations). If Blackstone enters into data services arrangements with Blackstone portfolio entities and receives compensation from such portfolio entities for such services, Blackstone funds will indirectly bear their share of such compensation based on their pro rata ownership of such portfolio entities. Where Blackstone believes appropriate, data from one Data Holder may be pooled with data from other Data Holders. Any revenues arising from such pooled data sets would be allocated between applicable Data Holders on a fair and reasonable basis as determined by Blackstone in its sole discretion, with Blackstone able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable.

Blackstone's compensation for data management services may include a percentage of the revenues generated through any licensing or sale arrangements, fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)). Such compensation will not be subject to any fee offset provisions or otherwise shared with Data Holders or investors. Additionally, Blackstone may share the products from such data management services within Blackstone or its affiliates (including Other Blackstone Clients or their portfolio entities) at no charge and, in such cases, the Data Holders may not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone may create incentives for Blackstone to cause Blackstone funds to invest in portfolio entities with a significant amount of data that it might not otherwise have invested in or on terms less favorable than it otherwise would have sought to obtain.

Blackstone receives or obtains various kinds of data and information from the Data Holders, 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 may 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 Data Holders. 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 Data Holders, related parties and service providers. Although Blackstone believes that these activities improve Blackstone's investment management activities on behalf of the Blackstone funds, information obtained from the Data Holders also provides material benefits to Blackstone without compensation or other benefit accruing to the Data Holders or their investors. For example, information from portfolio entities owned by Blackstone funds may enable Blackstone to better understand a particular industry and, subject to compliance with law and Blackstone's information walls, execute trading and investment strategies in reliance on that understanding for Blackstone and Other Blackstone Clients that do not own an interest in the portfolio entity, without compensation or benefit to the relevant Blackstone fund or portfolio entity.

Blackstone Alternative Asset Management L.P.

Item 10 – Other Financial Industry Activities and Affiliations

Furthermore, except for contractual obligations to third parties to maintain confidentiality of certain information, regulatory limitations on the use of material nonpublic information, and Blackstone information walls, Blackstone is generally free to use data and information from the Blackstone 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 Client. For example, Blackstone's ability to trade in securities of an issuer relating to a specific industry may, subject to applicable law and Blackstone's information walls, be enhanced by information of a portfolio entity in the same or related industry. Such trading may provide a material benefit to Blackstone without compensation or other benefit to the relevant Blackstone funds or their investors.

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

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

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

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

The Code includes (among other things):

- ▶ Requirements Related to Confidentiality
- ▶ Limitations, and Reporting of, Gifts and Entertainment
- ▶ Pre-Clearance of Political Contributions
- ▶ Pre-Clearance and Reporting of Employee Personal Securities Transactions
- ▶ Pre-Clearance of Outside Business Activities
- ▶ Protection of Persons who Engage in “Whistle Blowing” Activities from Retaliation

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

Potential Conflicts of Interest

Blackstone offers many different products and services and there are several potential conflicts of interest which may arise, including, but not limited to, those identified in **Item 10 – Other Financial Industry Activities and Affiliates** and below. BAAM has adopted, and continues to adopt, policies and procedures to address such potential conflicts of interest.

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
From time to time, BAAM takes an investment position or action for one or more BAAM Funds that is different from, or inconsistent with, an action or position taken for one or more other BAAM Funds (or funds managed by affiliates of BAAM) having similar or differing investment objectives.	All investment decisions are overseen by BAAM’s Investment Committee. The BAAM Allocation Oversight Committee reviews investment allocations for compliance with BAAM’s allocation policies and procedures. (see Item 13 – Review of Accounts for further details). BAAM maintains detailed policies and procedures relating to allocations among the BAAM Clients.
Certain Investment opportunities are appropriate for more than one BAAM Client and/or one or more Other HFS Clients and Other Blackstone Clients.	See Item 12 – Brokerage Practices -Investment Allocations.
Blackstone currently has (or in the future may have) an ownership interest or revenue share in, or is (and in the future may be) otherwise affiliated with, various investment managers (each a “Blackstone Affiliated Manager”). BAAM may have an incentive to allocate the BAAM Clients’ assets to Blackstone Affiliated Managers since affiliates of BAAM will receive fees relating to such allocations and otherwise will have a direct or indirect financial interest in the success of such managers. For example, BSCA, an affiliate of BAAM, manages certain funds (the “BSCA Funds”) that seek to make minority investments in investment managers (the “Strategic Capital Managers”). An investment by a BAAM Client with a Strategic Capital Manager generally would benefit BSCA Funds and a withdrawal by a BAAM Client from such manager generally would be detrimental to the BSCA Funds.	All investment decisions are overseen by BAAM’s Investment Committee. The BAAM Allocation Oversight Committee reviews investment allocations for compliance with BAAM’s allocation policies and procedures. (see Item 13 – Review of Accounts for further details). In certain circumstances where Blackstone, directly or indirectly, holds an interest in an Underlying Manager, BAAM or one of its affiliates may rebate or waive its fees or other revenues relating to the investment by a BAAM Client with such manager. For example, BSAA’s portion of the fees generated from a BAAM Client’s investment with a SAF Manager, including Co-Investments, are rebated to such BAAM Client. (The Strategic Alliance Fund investors retain their portion of the fees.) There typically is no rebate in the case of a BAAM Client’s investment with a BSCA Fund unless the BAAM Client is subject to ERISA.
Similarly, BAAM Clients invest in funds and	Generally, BAAM Clients only will invest in

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
<p>Co-Investments managed by Underlying Managers which are provided seed funding by the Blackstone Strategic Alliance Funds (the “Strategic Alliance Funds”), which are managed by BSAA, an affiliate of BAAM. An investment by a BAAM Fund with a manager funded by the Strategic Alliance Funds (a “SAF Manager”) generally would benefit the Strategic Alliance Funds and a withdrawal by a BAAM Fund from such manager generally would be detrimental to the Strategic Alliance Funds. In addition, the BAAM Fund may seek to negotiate preferential terms and conditions from the SAF Manager, which terms and conditions may be subject to the approval of BSAA and may trigger certain “most favored nation” rights for the Strategic Alliance Funds.</p> <p>There is significant overlap between BAAM’s Investment Committee and the investment committees for the BSCA Funds and Strategic Alliance Funds.</p> <p>BSCA and BSAA do not represent an exhaustive list of Blackstone Affiliated Managers.</p>	<p>funds managed by Underlying Managers funded by the Strategic Alliance Funds after a seasoning period (generally six months after the Strategic Alliance Funds’ initial investment). This seasoning period does not apply to Co-Investments. When BAAM Clients invest in / redeem out of a Underlying Investment Vehicles managed by a SAF Manager or a Strategic Capital Manager, designated senior management of HFS must sign an additional approval, supplementary to the usual investment committee and allocation committee approvals.</p>
<p>BAAM and/or Blackstone potentially could choose not to allocate fund expenses to a client that has a more advantageous fee structure and instead allocate that portion of such expenses to other BAAM Clients.</p>	<p>HFS maintains detailed policies and procedures relating to allocations among their Funds. HFS’s allocation policy is available upon request.</p> <p>HFS allocates expenses in accordance with their expense allocation policies and the Client Constituent Documents.</p>
<p>BAIA, an affiliate of BAAM, serves as investment manager for an open-end mutual fund, which employs a multi-manager, diversified investment strategy. As such, BAAM and BAIA may be subject to conflicts in allocating assets to Underlying</p>	<p>BAAM maintains detailed policies and procedures relating to allocations among the funds BAAM / HFS manages.</p>

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
Managers. There is significant overlap between the members of the BAAM and BAIA investment committees.	
Members of BAAM’s senior management sit on the advisory committees and boards relating to portfolio investments.	All investment decisions are overseen by BAAM’s Investment Committee. The BAAM Allocation Oversight Committee reviews investment allocations for compliance with BAAM’s allocation policies and procedures. (see Item 13 – Review of Accounts for further details).
To the extent permitted by applicable law, from time to time, BAAM Clients purchase investments from, or sell/transfer investments to another BAAM Client.	Any such purchases, sales or transfers will be effected based upon the independent current market price or fair market value of the investment, will be effectuated in compliance with the Advisers Act and will be subject to the approval of BAAM’s GC or Chief Compliance Officer (among others) in accordance with BAAM’s cross trade policies and procedures.
BAAM provides advisory services, typically on a non-discretionary basis, regarding the hedge fund portfolios of certain clients (“Advisory Clients”). BAAM may communicate investment recommendations to its Advisory Clients prior to the full implementation of such recommendations by BAAM for the BAAM Funds. Accordingly, the BAAM Funds may be seeking to obtain limited capacity from Underlying Managers at the same time as such Advisory Clients. Similarly, to the extent that an Underlying Manager imposes redemption limitations, actions taken by Advisory Clients may be adverse to the BAAM Funds. In addition, Advisory Clients, from time to time, may have access to or have the right	All investment decisions are overseen by BAAM’s Investment Committee. The BAAM Allocation Oversight Committee reviews investment allocations for compliance with BAAM’s allocation policies and procedures. (see Item 13 – Review of Accounts for further details). BAAM maintains detailed policies and procedures relating to allocations among BAAM Clients.

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
to obtain information about investment decisions made for the BAAM Funds. Based on such information, the Advisory Clients may take actions that are adverse to the BAAM Funds.	
Some of BAAM's Clients may make seed investments in investment vehicles and may enter into revenue sharing agreements with Underlying Managers. Revenues generated from such arrangements accrue only to such BAAM Clients.	BAAM Clients are notified of the potential for such arrangements.
Some BAAM Clients have a credit facility arrangement which facilitates bridge financing for temporary cash needs. The lack of a credit facility may cause BAAM Clients to forego on certain investment opportunities.	BAAM Clients are notified of such potential for missing investment opportunities.
Some Customized Funds require Investor approval in a manner which potentially could preclude investment decisions in a timely manner, thereby precluding participation in the investment opportunity.	To the extent applicable, Investors in Customized Funds are notified of such potential for missing investment opportunities.
BAAM or its affiliates may sponsor, manage or advise other investment funds with overlapping investment objectives with those of the BAAM Funds. Neither the BAAM Funds nor any of their Investors will have any rights of first refusal, co-investment or other economic rights in respect of the investments of such other Blackstone funds or investment vehicles.	BAAM Clients are notified of such potential conflicts.
Blackstone has entered, and it can be expected that Blackstone in the future will enter, into strategic relationships with investors that involve an overall relationship with Blackstone. A Blackstone	BAAM Clients are notified of such potential conflicts.

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
strategic relationship often involves an investor agreeing to make a capital commitment to multiple Blackstone funds, which may include a BAAM Fund. The terms and conditions applicable to Blackstone strategic relationships typically would not apply to an investor's investment in the BAAM Funds.	

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Non-Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
BAAM, Blackstone and Blackstone employees invest for their own accounts in various investment opportunities, including hedge funds in which the BAAM Clients have an interest.	<p>All Blackstone employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with Blackstone Compliance.</p> <p>BAAM employees generally are prohibited from investing in hedge funds in which BAAM has an interest.</p> <p>All BAAM employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with BAAM Compliance and Blackstone Compliance.</p> <p>Upon hire and quarterly thereafter, all BAAM employees must report all hedge fund holdings.</p>
<p>From time to time, BAAM and/or Blackstone employees speak at conferences and programs for potential hedge fund investors, which may be sponsored by BAAM / Blackstone’s third-party service providers. Through such “capital introduction” events, prospective hedge fund investors have the opportunity to meet with BAAM. Such events and other services (including, without limitation, capital introduction services) provided by service providers, including prime brokers, custodian and administrators, may influence BAAM / Blackstone in deciding whether to use such service provider.</p> <p>BAAM may have a placement agreement / relationship with a broker-dealer that sponsors hedge fund conferences or similar events.</p>	<p>All BAAM employees must pre-clear speaking at conferences and other programs with BAAM Compliance.</p> <p>Materials provided by BAAM as part of such conferences and other programs must be approved by BAAM Compliance.</p> <p>Neither BAAM nor the BAAM Funds compensates the service providers for organizing such events.</p>
Financial institutions, executives of public companies and other “value added investors” are investors in the BAAM Funds. These persons and their employees	BAAM has detailed policies and procedures relating to the use of private information, information sharing and information walls in general. Additionally, BAAM Compliance

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
are a potential source of information and ideas that could benefit the BAAM Clients.	provides a list of potential value added investors to HFS senior management on a quarterly basis.
Certain advisors, service providers, counterparties and vendors (“Service Providers”) to BAAM, the BAAM Clients, and Underlying Managers (including, without limitation, accountants, administrators, lenders, bankers, brokers, attorneys, consultants, title agents, research providers and investment or commercial banking firms) provide goods or services to, and/or have other relationships with (including being affiliates of), Other Blackstone Advisers, and/or their respective portfolio companies and affiliates. Service Providers may be investors in the Underlying Managers or their Underlying Investment Vehicles, the BAAM Clients and/or other affiliates of Blackstone. They may also be sources of financing and investment opportunities for, coinvestors with, commercial counterparties of, or entities in which, Blackstone and/or Other Blackstone Advisers have an investment (directly or indirectly). As such, payments to the Service Providers by the BAAM Clients, Underlying Managers, and their affiliates may indirectly benefit Blackstone, the Other Blackstone Advisers and/or their respective portfolio companies and affiliates. Also, Service Providers could have other commercial or personal relationships with Blackstone, Other Blackstone Advisers, Underlying Managers and/or their respective investment vehicles, portfolio companies and affiliates.	Any use of Service Providers will be in accordance with the Client Constituent Documents and applicable law. Blackstone has a general practice of not having lower fee arrangements for BAAM and Other Blackstone Advisers as compared to fees paid by the BAAM Funds for similar services.
Although Blackstone selects Service Providers it believes are most appropriate in	

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
the circumstances based on its knowledge of Service Providers (which knowledge is generally greater in the case of Service Providers that are affiliates of, or that have other relationships with, Blackstone), the relationship of Service Providers to Blackstone as described above may influence Blackstone in deciding whether to select or recommend a Service Provider to perform services for the BAAM Clients or an Underlying Manager, the cost of which may be borne directly or indirectly by the BAAM Clients.	
BAAM Funds have entered, or in the future may enter, into letter agreements or other similar agreements (commonly referred to as “side letters”) with one or more of the Fund’s investors which provide such investor(s) with additional and/or different rights than other investors in the Fund (including, without limitation, with respect to access to information, management and incentive fees, minimum investment amounts, and liquidity terms).	Generally, BAAM does not enter into agreements that grant preferential treatment to Investors in Commingled Funds in the same share class, if applicable, with respect to liquidity or fee terms unless there is a specific regulatory requirement mandating such preferential treatment, and except in the case of an investment by a BAAM Fund in another BAAM Fund.
BAAM incurs common expenses on behalf of the BAAM Clients.	BAAM allocates such expenses in accordance with its expense allocation policies and the Client Constituent Documents.
Certain BAAM personnel, including certain members of the BAAM Investment Committee, will work on other projects, serve on other committees and source potential investments for and otherwise assist the investment programs of Other Blackstone Clients resulting in potential conflicts of interest in the allocation of time, by such BAAM personnel.	Such BAAM personnel allocate their time on a basis that BAAM deems to be fair and equitable to all relevant Blackstone Clients.
BEMAP is a BAAM-managed master-feeder fund for which BAAM engages discretionary investment sub-advisers (the	The amount paid by BEMAP to BAAM and/or its affiliates for providing the office space and Shared Services will not exceed the actual

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
<p>“<u>Underlying Managers</u>”) that each manage a portion of BEMAP’s assets. BAAM and certain other Blackstone affiliates provide office space and certain administrative, operations and compliance services (the “<u>Shared Services</u>”) to two of the Underlying Managers. In exchange for providing the office space and Shared Services, BAAM and/or the relevant Blackstone affiliates will receive reimbursements from BEMAP for costs, expenses, obligations and liabilities attributable to (i) the office space (including, without limitation, rent, utilities, insurance, maintenance fees / expenses, supplies, office cleaning and taxes) and (ii) operating expenses attributable to the Shared Services (including, without limitation, salaries, bonuses and fringe benefits, investment and industry research related expenses, communications expenses and expenses related to computer equipment, software, supplies and office space of certain dedicated BAAM employees) incurred in connection with providing the office space and Shared Services. The amount of these expenses may be significant. As such, BAAM has a potential conflict of interest as between its interest in limiting BEMAP expenses on behalf of BEMAP and its interest in reducing BAAM’s overhead expenses. BAAM may enter into similar arrangements with other Portfolio Funds or Portfolio Managers in the future.</p>	<p>expenses incurred. In addition, BAAM has enacted policies and procedures to monitor the expenses charged by BAAM to BEMAP in connection with the Shared Services.</p>

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Fee Related Potential Conflicts

Potential Conflict	Mitigating Policy
BAAM invests certain BAAM Clients' assets in Other HFS Clients and these investments may be significant. By investing in Other HFS Clients, the BAAM Clients may receive preferable notice requirements and liquidity terms. BAAM or one of its affiliates has a direct or indirect financial interest in the success of such Other HFS Clients.	<p>All investment decisions are overseen by BAAM's Investment Committee. The BAAM Allocation Oversight Committee reviews investment allocations for compliance with BAAM's allocation policies and procedures. (see Item 13 – Review of Accounts for further details).</p> <p>To avoid duplication of fees, Clients typically will not be charged fees by Other HFS Clients or BAAM will waive fees on the portion of the Clients' assets invested in Other HFS Clients.</p>
Certain employees of BAAM and Blackstone invest in the BAAM Funds. Typically, no advisory fees are charged to such investors. The employees invested in the funds may be individuals responsible for allocating investment opportunities among the BAAM Clients and may have an interest in fund allocations.	<p>All investment decisions are overseen by BAAM's Investment Committee. The BAAM Allocation Oversight Committee reviews investment allocations for compliance with BAAM's allocation policies and procedures. (see Item 13 – Review of Accounts for further details).</p> <p>BAAM maintains detailed policies and procedures relating to allocations among the funds BAAM / HFS manages.</p>

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

Blackstone Related Potential Conflicts

Potential Conflict	Mitigating Policy
From time to time, Blackstone may refer potential investors to BAAM and these investors may become investors in one of the BAAM Funds.	All investors are reviewed for suitability of investments and must satisfy the BAAM Funds' investment minimums and any investor qualifications.
Blackstone may hire or enter into a partnership or other arrangement with one or more investment professionals to form and manage pooled investment vehicles or separately managed accounts pursuing alternative investment strategies ("Blackstone Proprietary Funds"). Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary Funds. Such existing Blackstone Proprietary Funds and any Blackstone Proprietary Funds formed in the future may compete with Underlying Managers, the SAF Managers, and the Strategic Capital Managers.	<p>All investment decisions are overseen by BAAM's Investment Committee. The BAAM Allocation Oversight Committee reviews investment allocations for compliance with BAAM's allocation policies and procedures. (see Item 13 – Review of Accounts for further details).</p> <p>BAAM and Blackstone maintain policies and procedures relating to allocations among BAAM Clients and Other Blackstone Clients.</p> <p>Blackstone maintains detailed policies and procedures relating to information sharing among different Blackstone business groups and information walls in general.</p>
BAAM is an affiliate of The Blackstone Group Inc., which was listed on the New York Stock Exchange on June 21, 2007. Blackstone entities may have duties or incentives relating to the interests of the Blackstone unit holders that may differ from, and that could conflict with, the interests of the BAAM Funds and their investors, such as conflicts arising from the allocation of expenses, fee offsets and investment opportunities.	<p>Blackstone, consistent with its fiduciary duties, will endeavor to resolve such conflicts in a manner it deems fair and equitable to the extent possible under the prevailing facts and circumstances.</p> <p>See Item 12 – Brokerage Practices – Blackstone-wide Policies, Procedures and Guidelines.</p>
Blackstone has implemented certain policies and procedures and information barriers that may reduce the positive synergies that the BAAM Clients could otherwise utilize for purposes of identifying attractive investments.	

Blackstone Alternative Asset Management L.P.

Item 11 – Code of Ethics

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

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

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

Blackstone Alternative Asset Management L.P.

Item 13 – Review of Accounts

General Considerations

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

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

Research and Other Soft Dollar Benefits

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

In the case of certain BAAM Funds in which BAAM and/or third-party sub-advisors trade directly, BAAM utilizes “soft dollars” (*i.e., consideration other than cash is exchanged for services*) to pay for third-party brokerage services. Underlying Managers also may use “soft dollars” both within and outside of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended, to obtain both research and non-research products and services.

In certain cases, BAAM Funds pay higher prices for the purchase of securities from or accept lower prices for the sale of securities to brokerage firms that provide it with research services or other soft dollar benefits, or pay higher commissions to such firms if BAAM determines such prices or commissions are reasonable in relation to the overall services provided. Research services furnished by brokers may include written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; statistics and pricing or appraisal services; discussions with research personnel; and invitations to attend conferences or meetings with management or industry consultants.

In connection with the direct trading activities in certain BAAM Funds, BAAM has entered into client commission arrangements (“CCAs”) with certain brokers and may enter into additional CCAs with other brokers in the future. Under the CCAs, a portion of the commissions charged by the brokers is allocated to an account (each, a “CCA Account”) that is available to pay for eligible third-party research selected by BAAM. Since commission rates in the United States are

Blackstone Alternative Asset Management L.P.

Item 13 – Review of Accounts

negotiable, selecting brokers on the basis of considerations which are not limited to applicable commission rates may at times result in higher transaction costs than would otherwise be obtainable.

The availability of these non-monetary benefits may influence BAAM to select one broker rather than another to perform services for the BAAM Clients.

Brokerage for Client Referrals

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

Block Trading Procedures

In the event that securities, futures, forward, options, spot currency or other transactions are traded for multiple BAAM Clients, typically, to the extent possible, trade orders would be aggregated for execution and allocated pro rata (subject to any approval delays or operational and/or investment limitations of particular participating BAAM Clients).

In the unlikely instance where BAAM believes that the aggregation of trades for multiple BAAM Clients would cause the BAAM Clients' cost of execution to be increased, BAAM will not aggregate such trades.

Principal Trading

BAAM does not engage in trading for BAAM's proprietary account. If a BAAM Client is looking to increase its allocation to an Underlying Investment Vehicle, and another BAAM Client simultaneously is looking to decrease its allocation to such Underlying Investment Vehicle, BAAM may facilitate such increase/decrease through a transfer of interests in the Underlying Investment Vehicle between the two BAAM Clients. If BAAM employees/affiliates hold a significant interest in one of the BAAM Clients that is a party to the transfer, such transfer may be deemed to be a principal transaction. Any such transfers will be effectuated at the Underlying Investment Vehicle's net asset value as of the transfer date, will be subject to the Underlying Manager's approval, and will be subject to the approval of the relevant BAAM Client or its board of directors or independent client representative engaged by BAAM. Such transfer process typically will result in enhanced liquidity for the transferor and certain economic benefits to the transferee. BAAM will not receive any compensation in connection with any such transfer.

Cross Transactions – Agency Cross Transactions

BAAM may engage in cross transactions to the extent permitted by, and in accordance with, the Client Constituent Documents and all applicable laws and regulations.

If a BAAM Client is looking to increase its allocation to an Underlying Investment Vehicle, and another BAAM Client simultaneously is looking to decrease its allocation to such Underlying Investment Vehicle, BAAM may facilitate such increase/decrease through a transfer of interests in the Underlying Investment Vehicle between the two BAAM Clients. Such transfer may be

Blackstone Alternative Asset Management L.P.

Item 13 – Review of Accounts

deemed to be a cross transaction. Any such transfers will be effectuated at the Underlying Investment Vehicle's net asset value as of the transfer date and will be subject to the Underlying Manager's approval. Such transfer process typically will result in enhanced liquidity for the transferor and certain economic benefits to the transferee. BAAM will not receive any compensation in connection with any such transfer.

As it has no affiliated broker-dealer engaged in the trading of securities, BAAM does not engage in agency cross transactions.

Investment Allocations

Certain investment opportunities are appropriate for the BAAM Clients, one or more other entities and accounts managed by affiliates of BAAM within Blackstone (together, the "Other Blackstone Advisers" and such entities and accounts, the "Other Blackstone Clients"). BAAM and the Other Blackstone Advisers will determine allocations of such investment opportunities as among the BAAM Fund and the Other Blackstone Clients in their sole discretion in accordance with their written allocation policies and procedures.

BAAM and the Other Blackstone Advisers are subject to actual and potential conflicts of interest in allocating investment opportunities among a BAAM Fund and Other Blackstone Clients. For example, the BAAM Funds and the Other Blackstone Clients may have different management and/or incentive fee structures. As part of the investment allocation process, BAAM and the Other Blackstone Advisers potentially could allocate a limited investment opportunity to a client that has a more favorable fee structure.

Blackstone-wide Policies, Procedures and Guidelines

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

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

BAAM could be forced to sell or hold existing investments, or be precluded from making new investments, as a result of a relationship that Blackstone may have or investments Blackstone and its affiliates (including, without limitation Other HFS Clients and/or Other Blackstone

Blackstone Alternative Asset Management L.P.

Item 13 – Review of Accounts

Clients) may make. Blackstone maintains information barriers that are designed to protect against the improper possession and/or use of material non-public information. Generally, no employee of BAAM may contact an employee of another Blackstone group outside of HFS, and vice versa, about a substantive business matter, without BAAM Compliance consent and, if appropriate, having BAAM Compliance chaperone such contact. Prior to receiving confidential information each Blackstone group typically seeks to limit the impact that such receipt may have on other Blackstone groups by, among other things, limiting the applicability of any confidentiality agreement to the particular Blackstone group(s) that receive the confidential information.

With respect to BAAM's ability to allocate investment opportunities to BAAM Clients where such opportunities are within the common objectives and guidelines of one or more BAAM Clients and/or Other Blackstone Clients, Blackstone has established general guidelines for determining how such allocations are made, which, among other things, sets forth priorities and presumptions regarding allocation for certain types of investments and other matters. The application of those guidelines may result in BAAM Clients not participating (and/or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the related allocations been determined without regard to such guidelines.

It also may be the case that allocations to the BAAM Clients will benefit from the relationship of Other HFS Clients and/or Other Blackstone Clients with the source of a particular investment opportunity.

Trade Errors

Trade errors are evaluated on a case-by-case basis. In the case of a trade error committed by BAAM, the gain or loss from the error will be allocated to the BAAM Clients; provided, however, if BAAM determines that its gross negligence, willful misconduct or fraud was the direct cause of the trade error, BAAM will generally compensate the BAAM Clients for any losses resulting from the error. BAAM will have a potential conflict of interest in determining whether a trade error should be borne by BAAM or allocated to the BAAM Clients. To the extent that a trade error is caused by a third party, such as an Underlying Manager, broker or agent, BAAM may seek to recover any related trade error losses from such party but will not be obligated to do so. For the avoidance of doubt, BAAM does not assume any responsibility for compensating the BAAM Clients, or making any third-party compensate the BAAM Clients, in such cases.

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

- ▶ The placement of orders (either purchases or sales) in securities or other financial instruments at variance with the amounts / quantities that the Advisor intended to trade;
- ▶ The sale of a security or financial instrument when it should have been purchased;
- ▶ The purchase of a security or financial instrument when it should have been sold;

Blackstone Alternative Asset Management L.P.

Item 13 – Review of Accounts

- ▶ The purchase or sale of the incorrect security or financial instrument;
- ▶ The purchase or sale of the correct security or financial instrument for the wrong client; and
- ▶ The purchase or sale of a security or financial instrument contrary to contractual client investment guidelines or restrictions.

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

- ▶ An incorrect trade order that is identified and corrected prior to settlement, as long as there is no negative economic impact to the client;
- ▶ The error is the fault of an executing broker-dealer, custodian, or other counterparty (irrespective of whether the Advisor seeks compensation on behalf of the client from such parties);
- ▶ The purchase or sale of the security or financial instrument is reallocated to another client prior to settlement in accordance with the Advisor's allocation policies and procedures and the client's investment guidelines;
- ▶ The purchase or sale of the security or financial instrument violates restrictions arising from a contractual obligation to a third party other than the applicable client (*e.g., a standstill agreement*);
- ▶ Incorrect over- or under-allocations of securities or financial instruments;
- ▶ An investment that does not perform favorably but otherwise complies with applicable contractual requirements;
- ▶ The error does not result in a transaction in a client account (such as an error that results in the loss of an investment opportunity);
- ▶ The governing documents of the applicable client expressly provide for the right of the Advisor to cure (*e.g., annul the trade error*), and the Advisor cures in accordance therewith;
- ▶ Errors resulting from unavailability of (or disruptions in) electronic services or other force majeure events;
- ▶ The applicable client ratifies the trade in writing; and
- ▶ Good faith errors in judgment in making investment decisions for clients, which include errors in securities analysis and, for quantitative / systematic strategies, errors in writing computer code that relate to the process by which investment decisions are made for a client (*i.e., errors that reflect subjective judgments or mistakes made at the time of programming, concern the process of constructing an investment strategy, and are not associated with nor result in a particular trade*).

Blackstone Alternative Asset Management L.P.

Item 13 – Review of Accounts

The Investment Committee

The BAAM Investment Committee, comprised of select senior personnel of the Hedge Fund Solutions Group, is responsible for the investment and redemption decisions for the BAAM Clients. The Investment Committee also approves hedging themes and parameters.

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

- ▶ The Expected Performance of the Investment
- ▶ Reputation of the Principals of the Underlying Manager
- ▶ Availability of Cash
- ▶ Liquidity Needs
- ▶ Client Investment Objectives
- ▶ Client Risk Parameters
- ▶ ERISA Capacity
- ▶ General Capacity
- ▶ Tax Efficiency
- ▶ Investment Limits
- ▶ Diversification Guidelines
- ▶ Operational Factors
- ▶ Legal and Regulatory Factors

The Investment Committee also reviews the information presented to assess that the allocations among BAAM Clients are in accordance with BAAM's allocation policies and procedures.

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

Monitoring Process

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

- ▶ Potential Conflicts
- ▶ Market Conditions
- ▶ Adherence to Investment Guidelines
- ▶ Performance Attribution, and
- ▶ Performance Deviation

Blackstone Alternative Asset Management L.P.

Item 13 – Review of Accounts

- ▶ The BAAM Funds' Administrator⁽¹⁾ is responsible for maintaining the official books and records of the BAAM Funds. This responsibility includes, but is not limited to, performing monthly cash and position reconciliations to custodians, prime brokers and counterparties and valuation of investments. At month end, the BAAM Funds' Administrator independently determines the net asset value of the BAAM Funds, including income and expense / fee accruals, and produces the final investor allocations and capital / shareholder statements.

Commingled Fund Investor Reporting

BAAM generally provides Investors in Commingled Funds unaudited capital statements at least quarterly, and monthly and quarterly reports regarding their investments, which includes Fund performance. Investors also receive annual audited financial statements for the Commingled Funds in which they are invested. In generating these reports, BAAM generally will rely, in part, on information provided by the Underlying Managers. Some Investors receive additional information in their investor reports, including performance of Underlying Managers and geographic and sector exposures, and therefore, possess information regarding the BAAM Fund that is not generally known to other Investors, subject in all cases to compliance by BAAM and BAAM's general partner with their disclosure and fiduciary obligations under applicable law. Such additional information is available to all Investors upon request.

Customized Products and Non-Discretionary Advisory Services Investor Reporting

Investors in Customized Funds and Advisory Clients will receive reporting as agreed upon between BAAM and the Investor / Client and as described in the Client Constituent Documents.

BAAM Operations Team Reconciliation

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

Administrator Reconciliation⁽¹⁾

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

Custodian Reconciliation⁽¹⁾

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

(1) If applicable. Not all BAAM Funds have administrators and/or custodians appointed by BAAM.

Blackstone Alternative Asset Management L.P.

Item 14 – Client Referrals and Other Compensation

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

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

Blackstone Alternative Asset Management L.P.

Item 15 – Custody

Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) defines custody as holding client securities or assets or having any authority to obtain possession of them. BAAM Funds structured as U.S. entities generally have a BAAM affiliate acting as general partner and, as such, BAAM generally is deemed to have custody of the BAAM Funds’ assets (although this may not be the case with certain managed accounts). For the BAAM Funds structured as non-U.S. entities, BAAM also is generally deemed to have custody of the Funds’ assets (again, this may not be the case with certain managed accounts). Although BAAM does not serve as the general partner or managing member of the non-U.S. Funds, does not constitute a majority of each such non-U.S. Fund’s Board of Directors, and does not hold voting shares in any such fund, BAAM has access to Fund assets for trading purposes and to pay expenses and, therefore, is deemed to have custody for purposes of the Custody Rule. BAAM generally complies with the Advisers Act custody rules by providing all Investors with audited financial statements within 60- to 180 days (as required) of the Fund’s fiscal year end.

Unless an exception applies, a BAAM Fund’s assets (which are typically comprised of investments in hedge funds, other financial instruments, and cash) will be held in the name of the BAAM Fund with a Qualified Custodian such as a bank or broker-dealer.

BAAM does not have custody of client securities or assets in the case of the Advisory Clients.

Blackstone Alternative Asset Management L.P.

Item 16 – Investment Discretion

Investment Guidelines

Investment decisions are made within the investment guidelines as described in each Client Constituent Documents. For Commingled Funds and certain Customized Funds, BAAM has discretion in determining the Underlying Managers in which the BAAM Clients may invest and the amount to invest.

Multiple BAAM Clients typically invest in the same Underlying Manager. If two or more BAAM Clients wish to invest in or redeem from the same Underlying Manager at the same time, BAAM will implement such decisions in accordance with BAAM's allocation policies and procedures.

Types of Investments

BAAM has broad discretion to make investments within the guidelines of the Client Constituent Documents, except in the case of the Advisory Clients. BAAM Clients primarily will invest in Underlying Managers, although certain BAAM Clients structured as managed accounts will invest directly in a broad range of securities and financial instruments. In addition, in order to hedge investor contributions denominated in currencies other with respect to fund of hedge funds, certain than U.S. dollars or to hedge certain market exposures, certain BAAM Clients invest in securities and other instruments, including but not limited to forward contracts, currency options, interest rate swaps, interest rate caps, interest rate floors, and other derivative contracts and similar instruments, which may be listed or unlisted and rated or unrated.

BAAM also obtains exposure to Underlying Managers through total return swaps or an investment in equity shares of exchange traded closed-end funds.

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

BAAM 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 Investment Vehicles may themselves be illiquid investments. BAAM, in its sole discretion, may treat these investments (including Underlying Investment Vehicles) as "side pockets" and Investors may be issued a separate series of shares or ownership interests to represent a Side Pocket.

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

Blackstone Alternative Asset Management L.P.

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

The SEC adopted Rule 206(4)-6 under the Advisers Act, which requires registered investment advisors that exercise voting authority over client securities to implement proxy voting policies. In compliance with such rule, BAAM has adopted proxy voting policies and procedures. In the case of interests held by BAAM Clients in Underlying Investment Vehicles, the general policy is to vote proxy proposals, amendments, consents or resolutions (collectively, “proxies”) in a manner that serves the best interests of the BAAM Clients, determined by BAAM in its discretion.

In the case of publicly-traded securities held directly by a BAAM Client, BAAM has engaged the services of Institutional Shareholder Services, Inc. (“ISS”) to make recommendations to BAAM on the voting of proxies related to such securities. ISS provides voting recommendations based on established guidelines and practices. BAAM generally will vote proxies in accordance with ISS’s recommendations, but may decide not to vote in accordance with the ISS recommendations if it believes that the specific ISS recommendation is not in the best interests of the BAAM Clients. BAAM has also delegated authority to ISS to represent certain BAAM Clients with respect to securities class action lawsuits.

BAAM may not vote certain proxies if BAAM determines that doing so would be unduly burdensome, subject to the BAAM’s obligations under Rule 206(4)-6. Investors may request from BAAM a copy of BAAM’s proxy voting policies and the proxy voting record relating to the BAAM Funds in which the Investor is invested by contacting BAAM at the address, telephone number or email on the cover of this Brochure.

Blackstone Alternative Asset Management L.P.

Item 18 – Financial Information

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

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

Blackstone Alternative Asset Management L.P.
Item 19 – Requirements for State-Registered Advisers

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