

# **Blackstone Strategic Alliance Advisors L.L.C.**

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Form ADV Part 2A

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March 31, 2022

**Blackstone**

# Blackstone Strategic Alliance Advisors L.L.C.

## Item 1 – Cover Page

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Blackstone Strategic Alliance Advisors L.L.C.

345 Park Avenue

New York, NY 10154

(212) 583-5000

[www.blackstone.com](http://www.blackstone.com)

March 31, 2022

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 Strategic Alliance Advisors L.L.C. (“BSAA”).

If you have any questions about the contents of this Brochure, please contact BSAA at (212) 583-5000; [BAAMClientService@blackstone.com](mailto: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 BSAA also is available at the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link “Investment Adviser Search”, select “Investment Adviser Firm” and type in BSAA’s name). Results will provide you with both Parts 1A and 2A of BSAA’s Form ADV.

BSAA is registered with the SEC as an investment adviser. BSAA’s registration as an investment adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, serve as information for you to use to evaluate BSAA and should be considered in your decision whether to hire BSAA (*i.e.*, by investing in a fund managed by BSAA) or to remain invested in a fund managed by BSAA.

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 2 – Material Changes**

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There has not been a material change to this document since the last annual update on March 31, 2021.

BSAA, at any time, may update this Brochure and either send you a copy or offer to send you a copy (either by electronic means (email) or in hard copy form).

If you would like another copy of this Brochure, please download it from the SEC website as indicated above or contact BSAA at (212) 583-5000 or [BAAMClientService@blackstone.com](mailto:BAAMClientService@blackstone.com).

# Blackstone Strategic Alliance Advisors L.L.C.

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# Blackstone Strategic Alliance Advisors L.L.C.

## Item 3.1 – Defined Terms

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

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

**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 BSAA.

**BAAM Allocation Oversight Committee:** A committee which includes certain senior members of BAAM’s Investment team, Operations team, BAAM’s General Counsel, BAAM’s Chief Compliance Officer and certain other personnel.

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

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

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

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

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

**BSAA:** Blackstone Strategic Alliance Advisors L.L.C., the registrant.

**BSAA Funds or Strategic Alliance Funds:** A series of private investment funds managed by BSAA, which are primarily engaged in providing “seed capital” to hedge fund managers and/or other alternative asset managers, including those that may seek “acceleration” capital.

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

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

**BSCA Funds:** A series of private investment funds managed by BSAA’s affiliate, BSCA, which are primarily engaged in acquisitions of minority equity interests in alternative asset managers.

**BSP:** Blackstone Securities Partners L.P., a registered broker-dealer and an affiliate of BSAA.

**Clients:** Each of BSAA’s clients, which include the BSAA Funds.

**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 BSAA Fund.

# Blackstone Strategic Alliance Advisors L.L.C.

## Item 3.1 – Defined Terms

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**Co-Investments:** Co-investments directly in securities or other investments alongside Underlying Managers.

**Code:** Blackstone's and BSAA'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 which provides that no performance-based fee will be charged to a Client until the Client's capital account has recovered any loss attributable to a reduction in net asset value allocated to such account during prior performance periods.

**Investor:** An investor in a BSAA Fund.

**Manager Buyout Interests:** The BSAA Funds' contractual entitlement to participate in proceeds from the buyout, sale or other realization or monetization of the value of the Manager Profit Interests.

**Manager Profit Interests:** The BSAA Funds' contractual entitlement to participate in its negotiated portion of an Underlying Manager's asset-based fees and performance / incentive fees and allocations.

**Manager Revenues:** Manager Buyout Interests and Manager Profits Interests.

**Other Blackstone Advisers:** Investment advisory affiliates of BSAA within Blackstone.

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

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

**Strategic Capital Manager:** An unaffiliated alternative asset management firm in which the BSCA Funds have acquired a minority equity (or similar) interest in the management company or the general partner.

**Underlying Investment Vehicles:** The funds and accounts managed by Underlying Managers.

**Underlying Managers or SAF Managers:** The hedge fund managers and/or other alternative asset managers of the Underlying Investment Vehicles to which the BSAA Funds allocate capital.

# Blackstone Strategic Alliance Advisors L.L.C.

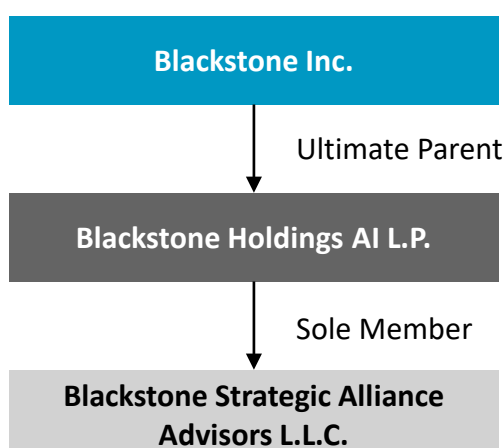
## Item 4 – Advisory Business

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### Overview of the Firm

BSAA, a Delaware limited liability company, primarily provides investment advisory services to private investment funds (collectively, the “BSAA Funds”) for the purpose of providing seed capital to SAF Managers and their Underlying Investment Vehicles. The BSAA Funds are commonly referred to in the industry as funds of hedge funds. BSAA 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, 2021. Please note that this is an unaudited estimate and excludes any amounts attributable to non-discretionary advisory clients. BSAA derives significant benefits from the experience of BAAM in the investment, operational, legal, structuring and compliance aspects of hedge funds.

BSAA was founded in 2007 as part of Blackstone Inc. (NYSE: BX) (“Blackstone”), which is the ultimate parent of BSAA and BAAM. Blackstone is a leading alternative investment manager with investment programs and services concentrating in the private equity, real estate and debt / credit and secondaries business, as well as the hedge fund solutions business. Subject to HFS information walls, BSAA shares employees and facilities with BAAM, Blackstone Alternative Solutions L.L.C. (“BAS”), Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), and Blackstone Alternative Investment Advisors LLC (“BAIA”), each a registered investment adviser. Please see **Item 10 – Other Financial Industry Activities and Affiliations** for more information.



BSAA’s assets under management (“AUM”) were \$3 billion as of December 31, 2021. This includes committed capital that has not been drawn. Please note that this is an unaudited estimate.

# **Blackstone Strategic Alliance Advisors L.L.C.**

## **Item 4 – Advisory Business**

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### **Overview of Advisory Services**

As investment adviser to the BSAA Funds, BSAA:

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

The BSAA Funds' strategy is to provide seed capital to SAF Managers and their Underlying Investment Vehicles. The SAF Managers pursue a wide variety of investment strategies and invest or trade in a wide variety of securities and other instruments, including, but not limited to, equities and fixed income securities, currencies, commodities, futures contracts, options and other derivative instruments, all of which may be listed or unlisted, rated or unrated, distressed or publicly or privately issued. From time to time, BSAA Funds may also invest in separate managed accounts with SAF Managers.

BSAA typically negotiates on behalf of the BSAA Funds for a contractual right to receive a portion of Underlying Managers' asset-based fees and payments and performance / incentive fees and / or allocations (collectively, the "Manager Profit Interests"). BSAA also typically negotiates for the BSAA Funds to participate in the buyout, sale or other realization or monetization of the value of the Manager Profit Interests (collectively, the "Manager Buyout Interests" and with the Manager Profits Interests, the "Manager Revenues"). Investors in the BSAA Funds also participate in any profit or loss associated with the investment that the BSAA Funds make in the Underlying Investment Vehicles.

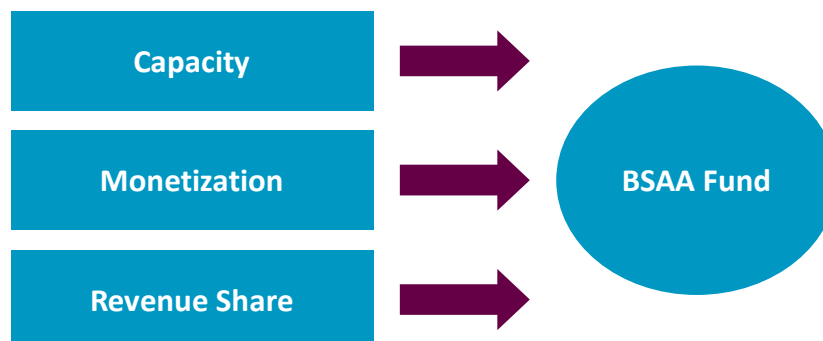


## Blackstone Strategic Alliance Advisors L.L.C.

### Item 4 – Advisory Business

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#### BSAA Fund Typical Investment in an Underlying Manager



#### Standard Investment in an Underlying Manager



The BSAA Funds also will be authorized to (i) provide working capital to Underlying Managers by, among other things, providing a prepayment of asset-based fees associated with their investment in the Underlying Investment Vehicles, or making loans (*e.g.*, by deferring their right to receive revenues in respect of the Manager Profits Interests) to, Underlying Managers, and (ii) make selected co-investments directly in securities or other investments alongside Underlying Managers (“Co-Investments”).

# Blackstone Strategic Alliance Advisors L.L.C.

## Item 5 – Fees and Compensation

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### Asset-Based Advisory Fees

In general, BSAA charges an annual asset-based advisory fee to the BSAA Funds of up to 1% of the net asset value of each investor's capital account ("NAV"), which fee scales-down to as low as 0.8% of NAV based on the amount of capital committed to the BSAA Funds by an investor. Fees are charged only on NAV, as opposed to committed capital. Generally, employees, retired partners, and certain former employees of Blackstone are not subject to such asset-based advisory fees. Such fees are described in further detail in the Client Constituent Documents.

BSAA'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 a description of performance-based fees.

### Fee Negotiations

Fees generally are non-negotiable, except in the case of affiliates and certain strategic / significant relationships.

### Payment of Asset-Based Advisory Fees

Fees are paid to BSAA in accordance with the Client Constituent Documents. In general, asset-based advisory fees accrue on a monthly basis and are paid on a quarterly basis in advance on the first day of each fiscal quarter.

Investors in a BSAA Fund are allocated (and bear indirectly) their pro rata share of asset-based advisory fees for the time period they are invested in the BSAA Fund. If an Investor receives a distribution prior to the end of a fiscal quarter, a pro rata portion of the asset-based advisory fee (based on the number of days remaining in the fiscal quarter) will be refunded to the Investor. Fees are deducted from an Investor's capital invested in a BSAA Fund (*i.e.*, such fees are deducted from such Investor's capital account) on the first day of each fiscal quarter (*i.e.*, January 1, April 1, July 1, and October 1).

### Additional Fees and Expenses:

BSAA's asset-based advisory fees are not inclusive of all the fees BSAA Funds will pay. The following is a list of fees and expenses that BSAA Funds pay directly to third parties. This list is not intended to be exhaustive as the relevant Client Constituent Documents provide further detail relating to fees and expenses.

#### ► Fund Expenses

- Cost and expenses incurred in connection with the evaluation, negotiation, acquisition, monitoring or disposition of investments, Manager Profit Interests and Manager Buyout Interests, whether or not consummated, including, without limitation:
  - Loan fees
  - Private placement fees

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 5 – Fees and Compensation**

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- Sales commissions
  - Appraisal fees
  - Taxes
  - Brokerage fees
  - Research fees
  - Interest
  - Commitment fees
  - Transfer taxes
  - Premiums
  - Underwriting commissions and discounts
  - Legal
  - Accounting
  - Investment banking
  - Consulting
  - Information services
  - Professional fees
  - Reimbursements to SAF Managers and / or their principals for certain expenses deemed advisable by BSAA
  - Travel, communications, and all other expenses related to the discovery, investigation, development, monitoring, making and disposition of investments, Manager Profit Interests and Manager Buyout Interests
- ▶ Costs and expenses incurred in connection with the carrying or management of investments, Manager Profit Interests and Manager Buyout Interests, including:
- Risk management
  - Data collection and aggregation
  - Internal controls
  - Computer and reporting systems
  - Interest and related expenses
  - Custodial, trustee, record keeping and other administrative fees and expenses
- ▶ Costs and expenses associate with any entities used directly or indirectly to acquire, hold or dispose of investments or otherwise facilitate the BSAA Funds' investment activities

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 5 – Fees and Compensation**

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- ▶ Strategic Support Expense
- ▶ Costs and expenses incurred in connection with the incurrence of indebtedness
- ▶ Costs and expenses incurred in connection with the preparation and delivery of the BSAA Funds' financial statements, reports, tax returns and K-1's (or similar schedules) or other reports of the BSAA Funds
- ▶ Fees and disbursements of attorneys, accountants, and other professional advisors relating to BSAA Funds' matters
- ▶ Taxes and other governmental charges that may be incurred or payable by the BSAA Funds
- ▶ Insurance premiums or expenses in connection with the activities of the BSAA Funds
- ▶ Costs and expenses (including legal fees and expenses) incurred to comply with any law or regulation related to the activities, business, operations, and holdings of the BSAA Funds, including, without limitation, expenses relating to:
  - The preparation and filing of SEC's Form PF
  - Reports to be filed with the U.S. Commodity Futures Trading Commission
  - Reports, disclosures, filings and notifications prepared in accordance with the Alternative Investment Fund Managers Directive
  - Other regulatory filings of BSAA and its affiliates (excluding any expenses related to the preparation and filing the SEC's Form ADV)
- ▶ Expenses related to complying with FATCA, any regulations or other guidance issued thereunder (including any intergovernmental agreement) and any similar non-U.S. legislation, or any agreement that the BSAA Funds enter into with respect to the foregoing
- ▶ Costs and expenses (including legal fees and expenses) incurred in connection with the Client Constituent Documents of the BSAA Funds or similar written agreements or arrangements and any other related documentation
- ▶ Costs and expenses incurred in connection with any litigation or governmental inquiry, investigation or proceeding involving the BSAA Funds, including the amount of any judgments, settlements or fines paid in connection therewith
- ▶ Any legal, accounting and auditing expenses incurred in preparing, printing and delivering all reports
- ▶ Expenses of any conflicts review agent or any other independent client representative and members and observers of the Advisory Board (if any)
- ▶ Expenses relating to defaults by a defaulting partner in the payment of capital contributions
- ▶ Costs and expenses of the ongoing offering and sale or registration of interests and onboarding investors and administering any side letters entered into with partners

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 5 – Fees and Compensation**

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- ▶ Costs and expenses incurred in connection with any restructuring or amendments to the Client Constituent Documents of the BSAA Funds and related entities
- ▶ Costs and expenses incurred in connection with the dissolution, winding up or termination of the BSAA Funds
- ▶ Costs and expenses incurred related to exploring, structuring, negotiation and/or executing a potential a liquidity event and/or a restructuring transaction
- ▶ Costs and expenses incurred in connection with computing the value of the assets of the BSAA Funds
- ▶ Costs and expenses incurred in connection with any meeting of the partners relating to the BSAA Funds
- ▶ Expenses related to the BSAA Funds' indemnification obligations
- ▶ Administration fees payable to an administrator of the BSAA Funds and related costs and expenses
- ▶ Management fees
- ▶ Any reserves for any of the foregoing expenses

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

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

With respect to SAF Managers in the SAF IV complex, Blackstone may provide strategic support services, including, without limitation, client development, fundraising, global purchasing, data initiatives, marketing, strategy, product development, HR/talent management and other operational assistance and value creation (as provided in the Constituent Documents). Any expenses associated with such services, including the allocation of the compensation and benefits of the strategic support personnel performing such services, will be allocated between the BSAA Funds and/or BSAA as determined by BSAA in good faith in accordance with its strategic support expense policy. SAF IV is the latest vintage in the BSAA Funds.

#### **Arcesium LLC**

Arcesium LLC (“Arcesium”) provides certain middle- and back-office services and technology to certain BSAA Funds and may provide such services to one or more Underlying Managers. Arcesium provides services to affiliates of BAAM and funds managed by the Hedge Fund Solutions Group (the “HFS Arcesium Clients”). BAAM holds a non-controlling, minority equity interest in Arcesium and the HFS Chief Operating Officer serves on the board of Arcesium. The services and technology provided by Arcesium support various post-trade activities, including trade capture, cash and position reconciliations, asset servicing, margin and collateral monitoring, pricing-

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 5 – Fees and Compensation**

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related services, portfolio data warehousing, and other services and technology. BSAA has in the past and may in the future recommend Arcesium's services to Underlying Managers. BSAA will not require any Underlying Manager to hire Arcesium as a condition to investing in their Underlying Investment Vehicles nor will it favor Underlying Managers who use Arcesium over Underlying Managers who use other qualified middle- and back-office service providers when selecting Underlying Managers for a BSAA Fund's portfolio.

In return for such services, Arcesium receives a one-time upfront implementation fee, an annual software fee (based on complexity and net asset value), and an annual operations services fee (also based on net asset value) (such fees, in the aggregate, the "Arcesium Fees"). Arcesium Fees paid by the applicable BSAA Funds would be expected to be consistent with those charged to other Arcesium clients. Because the Arcesium Fees are based, in part, on the net asset value of the relevant BSAA Fund, which is generally determined by such BSAA Fund's administrator under the overall supervision of BSAA, there may be conflicts with respect to calculation of such net asset value. The Arcesium Fees generally are consistent with those charged to other Arcesium clients. BSAA does not intend to engage in any ongoing benchmarking or market check to determine whether the Arcesium Fees are consistent with market rates, as certain services being provided by Arcesium are bespoke and customized services and BSAA is not aware of any direct competitors to Arcesium that provide the same services. Accordingly, there can be no assurance that an unaffiliated third party would not charge a lower fee. Additional information regarding the Arcesium Fees is available from BSAA upon request.

In connection with BAAM's minority equity ownership interest in Arcesium, BAAM may receive cash distributions from Arcesium from time to time. Cash distributions received by BAAM from Arcesium will be applied first to reimburse the Arcesium Fees paid by HFS Arcesium Clients for the amount of Arcesium Fees paid by such entities to Arcesium. The allocation of such reimbursements as among the BSAA Funds and other HFS Arcesium Clients will require judgments as to methodology that BSAA makes in good faith but in its sole discretion. There can be no assurance that BAAM will receive any such distributions and therefore that any such reimbursements shall be made to the HFS Arcesium Clients. Further, if Arcesium is sold to a third-party, BSAA would not be expected to receive such cash distributions and the HFS Arcesium Clients would not be expected to be reimbursed for any portion of the Arcesium Fees paid by them. In the event that cash distributions received by BAAM from Arcesium exceed the Arcesium Fees paid by the HFS Arcesium Clients, any excess amounts will be retained by BAAM. As additional HFS clients engage Arcesium and pay Arcesium Fees in the future, the reimbursement described above will apply to such clients as well.

In addition, BAAM has a further incentive to engage Arcesium to provide services to the BSAA Funds and other BAAM Clients, as such engagement provides consistency in such services across the platform, increased scalability to support future growth across its business, and improved data centralization and accessibility, each of which also benefits BAAM.

#### **Refinitiv**

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

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 5 – Fees and Compensation**

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business (“Refinitiv”). Refinitiv operates a pricing service that provides valuation services. Refinitiv may provide valuation or other services for the Underlying Managers in the future and is expected to perform services for Other Blackstone Clients and Blackstone.

## Blackstone Strategic Alliance Advisors L.L.C.

### Item 6 – Performance-Based Fees

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In addition to the asset-based advisory fees disclosed in **Item 5 – Fees and Compensation** above, BSAA Funds also pay (a) for certain BSAA Funds, a performance fee up to 10% of the increase in net asset value of the investment in Underlying Vehicles and Co-Investments, subject to a loss carryforward provision (which fee may scale-down to as low as 8% based on the amount of capital committed to the BSAA Funds by an underlying investor) and (b) up to 30% of the proceeds with respect to Manager Revenues (which fee scales-down for certain BSAA Funds to as low as 16% based on the amount of capital committed to the BSAA Funds by an underlying investor), subject to a High Water Mark for certain BSAA Funds.

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

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

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

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

Please note the existence of a performance-based fee may incentivize BSAA to manage Investors' assets in a manner that may give rise to a greater risk of loss of invested capital than if there was no performance-based fee.



## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 7 – Types of Clients**

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

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

All Investors are subject to applicable suitability and eligibility requirements.

## **Blackstone Strategic Alliance Advisors L.L.C.**

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

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#### **Analysis**

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

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

Since Underlying Managers typically are start-up businesses, BSAA's analysis will depend in part on the performance and reputation of the principals of Underlying Managers with prior employers. Underlying Managers retain the autonomy to make investment decisions on behalf of the Underlying Investment Vehicles and BSAA does not have the contractual authority to manage the investment activities of Underlying Managers.

#### **Investment Strategies**

BSAA Funds may allocate their assets to Underlying Investment Vehicles that invest in a wide variety of investment strategies and instruments. Furthermore, BSAA Funds intend to take advantage of investment opportunities across asset classes and sectors. BSAA's primary goal is to identify the right talent pool of Underlying Managers. As such, there is concentration risk, as further described in the Client Constituent Documents.

#### **Risk of Loss**

**General Economic and Market Conditions:** The potential returns generated by BSAA Funds' and Underlying Manager's will be affected by general economic and market conditions, such as:

- ▶ Interest rates
- ▶ Availability of credit
- ▶ Credit defaults
- ▶ Inflation rates
- ▶ Economic uncertainty
- ▶ Changes in laws (including laws relating to taxation of Underlying Managers' investments)
- ▶ Elections
- ▶ Trade barriers
- ▶ Currency exchange controls

## **Blackstone Strategic Alliance Advisors L.L.C.**

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

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- ▶ National and international political circumstances (including wars, terrorist acts or security operations)
- ▶ Growth of gross domestic product
- ▶ Rate of inflation
- ▶ Currency depreciation
- ▶ Asset reinvestment
- ▶ Resource self-sufficiency
- ▶ Balance of payments position

**Investment and Trading Risk:** All investments made by the BSAA Funds risk the loss of capital (*i.e.*, invested amount). Underlying Managers utilize investment techniques such 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 BSAA's or any Underlying Manager's investment program will be successful, and investment results may vary substantially over time. Investors are subject to the risk of substantial losses.

#### **Risks Primarily Associated with BSAA and the Operation of the BSAA Funds**

- ▶ Accounting for uncertainty in income taxes
- ▶ Borrowing by the BSAA Funds; investments may be leveraged
- ▶ Compulsory withdrawal
- ▶ Decision making authority
- ▶ Dependence on key individuals
- ▶ Dependence on BSAA and Underlying Managers
- ▶ Direct investments by the BSAA Funds
- ▶ Duplicative payments and expenses
- ▶ Forward-looking statements
- ▶ Expenses relating to withdrawal
- ▶ Business and regulatory risks of being part of a larger firm
- ▶ Limited liquidity; Liquidity and information rights
- ▶ Clawback
- ▶ Liquidity mismatch
- ▶ Illiquid and Long-Term Investments
- ▶ Distributions in kind; Liquidating SPVs
- ▶ Difficulty locating suitable investments

## **Blackstone Strategic Alliance Advisors L.L.C.**

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

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- ▶ Possession of non-public information by Blackstone businesses
- ▶ Lack of transferability of interests / shares in BSAA Funds
- ▶ Exposure to claims by Underlying Managers and their respective equityholders, creditors and other related parties
- ▶ General risk of litigation and proceedings
- ▶ Reinvestment
- ▶ Indemnification and exculpation
- ▶ Special investments
- ▶ Controlling positions and non-controlling interests
- ▶ Failure to fund capital commitments; Consequences of default
- ▶ Investments longer than term
- ▶ Distributions
- ▶ Limitations of limited liability of limited partners
- ▶ Relation to other investment results
- ▶ Voting
- ▶ Electronic delivery of certain documents
- ▶ Cyber security breaches and identity theft
- ▶ Non-voting securities, Investment Company Act restrictions
- ▶ Non-U.S. tax considerations
- ▶ Misconduct of employees and third-party service providers
- ▶ Change in tax law
- ▶ IRS challenge
- ▶ Rule 5130
- ▶ Rule 5131
- ▶ Delayed Schedules K-1
- ▶ New Issues
- ▶ Fund structure
- ▶ Disposition of investments remaining at the end of term
- ▶ Direct investments by the BSAA Funds
- ▶ Information technology systems
- ▶ Phantom income

## **Blackstone Strategic Alliance Advisors L.L.C.**

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

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- ▶ Legal, tax and regulatory risks of private funds
- ▶ Regulatory changes
- ▶ Valuations and changing accounting standards
- ▶ FCPA considerations
- ▶ Outsourcing

#### **Risks Primarily Arising from Investment Activities of Underlying Managers**

- ▶ Lack of operating history
- ▶ Concentration of Underlying Investment Vehicles' portfolios
- ▶ Currency trading
- ▶ Forward trading
- ▶ Options trading
- ▶ Swap agreements and other derivative instruments
- ▶ Hedging transactions
- ▶ Highly volatile markets
- ▶ Interest rate risk
- ▶ Investments are leveraged
- ▶ Lower-rated securities
- ▶ Non-U.S. securities
- ▶ Reliance on Underlying Managers for portfolio valuation
- ▶ Proprietary investment strategies
- ▶ Short selling
- ▶ Significant positions
- ▶ Systemic risk
- ▶ Tax considerations
- ▶ Trading in securities and other investments that may be illiquid
- ▶ Turnover
- ▶ U.S. Government securities
- ▶ Relative value and arbitrage transactions
- ▶ Commodities
- ▶ Distressed equity and related securities

## **Blackstone Strategic Alliance Advisors L.L.C.**

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

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- ▶ Emerging market investments
- ▶ Event driven investment and merger arbitrage
- ▶ Relative value and arbitrage
- ▶ Regulatory changes
- ▶ Delayed Schedules K-1
- ▶ Non-Voting securities; Investment Company Act
- ▶ Lack of availability of credit and financing
- ▶ Certain strategies pursued by Fund Managers
- ▶ Synthetic investment strategies
- ▶ Stock index options
- ▶ Custodial risk
- ▶ Failure of futures commission merchants
- ▶ Suspensions of trading
- ▶ Risk of counterparty default
- ▶ Opportunistic / Macro investing
- ▶ Risks associated with bankruptcy cases
- ▶ Lower credit quality loans
- ▶ Energy investments
- ▶ Activist strategy
- ▶ Investments in real estate
- ▶ Private investments in public entities trade claims
- ▶ Style drift
- ▶ Multi-strategy investing
- ▶ SPACs and SPAC warrants
- ▶ Terrorism and catastrophe risks
- ▶ Epidemics/pandemics and public health emergencies
- ▶ Covid-19
- ▶ Environmental matters and weather and climatological risks
- ▶ Sustainability risks
- ▶ Illiquid securities and investments

## **Blackstone Strategic Alliance Advisors L.L.C.**

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

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- ▶ “Side pocket” investments
- ▶ Lower-rated securities
- ▶ Structured products
- ▶ Project finance investments
- ▶ Distressed equity and related securities
- ▶ Non-controlling investments
- ▶ Control person liability
- ▶ Event-driven investing and merger arbitrage
- ▶ Trade and other general unsecured claims
- ▶ Russian invasion of Ukraine and related sanctions

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

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 9 – Disciplinary Information**

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BSAA 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 BSAA. There have been no material regulatory findings against BSAA in the past. As of the date of this Brochure, there are no regulatory proceedings pending against BSAA and BSAA 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 BSAA and / or the BSAA Funds or should be material when evaluating your client / adviser relationship with us.



# Blackstone Strategic Alliance Advisors L.L.C.

## Item 10 – Other Financial Industry Activities and Affiliations

BSAA is an affiliate of the following entities:

### Bank Entity

- |                 |  |
|-----------------|--|
| Luminor Bank AS | ▶ A Baltic bank purchased by Blackstone Capital Partners |
|-----------------|--|

### Broker-Dealer Entities

- |                                     |   |
|-------------------------------------|---|
| Alight Financial Solutions, LLC     | ▶ Provides self-directed brokerage windows to participants of plan sponsored 401(k) retirement plans  |
| Assetpoint Financial, LLC           | ▶ Operates a service that facilitates the entry by banks and other financial institutions into repurchase agreement transactions for themselves or as agent for their customers |
| Blackstone Securities Partners L.P. | ▶ Provides a variety of limited investment banking services   |
| Everlake Distributors, L.L.C.       | ▶ Provides underwriting and distribution of variable life insurance or annuities to other broker-dealers and registered investment advisors.                                    |
| FEF Distributors LLC                | ▶ Serves as distributor and principal underwriter to the First Eagle mutual funds and private investment funds  |
| Incenter Securities Group LLC       | ▶ Provides a variety of limited investment banking services   |

### Investment Advisor Entities

- |   |  |
|---|--|
| Alight Financial Advisors, LLC (D/B/A Aon Hewitt Financial Advisors, LLC) | ▶ Provides advisory services to participants of plan sponsored 401(k) retirement plans   |
| Blackstone Alternative Asset Management L.P.                              | ▶ Manages a series of private and closed-end funds engaged in multi-manager investment programs ( <i>i.e., fund of hedge funds</i> )             |
| Blackstone Alternative Investment Advisors L.L.C.                         | ▶ Provides investment advisory services to open end mutual funds and UCITS   |
| Blackstone Alternative Solutions L.L.C.                                   | ▶ Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities        |
| Blackstone 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 Credit Systematic Strategies LLC                               | ▶ Provides investment advisory services to debt-focused separately managed accounts, private investment funds, closed-end funds and UCITS funds. |

## Blackstone Strategic Alliance Advisors L.L.C.

### Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities	
Blackstone Growth Advisors L.L.C.	▶ Provides investment advisory services to private growth investment funds
Blackstone Infrastructure Advisors L.L.C.	▶ Provides investment advisory services to one or more infrastructure-focused investment funds
Blackstone Asset Based Finance Advisors LP	▶ Provides investment advisory services to a number of debt-focused separately managed accounts
Blackstone ISG-I Advisors L.L.C.	▶ Provides investment advisory services to one or more private investment funds and managed accounts focusing on fixed income investments and investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone ISG-II Advisors L.L.C.	▶ Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic asset management strategies
Blackstone Life Sciences Advisors L.L.C.	▶ Provides investment advisory services to various private investment funds specializing in the life sciences industry
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 Multi-Asset Advisors L.L.C.	▶ Provides investment advisory services to various private investment funds focusing on investments across Blackstone's private equity, real asset, credit, hedge fund and opportunistic alternative asset management strategies
Blackstone Private Investments Advisors L.L.C.	▶ Provides investment advisory services to multi-strategy private equity funds
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 private real estate investment funds
Blackstone Real Estate Advisors IV L.L.C.	▶ Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors V L.P.	▶ Provides investment advisory services to various private real estate investment funds
Blackstone Real Estate Advisors L.P.	▶ Provides investment advisory services to various private real estate investment funds

## Blackstone Strategic Alliance Advisors L.L.C.

### Item 10 – Other Financial Industry Activities and Affiliations

#### Investment Advisor Entities

Blackstone Real Estate Special Situations Advisors L.L.C.	▶ Provides investment advisory services to private investment funds and accounts which invest primarily in public and private real estate and real estate related debt and other interests of real estate assets and real estate-related holdings
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 / CLO Management LLC (Management Series) (Relying Adviser)	▶ Provides investment advisory services to U.S. CLOs
Blackstone Ireland Limited (Relying Adviser)	▶ Provides investment advisory services to debt-focused private investment funds, separately managed accounts and acts as an investment fund manager
Blackstone Ireland Fund Management Limited (Relying Adviser)	▶ Provides investment advisory services (management/distribution) to debt-focused private investment funds and alternative investment funds
BSCA Advisors L.L.C.	▶ Provides investment advisory services to certain co-investment vehicles relating to funds managed by Blackstone Strategic Capital Advisors L.L.C.
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 and its operating subsidiary
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 a private real estate debt fund
CT Investment Management Co., LLC	▶ Provides investment advisory services to publicly traded CDOs
First Eagle Alternative Credit EU, LLC	▶ Provides investment advisory services to various private investment funds specializing in the European direct lending industry

# Blackstone Strategic Alliance Advisors L.L.C.

## Item 10 – Other Financial Industry Activities and Affiliations

### Investment Advisor Entities

First Eagle Alternative Credit EU MOA Ltd.	▶ Sponsor of limited partnerships for First Eagle’s European Alternative Credit business
First Eagle Alternative Credit Funding, LLC	▶ Sponsor of limited partnerships for First Eagle’s Alternative Credit business
First Eagle Alternative Credit, LLC	▶ Provides investment advisory services for both direct lending and broadly syndicated investments, through public and private vehicles, collateralized loan obligations, separately managed accounts and co-mingled funds
First Eagle Separate Account Management LLC	▶ Provides investment advisory services to a business development company that has not yet launched
First Eagle Investment Management, LLC	▶ Provides investment advisory services to mutual funds, private investment funds, institutional accounts and high net worth individuals
Blackstone Credit BDC Advisors LLC	▶ Provides investment advisory services to a debt-focused investment company electing to do business as a business development company
Blackstone Liquid Credit Advisors I LLC	▶ Provides investment advisory services to a number of debt-focused private investment funds and separately managed accounts
Blackstone Liquid Credit Advisors II LLC (Relying Adviser)	▶ Provides investment advisory services to a number of debt-focused separately managed accounts
Blackstone Alternative Credit Advisors LP	▶ Provides investment advisory services to a number of debt-focused private investment funds and closed-end funds
Blackstone Liquid Credit Strategies 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
Finance of America 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

## Blackstone Strategic Alliance Advisors L.L.C.

### Item 10 – Other Financial Industry Activities and Affiliations

Investment Advisor Entities			
First Eagle Alternative Capital BDC, Inc.		▶	Provides investment advisory services to certain private funds and separate accounts that have invested alongside First Eagle Alternative Capital BDC, Inc.
First Eagle Direct Lending Manager III LLC (Relying Adviser)		▶	Serves as the manager of a private direct lending fund
NIBC Bank N.V.		▶	Advisory/banking affiliate of NIBC, a PE and BTO portfolio company
NIBC Credit Management, Inc.		▶	Advisory affiliate of NIBC, a PE and BTO portfolio company
Blackstone Europe Fund Management S.a.r.l.		▶	Provides services to various alternative investment funds
Blackstone (Shanghai) Equity Investment Management Co. Ltd.		▶	Chinese investment advisory firm, which serves as sub-advisor to affiliates of the registrant
Blackstone (Shanghai) Equity Investments Management Co. Ltd. – Beijing Branch Office		▶	Chinese investment advisory firm, which serves as sub-advisor to affiliates of the registrant
Blackstone Singapore Pte Ltd		▶	Singapore investment advisory firm, which serves as a sub-advisor to affiliates of the registrant and also provides investment advisory services to funds controlled by the registrant.
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 Commodity Trading Advisor and/or Commodity Pool Operator Entities			
Blackstone Alternative Investment Advisors LLC (CTA / CPO)		▶	Provides investment advisory services to open end mutual funds and UCITS
Blackstone Alternative Asset Management L.P. (CTA / CPO)		▶	Manages a series of private and closed-end funds engaged in multi-manager investment programs ( <i>i.e., fund of hedge funds</i> )
Blackstone Alternative Solutions L.L.C. (CTA / CPO)		▶	Provides investment advisory services to private investment funds which participate in a broad range of direct investment opportunities

## Blackstone Strategic Alliance Advisors L.L.C.

### Item 10 – Other Financial Industry Activities and Affiliations

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

Blackstone Strategic Alliance Advisors L.L.C. (CTA / CPO)	▶	Manages a series of private funds engaged in a hedge fund “seeding” program
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#### 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
ELIC Reinsurance Company	▶	A captive insurance company and wholly-owned subsidiary of Everlake Life Insurance Company
Everlake Assurance Company	▶	A life insurance company domiciled in the State of Illinois
Everlake Life Insurance Company	▶	A life insurance company domiciled in the State of Illinois specializing in life insurance and annuities
Everlake Reinsurance Limited	▶	An exempted reinsurance company organized under the laws of the Cayman Islands
Gryphon Mutual Insurance Company	▶	A captive property insurance company
Ki Financial Limited	▶	A digitally-driven Lloyd’s of London syndicate insurance company
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
Prima Assicurazioni S.p.A.	▶	An Italian tech-enabled insurance company
Westland Insurance Group Ltd.	▶	A property and casualty insurance broker

Note: Other entities within the Hedge Fund Solutions Group, which serve as general partners of funds managed by BSAA affiliates (and are listed in BSAA’s ADV Part 1, Schedule D Section 7A), may be deemed to be investment advisors but are not required to be registered as such. BSAA also manages a number of private investments vehicles, which are listed in BSAA’s ADV Part 1, Schedule D Section 7B(1).

# **Blackstone Strategic Alliance Advisors L.L.C.**

## **Item 11 – Code of Ethics**

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As required by the Advisers Act, Blackstone and BSAA have adopted a Code of Ethics (the “Code”) that governs a number of potential conflicts of interest which exist when providing advisory services to the BSAA Funds. This Code is designed to enable BSAA to meet its fiduciary obligation to Investors (or prospective Investors) and to instill a culture of compliance within BSAA. An additional benefit of the Code is to assist Blackstone and BSAA 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. BSAA also supplements the Code with ongoing monitoring of employee activity.

The Code includes (among other things):

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

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

### **Potential Conflicts of Interest**

Blackstone and BSAA offer many different products and services and there are several potential conflicts of interest which may arise, including, but not limited to, those identified below. Blackstone and BSAA have adopted, and continue to adopt, policies and procedures to address such potential conflicts of interest.

### **Investment Related Potential Conflicts**

- Blackstone Alternative Asset Management L.P. (“BAAM”), an affiliate of BSAA, manages a series of funds that predominantly engage in multi-manager investment programs (the “BAAM Funds”). From time to time, BAAM Funds invest in funds managed by the BSAA Funds’ Underlying Managers. An investment by a BAAM Fund in an Underlying Investment Vehicle generally would benefit the BSAA Fund and a withdrawal by a BAAM Fund from such Underlying Investment Vehicle would be detrimental to the BSAA Fund. In addition, the BAAM Fund may seek to negotiate preferential terms and conditions from an Underlying Manager, which terms and conditions may be subject to BSAA’s approval and may trigger certain “most favored nation” rights for the BSAA Funds.
- There is overlap between the BSAA Investment Committee and the BAAM Investment Committee.

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 11 – Code of Ethics**

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- Affiliates of BSAA make equity investments in, and enter into revenue sharing arrangements with, new or emerging hedge fund/alternative asset managers as well as established hedge fund/alternative asset managers. Revenues and profits generated from such investments and arrangements accrue only to such BSAA affiliates. As a result, BSAA and its affiliates could compete for investment opportunities.

For example, Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), an affiliate of BSAA, manages certain funds (the “BSCA Funds”) that make minority equity investments in established alternative asset managers (the “BSCA Managers”).

- BSCA may compete with BSAA with respect to certain opportunities. This is most likely to be the case if BSAA seeks to make an investment in new products or business lines of otherwise established alternative asset managers in which BSCA Fund owns an interest.
- BSAA’s affiliates sponsor, manage or advise other investment funds with overlapping investment objectives with those of the BSAA Funds. Investment opportunities that are appropriate for a BSAA Fund may also be appropriate for Other Blackstone Clients. Neither the BSAA Funds nor any of their Investors will have any rights of first refusal, co-investment or other economic rights in respect of the investments of such other Blackstone funds or investment vehicles.
- BSAA typically negotiates capacity in Underlying Investment Vehicles, which generally will be shared with Investors in the BSAA Funds. In addition, BSAA may negotiate capacity for its affiliates, including the BAAM Funds. The Investors and the BAAM Funds may absorb limited investment capacity that would otherwise be available to the BSAA Funds.
- BSAA and / or Blackstone potentially could choose not to allocate fund expenses to a client that has a more advantageous fee structure and instead allocate that portion of such expenses to other clients.
- Members of BSAA’s senior management may sit on the advisory committees or boards of Underlying Managers.
- 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, which may include a BSAA Fund. The terms and conditions applicable to Blackstone strategic relationships typically would not apply to other investors’ investment in the BSAA Funds.

#### **Non-Investment Related Potential Conflicts**



## Blackstone Strategic Alliance Advisors L.L.C.

### Item 11 – Code of Ethics

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- BSAA, Blackstone and Blackstone employees invest for their own accounts in various investment opportunities, which may include investment vehicles in which the BSAA Funds and Investors have an interest.
- From time to time, BSAA and / or Blackstone employees may speak at conferences and programs for potential private fund investors, which are sponsored by BSAA / Blackstone's third-party service providers. Through such "capital introduction" events, prospective investors have the opportunity to meet with BSAA. Such events and other services provided by service providers, including prime brokers, custodians and administrators, may influence BSAA / Blackstone in deciding whether to use such service provider consistent with their obligations to the BSAA Funds / other Blackstone funds.
- Certain advisors, service providers, counterparties and vendors ("Service Providers") to BSAA, the BSAA 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 BSAA Funds and/or other affiliates of Blackstone. They may also be sources of financing and investment opportunities for, co-investors 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 BSAA 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.

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

- BSAA and the existing BSAA Funds have entered into letter agreements or other similar agreements (commonly referred to as "side letters") with certain BSAA Fund investors which provide such Investor(s) with additional and / or different rights than other investors in the relevant BSAA Fund (including, without limitation, with respect to rights

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 11 – Code of Ethics**

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relating to greater portfolio transparency, reduced fees, minimum investment amounts, reports and other information).

- BSAA incurs common expenses on behalf of the BSAA Funds.

#### **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 more 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 BSAA Funds could otherwise utilize for purposes of identifying attractive investments and managing the BSAA Funds' investments. Accordingly, certain information or investment opportunities which could be of benefit to the BSAA Funds might become restricted or otherwise unavailable to the BSAA Funds.
- 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 BSAA may contact an employee of another Blackstone group, and vice versa, about a substantive business matter, without BSAA Compliance consent and, if appropriate, having Blackstone 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 that receives the confidential information.
- With respect to BSAA's ability to allocate investment opportunities to BSAA Funds where such opportunities are within the common objectives and guidelines of a BSAA Fund 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 BSAA Funds not participating (and / or not participating to the same extent) in certain investment opportunities in which it would have otherwise participated had the allocations in question been determined without regard to such guidelines.

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

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 11 – Code of Ethics**

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- From time to time, Blackstone may refer potential investors to BSAA and these investors may become investors in one of the BSAA Funds.
- BSAA is an affiliate of Blackstone Inc., which was listed on the New York Stock Exchange on June 21, 2007. Blackstone entities may have duties or incentives relating to the interests of the Blackstone unit holders that may differ from, and that could conflict with, the interests of the BSAA Funds and their investors, such as conflicts arising from the allocation of expenses, fee offsets and investment opportunities.
- Blackstone may hire or enter into a partnership or other arrangement with one or more investment professionals to form and manage pooled investment vehicles or separately managed accounts pursuing alternative investment strategies (“Blackstone Proprietary Funds”). Blackstone and its affiliates typically would receive a significant portion of the revenues attributable to these Blackstone Proprietary Funds. Such existing Blackstone Proprietary Funds and any Blackstone Proprietary Funds formed in the future may compete with the BSAA Managers and the BSAA Funds.

#### **Blackstone Securities Partners L.P.**

- Blackstone Securities Partners L.P. (“BSP”) is a registered broker dealer and an affiliate of BSAA. BSP does not make markets in any securities and generally does not hold proprietary positions in securities or other investments. BSP engages in underwriting activities, which frequently involve underwriting of debt and equity securities by Blackstone private equity portfolio companies.
- BSAA U.S.-based marketing personnel who are responsible for raising assets for the BSAA Funds are registered representatives of BSP. BSP does not receive any compensation relating to such arrangement.

#### **PJT**

- On October 1, 2015, Blackstone spun off its financial and strategic advisory services, restructuring and reorganization advisory services, and its Park Hill fund placement businesses and combined these businesses with PJT Partners Inc. (“PJT”), an independent financial advisory firm founded by Paul J. Taubman. While PJT operates independently from Blackstone and is not an affiliate thereof, it is expected that there will be substantial overlapping ownership between Blackstone and PJT for a considerable period of time going forward. Therefore, conflicts of interest will arise in connection with transactions between or involving the BSAA Funds, on the one hand, and PJT, on the other. The pre-existing relationship between Blackstone and its former personnel involved in financial and strategic advisory services at PJT, the overlapping ownership and co-investment and other continuing arrangements between PJT and Blackstone may influence BSAA to select or recommend PJT to perform services for a BSAA Fund, the cost of which will generally be borne directly or indirectly by a BSAA Fund. Given that PJT is no longer an affiliate of Blackstone, BSAA and its affiliates are able to cause a BSAA Fund to

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 11 – Code of Ethics**

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transact with PJT generally without restriction under the Client Constituent Documents of such BSAA Fund, notwithstanding the relationship between Blackstone and PJT. In addition, one or more investment vehicles controlled by Blackstone have been established to facilitate participation in Blackstone's side-by-side investment program by employees and/or partners of PJT.

#### **Patria Investments S.A.**

- Blackstone owns a non-controlling equity interest in Pátria Investments Limited ("Pátria"), a leading Brazilian alternative asset manager and advisory firm. Pátria's alternative asset management businesses include the management of private equity funds, real estate funds, infrastructure funds and hedge funds (e.g., a multi-strategy fund and a long/short equity fund). On January 26, 2021, Pátria completed its initial public offering ("IPO"), pursuant to which Blackstone sold a portion of its interest and no longer has representatives or the right to designate representatives on Pátria's board of directors. As a result of Pátria's pre-IPO reorganization transactions (which included Blackstone's sale of 10% of Pátria's pre-IPO shares to Pátria's controlling shareholder) and the consummation of the IPO, Blackstone is deemed to no longer have significant influence over Pátria due to its decreased ownership and lack of board representation. Blackstone does not control the day-to-day management of Pátria or the investment decisions of Pátria's funds, all of which reside with the local Brazilian partners of Pátria.

#### **Data Management**

- Blackstone receives, generates or obtains various kinds of data and information in connection with the BSAA Funds, Underlying Managers, Other Blackstone Clients, portfolio companies Other Blackstone Clients, and, at their election, certain investors in the BSAA Funds and investors Other Blackstone Clients and other entities, including but not limited to data and information relating to or created in connection with business operations, trends, budgets, customers and other metrics, some of which is sometimes referred to as "big data". Blackstone can be expected to be better able to anticipate macroeconomic and other trends, and otherwise develop investment themes or identify specific investment, trading or business opportunities, as a result of its access to (and rights regarding) this data and information from such entities. In furtherance of the foregoing, Blackstone has entered and will continue to enter into information sharing and use, measurement and other arrangements, which will give Blackstone access to (and rights regarding, including ownership and distribution rights over) data that it would not otherwise obtain in the ordinary course, with the BSAA Funds, Other Blackstone Clients, portfolio companies of the Other Blackstone Clients, at their election, investors in the

# Blackstone Strategic Alliance Advisors L.L.C.

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BSAA Funds and in Other Blackstone Clients, and/or other entities and their related parties and service providers.

Although Blackstone believes that these activities improve Blackstone's investment management and other business activities on behalf of the BSAA Funds and Other Blackstone Clients, any information obtained from the BSAA Funds and, at their election, certain Investors and investors in Other Blackstone Clients also provides material benefits to Blackstone or Other Blackstone Clients and their portfolio companies, typically without compensation or other benefit accruing to the BSAA Funds or Investors. For example, information from a portfolio company of the Other Blackstone Clients can be expected to enable Blackstone to better understand a particular industry, enhance Blackstone's ability to provide advice or direction to a company's management team on strategy or operations and 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 company, typically without compensation or benefit to the Fund or its portfolio companies. As a result, BSAA has an incentive to pursue investments in or with entities or Underlying Managers based on their data and information and/or to utilize such information in a manner that benefits Blackstone.

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

The sharing and use of "big data" and other information presents potential conflicts of interest and the Investors acknowledge and agree that any benefits received by Blackstone or its personnel (including fees (in cash or in kind) costs and expenses), will not offset the BSAA Funds' management fees or otherwise be shared with the BSAA Funds or the Investors. As a result, BSAA has an incentive to pursue investments in or with entities or Underlying Managers that have data and information that can be utilized in a manner that benefits Blackstone or Other Blackstone Clients.

- **Data Management Services.** Blackstone or an affiliate of Blackstone formed in the future may provide data management services to portfolio companies, to certain investors in the BSAA Funds and in Other Blackstone Clients, and may also provide such services directly to the BSAA Funds and Other Blackstone Clients (collectively, "**Data Holders**"). Such

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 11 – Code of Ethics**

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services may include assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing marketing and selling such data (among other related data management and consulting services) for monetization through licensing or sale arrangements with third parties and, subject to applicable contractual limitations, with the BSAA Funds, Underlying Managers, Other Blackstone Clients, to investors in the BSAA Funds and in Other Blackstone Clients, and other Blackstone affiliates and associated entities (including funds in which Blackstone and Other Blackstone Clients make investments, and portfolio entities thereof). 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 the 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 is expected to receive compensation for such data management services, which may include a percentage of the revenues generated through any licensing or sale arrangements with respect to the relevant data, and which compensation may also include 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)). Additionally, Blackstone may determine to 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 would not receive any financial or other benefit from having provided such data to Blackstone. The potential receipt of such compensation by Blackstone could create incentives for Blackstone to cause the BSAA Funds to invest in or with entities or Underlying Managers 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 on behalf such BSAA Funds.

#### **RE Tech Advisors (“RE Tech”)**

- RE Tech is a portfolio entity of certain Other Blackstone Clients that is an energy audit / consulting firm that identifies and implements energy efficiency programs, calculates return on investment and tracks performance post-completion. RE Tech may perform services for the BSAA Funds and is expected to perform services for Other Blackstone Clients and Blackstone.

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## Item 11 – Code of Ethics

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### Potential Mitigants

BSAA maintains policies and procedures designed to mitigate some of the foregoing conflicts, including:

- Generally, BAAM Funds may only invest in Underlying Investment Vehicles after a seasoning period (generally around six months after the BSAA Funds' initial investment). This seasoning period does not apply to Co-Investments or to investments existing prior to a BSAA Fund's initial investment.
- BSAA's portion of the fees generated from a BAAM Fund's investment in an Underlying Investment Vehicle or Co-Investment is rebated to such BAAM Fund. The BAAM Fund investors retain their portion of the fees or receive a rebate of such amounts.
- When BAAM Funds invest in / redeem out of an Underlying Investment Vehicle, designated senior management of BAAM and BSAA must sign an additional approval, supplementary to the usual BAAM Allocation Oversight Committee and BAAM Investment Committee approvals.
- All BSAA investment decisions are approved by the BSAA Investment Committee.
- BSAA will not launch a successor fund (as described in applicable BSAA Fund's Client Constituent Documents) until at least 75% of the capital committed by Investors to the current BSAA Fund is drawn down, committed or reserved for fees, expenses or investments.
- If a BSAA Fund were to invest in / redeem from a BSCA Manager, BAAM / BSAA Compliance and designated members of BSAA and BAAM senior management must sign a separate approval.
- If an investment opportunity is appropriate for a BSAA Fund and one or more Other Blackstone Clients (including other BSAA Funds), Blackstone will determine allocations of such opportunity in accordance with its written allocation policies and procedures.
- BSAA / BAAM maintain detailed policies and procedures relating to allocations. In addition, each limited capacity allocation decision is documented separately and reviewed by BAAM / BSAA Compliance to determine that such allocation follows relevant policies and procedures.
- HFS allocates expenses on a basis that it considers fair and equitable and in accordance with its expense allocation policies and the Client Constituent Documents.
- All Blackstone employees must pre-clear trades in all hedge funds and other securities (subject to a few limited exceptions) with Blackstone Compliance.
- Upon hire and quarterly thereafter, all BSAA employees must report all hedge fund holdings. BSAA and BAAM employees generally are prohibited from investing with Underlying Managers.

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### **Item 11 – Code of Ethics**

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- Neither BSAA nor the BSAA Funds compensate service providers for organizing “capital introduction” events.
- Any use of Service Providers will be in accordance with the Client Constituent Documents and applicable law. Blackstone has a general practice of not having lower fee arrangements for BSAA and Other Blackstone Advisers as compared to fees paid by the BSAA Funds for similar services.
- Generally, BSAA does not enter into agreements that grant preferential treatment to Investors in the same share class, if applicable, with respect to liquidity terms unless there is a specific regulatory requirement mandating such preferential treatment. Further details relating to such side letters are available upon request, subject to BSAA’s fiduciary and confidentiality obligations.



# **Blackstone Strategic Alliance Advisors L.L.C.**

## **Item 12 – Brokerage Practices**

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### **General Considerations**

It is not anticipated that BSAA will effectuate brokerage transactions on behalf of the BSAA Funds although it has the authority to do so. There are no limitations as to which broker-dealers are used or as to the commission rates or similar charges paid.

In the unlikely event that BSAA retains brokers, dealers and other counterparties or intermediaries (“Brokers”) to effect portfolio transactions, BSAA will seek to obtain the best execution for the BSAA 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; (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 BSAA. BSAA is generally not required to weigh these factors equally. Subject to seeking best execution, BSAA may consider other factors, such as capital introduction services and other investor referrals.

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

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

BSAA does not utilize “soft dollars” (*i.e.*, non-cash consideration is exchanged for services) to pay for third-party brokerage services. Certain Underlying Managers use “soft dollars” (both within, and potentially outside of the safe harbor of Section 28(e) of the Securities Exchange Act of 1934, as amended) to obtain both research and non-research products and services.

### **Brokerage for Client Referrals**

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

### **Block Trading Procedures**

In the event that futures, securities, forward, options, or spot currency transactions are traded for multiple BSAA Funds, typically trade orders would be aggregated for execution and allocated pro rata. No such trading is expected to occur. In the unlikely instance where BSAA believes that the aggregation of trades for multiple BSAA Funds would cause the BSAA Funds’ cost of execution to increase, BSAA will not aggregate such trades.

### **Principal Trading**

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

# **Blackstone Strategic Alliance Advisors L.L.C.**

## **Item 12 – Brokerage Practices**

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### **Cross Transactions – Agency Cross Transactions**

BSAA generally does not engage in agency cross transactions. To the extent that BSAA engages in an agency cross transaction, BSAA will comply with the requirements of Section 206(3) of the Advisers Act.

### **Investment Allocations**

Allocations between parallel domestic and offshore funds are generally made pro rata based on committed capital. Allocations between different vintages of BSAA Funds generally are not an issue since BSAA will not form or serve as investment adviser to or general partner of a Successor Fund (as described in the applicable BSAA Fund's Client Constituent Documents) until the earlier of (i) at least 75% of such BSAA Funds' committed capital being drawn down, committed or for fees, expenses or investments and (ii) the expiration of the current BSAA Funds' investment period.

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

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

### **Trade Errors**

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

If a third party causes a trade error that is material to the BSAA Funds, BSAA will typically seek to recover the amount of loss from such third party for the BSAA Funds but will not be obligated to do so. BSAA does not assume responsibility for compensating the BSAA Funds, or making any third party compensate the BSAA Funds, in such case.

# **Blackstone Strategic Alliance Advisors L.L.C.**

## **Item 13 – Review of Accounts**

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### **The Investment Committee**

BSAA has several senior investment professionals that supervise its investment advisory business through the BSAA Investment Committee. The BSAA Investment Committee approves investments by the BSAA Funds in, and redemptions from, Underlying Investment Vehicles or Co-Investments. The BSAA Investment Committee includes members of, and expects to draw upon the experience and expertise of, the Investment Committee of BAAM, subject to applicable confidentiality restrictions.

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

- ▶ The expected performance of the investment
- ▶ Reputation of the principals of Underlying Manager
- ▶ Availability of cash
- ▶ Liquidity needs
- ▶ Underlying Manager's investment objectives
- ▶ Risk parameters
- ▶ Ability to negotiate preferential terms
- ▶ ERISA capacity
- ▶ General capacity
- ▶ Tax efficiency
- ▶ Investment limits
- ▶ Operational factors
- ▶ Legal and regulatory factors

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

### **The Advisory Board**

BSAA has established an advisory board (the "Advisory Board") with respect to certain BSAA Funds to advise BSAA on various matters. The size, terms, and appointment of the members of the Advisory Board and other matters relating to the functioning of the Advisory Board will be determined by BSAA in its discretion. The members of the Advisory Board are comprised of representatives of selected Investors that are not affiliates of BSAA. The views / advice of the Advisory Board are not binding on BSAA or the BSAA Funds. The specific responsibilities of the Advisory Board are set forth in such BSAA Funds' Client Constituent Documents.

### **Monitoring Process**

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

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 13 – Review of Accounts**

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

#### **BSAA Fund investor reporting**

- ▶ BSAA generally provides Investors monthly (prior to the wind down of the applicable BSAA Fund) and quarterly reports regarding their investments, which include capital balances and BSAA Fund performance. Investors also receive annual audited financial statements for the BSAA Fund in which they are invested. In generating these reports, BSAA generally will rely, in part, on information provided by Underlying Managers.

#### **Operations team reconciliation**

- ▶ The operations team and/or the administrator of a BSAA Fund performs daily cash reconciliations to determine that fundings, redemptions, expense payments, and other cash movements are properly processed.

#### **Administrator reconciliation**

Each BSAA Fund's administrator performs a reconciliation of cash, investor activity, and investments as part of its independent determination of the net asset value for such BSAA Fund, and produces the final capital / shareholder statements. The BSAA Funds' administrator is responsible for maintaining the official books and records of the BSAA Funds. This responsibility includes, but is not limited to, performing monthly cash and position reconciliations to custodians, prime brokers and counterparties and valuation of investments. At month end, the BSAA Funds' administrator independently determines the net asset value of the BSAA Funds, including income and expense / fee accruals, and produces the final investor allocations and capital / shareholder statements.

## **Blackstone Strategic Alliance Advisors L.L.C.**

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

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BSAA has entered into distribution and / or placement agent arrangements for certain of its prior series of funds but has not entered into such arrangement for Blackstone Strategic Alliance Fund III or SAF IV. In a typical distribution / placement arrangement, BSAA agrees to pay a third-party solicitor for referring investors in BSAA Funds.

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

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

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 15 – Custody**

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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. BSAA Funds structured as partnerships generally have a BSAA affiliate acting as general partner and, as such, BSAA is deemed to have custody of the BSAA Funds’ assets. For the BSAA Funds that are not structured as partnerships, BSAA also is typically deemed to have custody of the BSAA Funds’ assets since BSAA has access to BSAA Fund assets for trading purposes and to pay expenses. BSAA generally complies with the Custody Rule by providing all Investors with audited financial statements within 180 days of the BSAA Fund’s fiscal year end.

A BSAA Fund’s assets are typically comprised of interests in Underlying Investment Vehicles, represented by a subscription agreement, and cash, held in bank or brokerage accounts in the name of the BSAA Fund. BSAA Funds do not utilize a third-party, independent custodian to hold the BSAA Funds’ subscription agreements for investments in Underlying Investment Vehicles.

# Blackstone Strategic Alliance Advisors L.L.C.

## Item 16 – Investment Discretion

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### Investment Guidelines

Investment decisions are made within any investment guidelines as described in each BSAA Fund's Client Constituent Documents.

### Types of Investments

BSAA has broad discretion to make investments within the guidelines of the Client Constituent Documents. BSAA Funds primarily will invest in Underlying Investment Vehicles. In addition, in order to hedge investor contributions denominated in currencies other than U.S. dollars or to hedge certain market exposures, BSAA Funds may invest in securities and other instruments, including but not limited to forward contracts, currency option swaps, caps, floors and other derivative contracts and similar instruments.

If futures, forward, options, and spot currency transactions are traded for multiple BSAA Funds, generally trade orders would be aggregated for execution and allocated pro rata.

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

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

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

## **Blackstone Strategic Alliance Advisors L.L.C.**

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

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BSAA has adopted proxy voting policies and procedures (the "Proxy Policy") to vote proxy proposals, amendments, consents or resolutions (collectively, "proxies") relating to investments with Underlying Managers. From time to time, Underlying Managers may require consent from investors to change various aspects of their business or to make certain investments.

The general policy is to vote proxies relating to investments with Underlying Managers in a manner that serves the best interests of the BSAA Funds as determined by BSAA in its discretion. Investors cannot direct BSAA's vote with respect to a particular proxy solicitation.

At times, conflicts may arise between the interests of a BSAA Fund, on the one hand, and the interests of BSAA or its affiliates, on the other hand. If BSAA determines that it has, or may be perceived to have, a conflict of interest when voting a proxy, BSAA will address matters involving such conflicts of interest on a case-by-case basis in a fair and equitable manner, subject to legal, regulatory, contractual or other applicable considerations. BSAA, in its sole discretion, may elect not to vote a proxy if unduly burdensome subject to BSAA's obligations under 206(4)-6 of the Advisers Act.

Investors may request a copy of the Proxy Policy and may review in BSAA's offices information on how BSAA voted proxies relating to the Investor's portfolio.



## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 18 – Financial Information**

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BSAA does not charge fees more than six months in advance, has never filed for bankruptcy as of the date of this brochure and is not aware of any financial condition reasonably likely to impair its ability to meet contractual commitments to the BSAA Funds.

## **Blackstone Strategic Alliance Advisors L.L.C.**

### **Item 19 – Requirements for State-Registered Advisers**

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