

Blackstone Alternative Solutions L.L.C.

Form ADV Part 2A Brochure

March 28, 2020

Blackstone

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Item 1 – Cover Page

Blackstone Alternative Solutions L.L.C.

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 Solutions L.L.C. (“BAS”).

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

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

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Item 2 – Material Changes

- ▶ There 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 BAS's indirect parent company, The Blackstone Group Inc., from a limited partnership to a corporation effective July 1, 2019.
- ▶ BAS, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).
- ▶ If you would like another copy of this Brochure, please download it from the SEC website as indicated above or contact BAS at (212) 583-5000 or BAAMClientService@blackstone.com

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Item 3.1 – Defined Terms

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

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

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

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

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

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

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

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

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

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

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

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

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 or its affiliates outside of HFS.

Brokers: Brokers, dealers and other counterparties or intermediaries.

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

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

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

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Item 3.1 – Defined Terms

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

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

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

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

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

Investor: An investor in a BAS Fund.

Other Blackstone Advisers: Investment advisory affiliates of BAS within Blackstone.

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

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

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

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

Restricted Issuers: Issuers BAS will be restricted from investing in

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

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

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

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

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

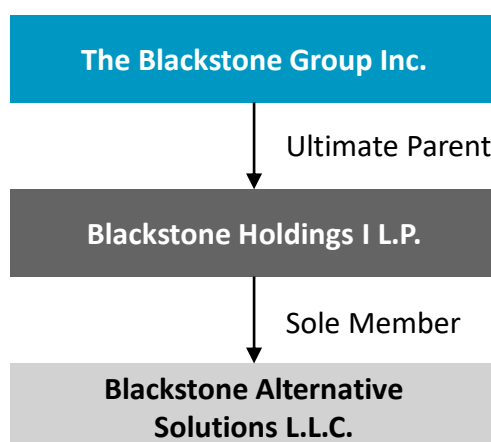
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Item 4 – Advisory Business

Overview of the Firm

BAS, a Delaware limited liability company, primarily provides investment advisory services to private investment funds (collectively, the “BAS Funds”) that predominantly invest and trade in a wide variety of securities, assets and instruments (including, without limitation, equity securities, equity-related instruments, debt, debt-related instruments, hard assets, currencies, commodities, futures contracts, options and other derivative instruments). BAS is an affiliate of Blackstone Alternative Asset Management L.P. (“BAAM”), a leading hedge fund solutions provider which, together with its affiliates in the 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. BAS derives significant benefits from the experience of BAAM in the investment, operational, legal, structuring and compliance aspects of hedge funds.

BAS was founded in 2011 as part of The Blackstone Group Inc. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BAS and 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 business, as well as the hedge fund solutions business. BAS shares employees and facilities with BAAM, Blackstone Strategic Alliance Advisors L.L.C. (“BSAA”), Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), and Blackstone Alternative Investment Advisors L.L.C. (“BAIA”), each a registered investment adviser. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



BAS’s assets under management (“AUM”) were \$9.7 billion as of December 31, 2019. This includes investments made by BAAM Clients into BAS Funds. Please note that this is an unaudited estimate.

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Item 4 – Advisory Business

Overview of Advisory Services

As investment adviser to the BAS Funds, BAS:

- ▶ Identifies and implements investment opportunities for BAS Funds;
- ▶ Engages Underlying Managers on behalf of BAS Funds;
- ▶ Participates in the monitoring of BAS Funds' investments;
- ▶ Makes decisions on behalf of BAS Funds to purchase and/or sell investments;
- ▶ Engages in hedging transactions for the BAS Funds; and
- ▶ Employs leverage for BAS Funds in various forms (including via credit facilities, derivative transactions, margin transactions and other credit arrangements): (a) when BAS believes that the use of leverage may enable the BAS Funds 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.

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

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

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Item 5 – Fees and Compensation

Asset-Based Advisory Fees

BAS charges the flagship BAS Fund an annual asset-based advisory fee of up to 1.5% of assets under management. This fee paid to BAS is reduced by asset-based advisory fees charged by the Underlying Managers. This arrangement may incentivize BAS to not engage Underlying Managers or favor Underlying Managers that charge lower fees. Generally, Blackstone employees, affiliates, retired partners, and certain former employees, as well as endowment funds, charitable programs and/or other similar or related entities associated with the foregoing, are not subject to the BAS asset-based advisory fees, and such fees typically are waived or modified for BAS affiliates and strategic relationships. Certain BAAM Funds that invest in BAS Funds will not pay an asset-based advisory fee on all or some portion of their invested assets.

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

Performance-Based Fees

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

Fee Negotiations

Except as noted below, asset based and performance-based fees are non-negotiable. BAS, in its absolute discretion, has agreed with certain Investors (and may do so in the future) to waive or modify the fees, in accordance with BAS' ability to enter into side letters as set forth in **Item 11 – Code of Ethics (Investment Related Potential Conflicts)**. In addition, fees are negotiated for single-investor custom BAS Funds.

Payment of Asset-Based Advisory Fees

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

Additional Fees and Expenses:

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

- ▶ Broken Deal Expenses
- ▶ Credit Facility Fees, including Interest Charges
- ▶ Board of Director Fees
- ▶ Legal and Accounting Fees

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Item 5 – Fees and Compensation

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

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

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

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

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Item 5 – Fees and Compensation

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

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

In connection with BAAM's minority equity ownership interest in Arcesium, BAAM is expected to receive cash distributions from Arcesium from time to time. Cash distributions received by BAAM from Arcesium will first be applied to reimburse the BAS Funds and the other 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 with respect to the BAS Funds' use of Arcesium exceed the Arcesium Fees paid by the BAS Funds, any excess amounts will be retained by BAAM. In addition, in the event that Arcesium is sold to a third-party, there is no guarantee that BAAM will continue to receive such cash distributions and that the BAS Funds and the HFS Arcesium Clients will be reimbursed for any portion of the Arcesium Fees paid by them.

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 BAS Funds and the Underlying Managers.

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Item 6 – Performance-Based Fees

In addition to the asset-based advisory fees disclosed in **Item 5 – Fees and Compensation** above, as of April 1, 2020, the flagship BAS Fund is charged a performance-based fee equal to 17.5% of net profits, subject to loss carryforward provisions. BAS's flagship funds' performance-based fees will be reduced by the amount of any performance-based fees paid to Underlying Managers. This arrangement may incentivize BAS to not engage Underlying Managers or favor Underlying Managers that charge lower fees. Under a loss carryforward provision (also referred to as a High Water Mark), if a BAS Fund has a loss chargeable to it during any fiscal year, and during a subsequent fiscal year there is a profit allocable to such BAS Fund, there will be no performance-based fee payable to BAS with respect to such BAS Fund until the amount of the loss previously allocated has been recouped. Certain BAAM Funds that invest in BAS Funds will not pay a performance-based fee on all or some portion of their invested assets.

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

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

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

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

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

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Item 7 – Types of Clients

BAS' clients consist of the BAS Funds. Investors in BAS Funds are based in the U.S. and outside of the U.S. and 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 Investors are subject to applicable suitability and eligibility requirements.

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

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

Analysis

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

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

Investment Strategies

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

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

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

- Activist
- Merger-arbitrage
- Preferred Equity
- ▶ Capital Markets. Public and private equity and debt investments across sectors and strategies, including:
 - Initial public offerings
 - Secondary offerings, follow-ons, after-market positions and block trades
 - Dislocated situations
 - Fundamental
 - Activist
 - Merger-arbitrage
- ▶ Hard Asset / Private. Diversified opportunities, including:
 - Infrastructure assets
 - Real property
 - Select private equity investments

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

Risk of Loss

General Economic and Market Conditions: The success of BAS's and the Underlying Managers' 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

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

- ▶ National and international political circumstances (including wars, terrorist acts or security operations)
- ▶ Epidemics/Pandemics

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

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

- ▶ Political, Economic, Market, and Other Market Conditions
- ▶ Risk of Investments
- ▶ Compulsory Withdrawal
- ▶ Concentration of Fund Portfolio; Diversification; Volatility
- ▶ Dependence on BAS and the Underlying Managers
- ▶ Increased Regulatory Oversight
- ▶ Information Technology Systems
- ▶ Limited Liquidity; Liquidity and Information Rights
- ▶ Lack of Management Rights
- ▶ "Style Drift"
- ▶ Valuations
- ▶ Risk Management Activities; Monitoring Investments
- ▶ Breach of Governing Investments by Underlying Managers; Termination of Underlying Managers
- ▶ Investments by the Investment Manager
- ▶ Use of Special Purpose Entities; Non-Lead Investments
- ▶ Restrictions
- ▶ Distributions
- ▶ Forms of Withdrawal Payments
- ▶ Potential Involvement in Litigation

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

- ▶ Access to Information; Enhanced Liquidity; Side Letters
- ▶ Investment Liabilities
- ▶ Cross Class Liabilities
- ▶ FOIA and Similar Laws
- ▶ Financial Markets and Regulatory Change
- ▶ Impact of AIFM Directive
- ▶ Execution, Risks and Error
- ▶ Government Regulation
- ▶ Cyber Security Breaches and Identity Theft
- ▶ Handling of Mail
- ▶ Limited Operating History
- ▶ Volatility
- ▶ Access to Information and Effect on Withdrawals
- ▶ Proprietary Investment Strategies
- ▶ Brexit
- ▶ MiFID II
- ▶ Retention of Key Personnel
- ▶ Due Diligence
- ▶ Business Continuity
- ▶ Use of Multiple Managers is No Assurance of Success; Offsetting Positions.
- ▶ Non-Voting Securities; Investment Company Act Restrictions.

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

- ▶ Futures, Options and Derivative Instruments
- ▶ Highly Volatile Markets
- ▶ Interest Rate Fluctuations
- ▶ Borrowing; Leverage
- ▶ Non-U.S. Currencies and Investments
- ▶ Indirectly Investing in “Side Pockets”
- ▶ Short Selling
- ▶ Significant Positions

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

- ▶ Systemic Risk
- ▶ Tax Considerations
- ▶ Trading in Securities and Other Investments That May be Illiquid
- ▶ Turnover
- ▶ U.S. Government Securities
- ▶ Restricted New Issues
- ▶ Currency Exposure
- ▶ Arbitrage Transactions
- ▶ Debt Securities; Bank Debt
- ▶ Distressed Securities
- ▶ Emerging Market Investments
- ▶ Project Finance Investments
- ▶ Proxy Contests and Unfriendly Transactions
- ▶ Event Driven Investment
- ▶ Relative Value Investing
- ▶ Delayed Schedules K-1
- ▶ Equity Securities Generally
- ▶ Small and Medium Capitalization Companies
- ▶ Preferred Stock
- ▶ Investments in Unregistered Securities
- ▶ High-Yield Debt and Non-Investing Grade Securities
- ▶ Investments in Troubled and Leveraged Companies
- ▶ Uncovered Risks
- ▶ Price Risks
- ▶ Financial Fraud
- ▶ FINRA Rule 5130
- ▶ FINRA Rule 5131
- ▶ Purchasing Securities of Initial Public Offerings
- ▶ Institutional and Counterparty Risks
- ▶ Tax Liabilities without Distributions
- ▶ Unrelated Business Taxable Income

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

- ▶ Tax Considerations Taken Into Account
- ▶ Non-U.S. Taxation
- ▶ Investment Structuring
- ▶ Risks Related to Investors with Capital Commitments
- ▶ Limited Participation Investments
- ▶ Litigation Expenses May Be Borne by Subsequent Investors
- ▶ Government Entity Investors
- ▶ Assumption of Business, Terrorism and Catastrophe Risks
- ▶ Liquidity; Availability of Credit
- ▶ Convertible Securities
- ▶ Lender Liability Claims
- ▶ Direct Lending
- ▶ Secured Loans
- ▶ Assignments and Participation
- ▶ Credit Ratings
- ▶ Margin Borrowing
- ▶ Costs and Availability of Financing
- ▶ Municipal Securities
- ▶ Quantitative Trading Risk
- ▶ Repurchase and Reverse Repurchase Agreements
- ▶ Structured Products
- ▶ Asset-Backed Securities
- ▶ Activist Investing
- ▶ Special Situation Investments
- ▶ Investments in Special Purpose Acquisition Companies
- ▶ Non-Controlling Investments
- ▶ Control Person Liability
- ▶ Securities Held in Name Other Than Name of Fund
- ▶ Institutional and Counterparty Risks
- ▶ Liability Following the Disposal of Investments
- ▶ Recently Enacted Tax Reform Legislation

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

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

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Item 9 – Disciplinary Information

BAS 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 BAS. There have been no material regulatory findings against BAS in the past. As of the date of this Brochure, there are no regulatory proceedings pending against BAS and BAS does not believe that any current litigation to which Blackstone or any of its affiliates is a party will have a material adverse effect on BAS and/or the BAS Funds or should be material when evaluating your client / adviser relationship with us.

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Item 10 – Other Financial Industry Activities and Affiliations

BAS is an affiliate of the following entities:

Broker-Dealer Entities

Blackstone Advisory Partners L.P.	▶ Provides a variety of limited investment banking services
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
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

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Item 10 – Other Financial Industry Activities and Affiliations

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 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 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 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.

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
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 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

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
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
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

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
First Eagle Alternative Credit SLS, LLC	▶ Provides investment advisory services to clients in below investment grade investment opportunities in bank loans, high yield debt, collateralized loan obligations (“CLOs”), including CLO debt or equity mandates, and other securities
First Eagle BDC Adviser LLC	▶ Investment adviser created to provide investment advisory services to a business development company that has not yet launched
First Eagle Commercial Loan Originator II LLC	▶ Provides investment advisory services to CLO’s specializing in middle market credit
First Eagle Investment Management, LLC	▶ Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
First Eagle Private Credit Advisors, LLC	▶ Provides investment advisory services to a number of CLO’s, private investment funds and separately managed accounts specializing in liquid credit
First Eagle Private Credit, LLC	▶ Provides investment advisory services to a number of CLO’s, private investment funds and separately managed accounts specializing in middle market credit
GSO Asset Management LLC	▶ Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
GSO Capital Advisors LLC	▶ Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
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

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Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities		
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.
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>)

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Registered or Exempt Commodity Trading Advisor and/or Commodity Pool Operator Entities	
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 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 BAS affiliates (and are listed in BAS’s ADV Part 1, Schedule D Section 7A), may be deemed to be investment advisors but are not required to be registered as such. BAS also manages a number of private investments vehicles, which are listed in BAS’s ADV Part 1, Schedule D Section 7B(1).

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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 BAS. BAP does not make markets in any securities and generally does not hold proprietary positions in securities or other investments. BAP engages in underwriting activities, which generally involve underwriting of debt and equity securities by Blackstone private equity portfolio companies.

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

Potential Conflicts of Interest specific to 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 business, and combined these businesses with PJT Partners, an independent financial advisory firm founded by Paul J. Taubman (“PJTP”). While PJTP operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJTP for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving the BAS Funds on the one hand, and PJTP, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJTP, the overlapping ownership and co-investment and other continuing arrangements between PJTP and Blackstone may influence BAS to select or recommend PJTP to perform services for Blackstone managed funds, including the BAS Funds, the cost of which will generally be borne directly or indirectly by the BAS Funds and investors (to the extent of their ownership therein). Given that PJTP is no longer an affiliate of Blackstone, BAS, and their affiliates 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 Patria Investments S.A.

Blackstone owns 40% of the equity interests in Patria Investimentos Ltd. (“Patria”), a leading Brazilian alternative asset manager and advisory firm. Patria’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 Patria’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 Patria.

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, holding, transforming, enhancing, marketing and selling such data for monetization through

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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.

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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.

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Item 11 – Code of Ethics

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

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

The Code includes (among other things):

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

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

Potential Conflicts of Interest

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

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Investment Related Potential Conflicts

Potential Conflict	Mitigating Policy
<p>Blackstone currently has (or in the future may have) an ownership interest or revenue share in, or is (and in the future may be) otherwise affiliated with, various investment managers (each a “Blackstone Affiliated Manager”). BAS may have an incentive to allocate the BAS Funds’ assets to Blackstone Affiliated Managers since affiliates of BAS will receive fees relating to such allocations and otherwise will have a direct or indirect financial interest in the success of such managers.</p> <p>For example, BSCA, an affiliate of BAS, manages certain funds (the “BSCA Funds”) that seek to make minority investments in investment managers (the “Strategic Capital Managers”). An investment by a BAS Fund with a Strategic Capital Manager generally would benefit BSCA Funds and a withdrawal by a BAS Fund from such manager generally would be detrimental to the BSCA Funds.</p> <p>Similarly, BAS Funds may invest with Underlying Managers which are provided seed funding by the Blackstone Strategic Alliance Funds (the “Strategic Alliance Funds”), which are managed by BSAA, an affiliate of BAS. An investment by a BAS Fund with a manager funded by the Strategic Alliance Funds (a “SAF Manager”) generally would benefit the Strategic Alliance Funds and a withdrawal by a BAS Fund from such investment generally would be detrimental to the Strategic Alliance Funds. In addition, the BAS Fund may seek to negotiate preferential terms and conditions from the SAF Manager, which terms and conditions may be subject to the approval of BSAA and may trigger certain</p>	<p>The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval includes authorizing, from time to time, Underlying Managers or BAS to invest a portion of the BAS Fund’s assets under management on a discretionary basis (see Item 13 – Review of Accounts for further details).</p> <p>In certain circumstances where Blackstone, directly or indirectly, holds an interest in an Underlying Manager, Blackstone will rebate or waive its fees relating to the investment by a BAS Fund with such manager. For example, BSAA’s portion of the fees generated from a BAS Fund’s investment with a SAF Manager are rebated to such BAS Fund. (The Strategic Alliance Fund investors retain their portion of the fees.) There typically is no rebate or waiver in the case of a BAS Fund’s investment with a BSCA Fund unless the BAS client is subject to ERISA.</p> <p>When BAS Funds invest in an Underlying Investment Vehicle managed by a SAF Manager or a Strategic Capital Manager, HFS senior management must sign a separate approval in addition to the usual investment committees and allocation committee approvals.</p>

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Potential Conflict	Mitigating Policy
<p>“most favored nation” rights for the Strategic Alliance Funds.</p> <p>There is significant overlap between the BAS Investment Committee and the investment committees for the BSCA Funds and Strategic Alliance Funds.</p> <p>BSCA and BSAA do not represent an exhaustive list of Blackstone Affiliated Managers.</p>	
<p>BAS, BAAM, or Blackstone, subject to applicable law and its fiduciary obligations, potentially could choose not to allocate fund expenses to a client that has a more advantageous fee structure and instead allocate that portion of such expense to other clients.</p>	<p>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 its expense allocation policies and the Client Constituent Documents.</p>
<p>BAIA, an affiliate of BAS, serves as investment manager for an open-end mutual fund and a UCITS fund, which employ a multi-manager, diversified investment strategy. BAAM serves as investment manager for two Registered Funds. As such, BAS, BAAM and BAIA may be subject to conflicts in allocating assets to Underlying Managers.</p> <p>While there is significant overlap among the members of the BAAM, BSAA, BAS, and BAIA investment committees, BAS may take an investment position or action for one or more BAS Funds that may be different from or inconsistent with, an action or position taken for one or more BAAM / BAIA Funds having similar or differing investment objectives.</p>	<p>BAIA maintains detailed policies and procedures relating to allocations among the funds BAIA / HFS manages.</p>

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Potential Conflict	Mitigating Policy
Members of BAS’s senior management sit on advisory committees and boards relating to portfolio investments.	The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval includes authorizing, from time to time, Underlying Managers or BAS to invest a portion of the BAS Fund’s assets under management on a discretionary basis (see Item 13 – Review of Accounts for further details).
To the extent permitted by applicable law, BAS may cause the BAS Funds to purchase investments from, sell investments to, with, or transfer investments to, another BAS Fund. Any such purchases, sales, exchanges or transfers generally will be affected based upon the independent current market value or fair market value of the investment.	The BAS Investment Committee will approve all investment decisions of the BAS Fund, which approval includes authorizing, from time to time, Underlying Managers or BAS to invest a portion of the BAS Fund’s assets under management on a discretionary basis (see Item 12 Brokerage Practices – Cross Transactions – Agency Cross Transactions for further details).
Affiliates of BAS sponsor, manage or advise other investment funds with overlapping investment objectives with those of the BAS Funds. Neither the BAS Funds nor any of their Investors will have any rights of first refusal, co-investment or other economic rights in respect of the investments of such Other Blackstone Clients.	Investors are notified of such potential for conflicts.
Investment opportunities may be appropriate for more than one BAS Fund and/or one or more HFS / Blackstone Clients.	See Item 12 – Brokerage Practices- Allocations Among BAS Funds and other Blackstone Clients .
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 strategic relationship often involves an investor agreeing to make a capital commitment to multiple Blackstone funds,	Investors are notified of such potential conflicts.

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Item 11 – Code of Ethics

Potential Conflict	Mitigating Policy
which may include a BAS Fund. The terms and conditions applicable to Blackstone strategic relationships typically would not apply to an investor's investment in the BAS Funds.	

Non-Investment Related Potential Conflicts

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

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Potential Conflict	Mitigating Policy
BAS may have a placement agreement / relationships with a broker-dealer that sponsors hedge fund conferences or similar events.	
Financial institutions, executives of public companies and other “value added investors” are investors, directly or through a BAAM Fund, in the BAS Funds. These persons and their employees are a potential source of information and ideas that could benefit the BAS Funds.	BAS has detailed policies and procedures relating to the use of private information, information sharing and information walls in general. Additionally, BAS Compliance provides a list of potential value added investors to HFS senior management on a quarterly basis.
BAS Funds have entered, and in the future may enter, into letter agreements or other similar agreements (commonly referred to as “side letters”) with one or more of a Fund’s investors which provide such investor(s) with additional and/or different 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).	Investors are notified of such potential for conflicts.
Certain BAS personnel, including certain members of the BAS 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 BAS personnel.	Such BAS personnel allocate their time on a basis that they deem to be fair and equitable to all relevant Blackstone Clients.
BAS incurs common expenses on behalf of the BAS Funds.	BAS allocates such expenses in accordance with its expense allocation policies and the Client Constituent Documents.
Certain advisors, service providers, counterparties and vendors (“Service	Any use of Service Providers will be in accordance with the Client Constituent

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Potential Conflict	Mitigating Policy
<p>Providers”) to BAS, the BAS Funds, 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 BAS Funds 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 BAS Funds, 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.</p>	<p>Documents and applicable law. Blackstone has a general practice of not having lower fee arrangements for BAS and Other Blackstone Advisers as compared to fees paid by the BAS Funds for similar services.</p>

Although Blackstone selects Service Providers it believes are most appropriate in 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

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Potential Conflict	Mitigating Policy
Providers to Blackstone as described above may influence Blackstone in deciding whether to select or recommend a Service Provider to perform services for the BAS Funds or an Underlying Manager, the cost of which may be borne directly or indirectly by the BAS Funds.	

Fee Related Potential Conflicts

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

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Item 11 – Code of Ethics

Blackstone Related Potential Conflicts

Potential Conflict	Mitigating Policy
Blackstone Tactical Opportunities Advisors L.L.C. ("BTO"), an affiliate of BAS, manages an investment strategy that is similar in certain respects to BAS's primary investment strategy. BAS and BTO may compete for investment opportunities but, from time to time, also refer investment opportunities to each other, co-underwrite investment opportunities and co-invest.	Blackstone maintains detailed policies and procedures relating to allocations across Blackstone. BAS's allocation policy is available upon request.
From time to time, Underlying Managers with which the BAS Funds invest engage in transactions with Blackstone.	Such transactions will be on an arm's length basis, independent from any BAS Fund investment and BAS.
From time to time, Blackstone refer potential investors to BAS and these investors may become investors in one of the BAS Funds.	All investors are reviewed for suitability of investments and must satisfy the BAS Funds' investment minimum and any investor qualifications.

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 BAS's investment strategy is included in the Client Constituent Documents of the respective BAS Funds, a copy of which is provided to prospective investors and should be carefully reviewed prior to investing.

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

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Item 12 – Brokerage Practices

General Considerations

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

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

Research and Other Soft Dollar Benefits

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

BAS presently does not utilize “soft dollars” (*i.e., consideration other than cash is exchanged for services*) to pay for third-party brokerage services but may do so in the future. Underlying Managers 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.

Brokerage for Client Referrals

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

Block Trading Procedures

In the event that securities, futures, forward, options, spot currency or other transactions are traded for multiple BAS Funds, 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 BAS Funds).

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

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Item 12 – Brokerage Practices

Principal Trading

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

Cross Transactions – Agency Cross Transactions

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

Investment Allocations

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

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

Co-investment Allocations

BAS from time to time, in its sole discretion, offers certain BAS Funds, Other HFS Clients, Other Blackstone Clients and/or third parties (including, without limitation, principals and employees of BAS and its affiliates) the opportunity to co-invest alongside certain BAS Funds in one or more investments. Generally, pursuant to BAS's written allocation policies and procedures, such co-investments are made available after BAS has determined, in its sole discretion, that certain BAS Funds have received their desired allocation and there remains excess capacity. Subject to such allocation policies and procedures, BAS is under no obligation to offer any particular investor(s) co-investment opportunities and has the right to offer such opportunities to one or more investors or other clients and accounts on a priority basis in its sole discretion.

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Item 12 – Brokerage Practices

Blackstone-wide Policies, Procedures and Guidelines

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

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

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

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

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

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Item 12 – Brokerage Practices

Trade Errors

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

Subject to the standard of care in the agreement between BAS and the applicable Underlying Manager, broker or other third party, if an Underlying Manager, broker or other third party causes a trading error, BAS may seek to recover the amount of loss from the Underlying Manager, broker or other third party for the BAS Fund but will not be obligated to do so. BAS does not assume responsibility for compensating the BAS Funds, or assuring that the Underlying Manager, broker or other third party compensates the BAS Fund, in such cases.

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

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

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

- ▶ an incorrect trade order that is identified and corrected prior to settlement, as long as there is no negative economic impact to the BAS Funds;
- ▶ the error is the fault of an executing broker-dealer, custodian, or other counterparty (irrespective of whether BAS seeks compensation on behalf of the BAS Funds from such parties);
- ▶ the purchase or sale of the security or financial instrument is reallocated to another fund prior to settlement in accordance with BAS's allocation policies and procedures;
- ▶ the purchase or sale of the security or financial instrument violates restrictions arising from a contractual obligation to a third party other than the applicable BAS Funds (*e.g., a standstill agreement*);

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- ▶ incorrect over- or under-allocations of securities or financial instruments;
- ▶ an investment that does not perform favorably but otherwise complies with applicable contractual requirements;
- ▶ the error does not result in a transaction in the BAS Funds (such as an error that results in the loss of an investment opportunity);
- ▶ if the governing documents of the BAS Funds expressly provide for the right of BAS to cure (*e.g., annul the trade error*), and BAS cures in accordance therewith;
- ▶ errors resulting from unavailability of (or disruptions in) electronic services or other force majeure events;
- ▶ the applicable Investor ratifies the trade in writing; and
- ▶ good faith errors in judgment in making investment decisions for the BAS Funds, which include errors in securities analysis and, for quantitative / systematic strategies, errors in writing computer code that relate to the process by which investment decisions are made for the BAS Funds (*i.e., errors that reflect subjective judgments or mistakes made at the time of programming, concern the process of constructing an investment strategy, and are not associated with nor result in a particular trade*).

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Item 13 – Review of Accounts

The Investment Committee

The BAS Investment Committee, which is comprised of select BAS senior personnel, will approve all investment decisions of the BAS Fund, which approval includes authorizing, from time to time, Underlying Managers or BAS to invest a portion of the BAS Fund's assets under management on a discretionary basis.

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

- ▶ The expected performance of the investment
- ▶ Reputation of the principals of the Underlying Manager, if applicable
- ▶ Availability of cash
- ▶ Liquidity needs
- ▶ BAS Fund investment objectives
- ▶ BAS Fund risk parameters
- ▶ General capacity
- ▶ Tax efficiency
- ▶ Investment limits
- ▶ Diversification guidelines
- ▶ Operational factors
- ▶ Legal and regulatory factors

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

Monitoring Process

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

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

Fund Investor Reporting

BAS will furnish to its Investors audited financial statements on an annual basis and unaudited monthly capital statements on a monthly basis. Certain Investors have requested, and may request in the future, information from BAS relating to the BAS Funds and, to the extent such

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Item 13 – Review of Accounts

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

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

BAS Operations Team

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

BAS Funds' Administrator

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

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Item 14 – Client Referrals and Other Compensation

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

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

BAP, an affiliate of BAS, serves as a placement agent for the BAS Funds in the U.S. but is not compensated for such services.

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Item 15 – Custody

Rule 206(4)-2 of the Advisers Act (the “Custody Rule”) defines custody as holding client securities or assets or having any authority to obtain possession of them. BAS Funds structured as U.S. entities generally have a BAS affiliate acting as general partner and, as such, BAS is deemed to have custody of the BAS Funds’ assets. For the BAS Funds structured as non-U.S. entities, BAS also is typically deemed to have custody of the Funds’ assets. Although BAS does not serve as the general partner or managing member of the non-U.S. BAS Funds, does not constitute a majority of the non-U.S. BAS Fund’s Board of Directors, and does not hold voting shares in the Fund, BAS has access to BAS Fund assets for trading purposes and to pay expenses. BAS generally complies with the Custody Rule by providing all investors in a BAS Fund with audited financial statements within 120 days of the BAS Fund’s fiscal year end; provided that if the BAS Fund is deemed a fund of funds, BAS will provide all investors in the BAS Fund with audited financial statements within 180 days of the BAS Fund’s fiscal year end.

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

Unless an exception applies, a BAS Fund’s assets will typically be held in the name of the BAS Fund with a Qualified Custodian such as a bank or broker-dealer.

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Item 16 – Investment Discretion

Investment Guidelines

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

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

Types of Investments

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

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

From time to time, BAS Funds acquire and hold, directly or indirectly, assets or securities that are illiquid, including for example, where an Underlying Manager determines to side pocket all or a portion of an investment. Direct investments and Underlying Investment Vehicles have been and may in the future be themselves illiquid investments. BAS, in its sole discretion, and in accordance with the applicable Client Constituent Documents, 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 investments.

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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, BAS has adopted proxy voting policies and procedures. Underlying Managers also are expected to adopt and implement proxy voting policies and procedures that comply with the requirements of Rule 206(4)-6, to the extent applicable, and generally will be responsible for exercising voting discretion over proxies with respect to the investments they manage.

In the case of investments which are not managed by an Underlying Manager, BAS has engaged the services of Institutional Shareholder Services, Inc. (“ISS”) to make recommendations to BAS on the voting of proxies related to such investments. ISS provides voting recommendations based on established guidelines and practices. BAS 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 BAS’ clients. BAS has also delegated authority to ISS to represent certain BAS Funds with respect to securities class action lawsuits.

In the case of interests held by BAS clients in pooled vehicles, the general policy is for BAS to vote proxy proposals in a manner that serves the best interests of the BAS clients, determined by BAS in its discretion.

BAS may not vote certain proxies if BAS determines that doing so would be unduly burdensome, subject to BAS’ obligations under Rule 206(4)-6. Investors may request from BAS a copy of BAS’ proxy voting policies and the proxy voting record relating to the BAS Funds in which such Investors are invested.

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Item 18 – Financial Information

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

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

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Item 19 – Requirements for State-Registered Advisers

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