

# Blackstone Diversified Multi-Strategy Fund: Class I (GBP) Dis. - BXDMSJG

A sub-fund of Blackstone Alternative Investment Funds plc, an umbrella fund established as a UCITS with segregated liability between sub funds.



## February 29, 2016 | Investment Summary

Fund Net Performance <sup>(1)(2)</sup>	ITD	YTD	QTD	MTD	ITD STATISTICS			
					St Dev.	Beta	Alpha	Sharpe
BXDMSJG	(4.90%)	(4.52%)	(4.52%)	(2.56%)	4.86%	-	-	(1.54)
MSCI World TR (GBP-Hedged)	(9.88%)	(6.58%)	(6.58%)	(0.67%)	15.71%	0.17	(3.20%)	(0.91)
Barclays Gbl Agg (GBP-Hedged)	3.65%	3.14%	3.14%	2.24%	5.48%	(0.33)	(3.57%)	0.97

### Fund Highlights

Fund Assets (Mn)	£645.61
NAV per Share	£9.51
Share Class Inception Date	July 6, 2015
Investment Manager	Blackstone Alternative Investment Advisors LLC
Subscriptions	Daily
Redemptions	Daily
Distributions	Quarterly

### Investment Approach

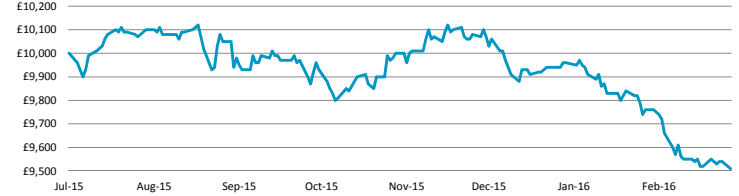
The Fund's investment objective is to seek capital appreciation. The Fund seeks this objective by allocating its assets among a variety of discretionary sub-advisers with experience managing non-traditional or "alternative" investment strategies. Blackstone is responsible for selecting the strategies, for identifying and retaining sub-advisers, and for determining the amount of Fund assets to allocate to each strategy and to each sub-adviser. Blackstone may also manage a portion of the Fund's assets directly.

### Fund Terms – Share Class I (GBP) Acc. <sup>(6)</sup>

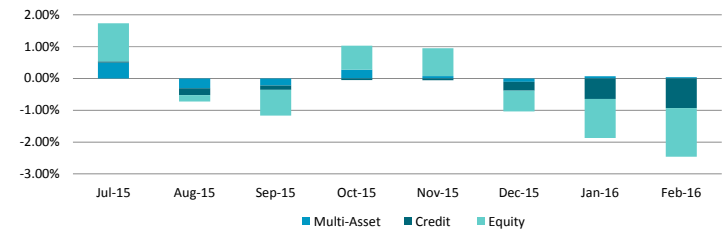
Minimum Initial Investment (Mn)	£5.00
Management Fee	1.40%
Performance Fee <sup>(7)</sup>	15.00%
Other Expenses <sup>(8)</sup>	0.45%

- Fund performance is shown net of all fees and expenses. Past performance may not be a reliable guide to future performance. The value of Fund shares may go down as well as up and there can be no assurance that the Fund will achieve its investment objectives or avoid significant losses. Performance is estimated and unaudited for 2015 and 2016. Net performance for the Fund as well as indices is from 7/6/15 to 2/29/16.
- The indices presented are indicative and for illustrative purposes only. The volatility of the indices presented may be materially different from that of the performance of the Fund. In addition, these indices employ different investment guidelines and criteria than the Fund; as a result, the holdings in the Fund may differ significantly from the securities that comprise the indices. The performance of these indices has not been selected to represent an appropriate benchmark to compare to the performance of the Fund, but rather is disclosed to allow for comparison of Fund performance to that of well-known and widely recognized indices. A summary of the investment guidelines for these indices is available upon request. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. Beta and Alpha represents BXDMSJG compared to the specific indices. Standard deviation and Sharpe calculations are annualized. All Inception to Date Statistics are calculated using daily performance since Inception.
- This graph represents the hypothetical Net Asset Value if a client were to invest £10,000, on July 6, 2015, the inception of BXDMSJG.
- Performance contribution represents the contribution of each strategy or sub-strategy to the Fund's total return. Performance contribution is shown gross of all fees and expenses.
- The portfolio allocations in the table reflect allocations as of the date of the report. The Fund may shift allocations among sub-advisers, strategies and sub-strategies at any time. Further, Blackstone, on behalf of the Fund, may determine to not employ one or more of the above-referenced sub-advisers, strategies or sub-strategies. Blackstone may also add new sub-advisers, strategies or sub-strategies. Accordingly, the allocations are presented for illustrative purposes only and should not be viewed as predictive of the ongoing composition of the Fund's portfolio (and its sub-advisers), which may change at any time.
- The above terms are summarised and qualified in their entirety by the more detailed information set forth in the UCITS prospectus and supplement.
- The Fund will pay to Blackstone a performance fee equal to 15% of any returns the relevant class achieves above any losses carried forward from previous periods. The Fund may also pay to Blackstone an additional performance fee equal to the amount of any performance fees owed by Blackstone to the sub-advisers. Any such additional performance fee will be deducted from Blackstone's performance fee before it is paid in subsequent quarterly performance periods. The performance fee together with any additional performance fee are subject to a cap of 4.95% of the NAV of the class.
- Blackstone has agreed to reimburse the Fund so that certain of the Fund's "Other Expenses" will not exceed 0.45% annually. Please see important disclosure information at the end of this document for further explanation.
- Blackstone Senfina Advisors L.L.C. "Senfina" is an indirect wholly-owned subsidiary of The Blackstone Group L.P., a publicly traded master limited partnership that has units that trade on the New York Stock Exchange under the symbol "BX." Senfina is an affiliate of BAIA, the Fund's investment adviser, on the basis that it is under common control with BAIA. The investment by BXDMS with Senfina benefits Blackstone and a withdrawal from Senfina would be detrimental to Blackstone.
- Sub-adviser is not currently managing any Fund assets. Allocations may change at any time without notice.

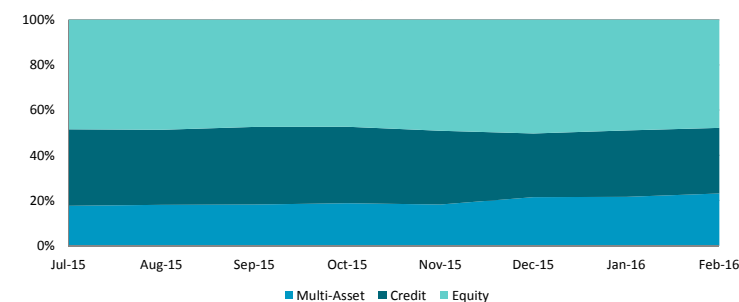
Growth of £10,000 Since Inception <sup>(1)(3)</sup>



Performance Contribution by Sub-Strategy <sup>(4)</sup>



Asset Allocation by Sub-Strategy <sup>(5)</sup>



Portfolio Allocation <sup>(5)</sup>

Sub-Adviser	Strategy	Sub-Strategy	Current Allocation
Rail Splitter	Fundamental	Equity (Long/Short)	
GSIS	Fundamental	Equity (Long/Short)	
HealthCor	Fundamental	Equity (Long/Short)	
Wellington	Fundamental	Equity (Long/Short)	48%
Senfina <sup>(9)</sup>	Fundamental	Equity (Market Neutral)	
Cerebellum <sup>(10)</sup>	Quantitative	Equity (Market Neutral)	
Two Sigma Advisers	Quantitative	Equity (Market Neutral)	
Alpha Parity	Quantitative	Multi-Asset (Macro Systematic)	
IPM	Quantitative	Multi-Asset (Macro Systematic)	23%
Emso	Global Macro	Multi-Asset (Macro EM-Credit)	
Chatham	Opportunistic Trading	Credit	
Cerberus	Opportunistic Trading	Credit (MBS/ABS)	
Bayview	Fundamental	Credit (MBS/ABS)	
Caspian	Fundamental	Credit	29%
Good Hill	Fundamental	Credit (MBS/ABS)	
Sorin	Fundamental	Credit (MBS/ABS)	
Waterfall	Fundamental	Credit (MBS/ABS)	

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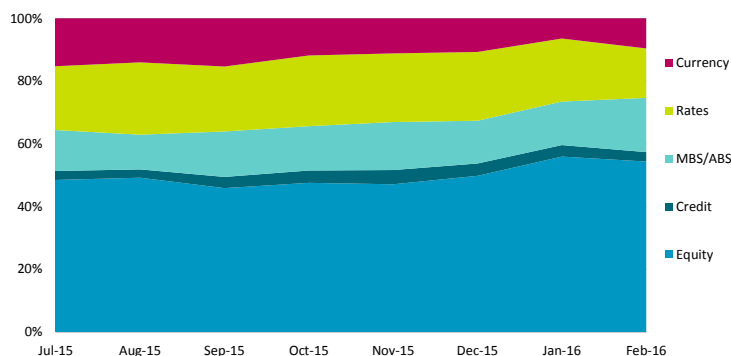
## February 29, 2016 | Investment Summary

Sub-Strategy Performance <sup>(1)</sup>	Allocation at <sup>(5)</sup>		MTD		QTD		ITD Cumulative Performance	
	2/29/2016	Return	Attribution	Return	Attribution	Return	Attribution	
Equity	47.87%	(3.09%)	(1.53%)	(5.31%)	(2.74%)	(3.30%)	(1.61%)	
Credit	28.98%	(3.02%)	(0.93%)	(5.00%)	(1.57%)	(6.76%)	(2.25%)	
Multi-Asset	23.15%	0.15%	0.04%	0.47%	0.11%	1.29%	0.32%	
Expenses and Other			(0.14%)		(0.33%)		(1.37%)	
Net Return <sup>(2)</sup>			(2.56%)		(4.52%)		(4.90%)	

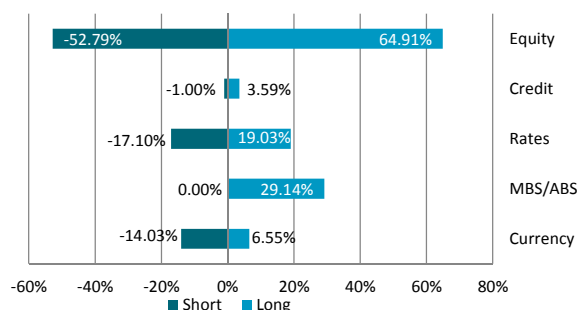
### Monthly Net Performance<sup>(3)</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	-	-	-	-	-	-	1.00%	(0.50%)	(1.29%)	0.81%	0.70%	(1.09%)	(0.40%)
2016	(2.01%)	(2.56%)											(4.52%)

### Asset Class Gross Historical Exposure<sup>(4)(5)</sup>



### Asset Class Exposure<sup>(4)</sup>



### Fund Geographic Exposure<sup>(4)</sup>

Region	Long	Short	Net
US/Canada	83.91%	54.86%	29.04%
Latin America	7.66%	0.55%	7.11%
Core Europe	17.54%	12.06%	5.49%
Peripheral Europe	4.42%	0.05%	4.37%
Middle East/Africa	2.80%	3.66%	-0.86%
China/HK/Taiwan	1.15%	0.99%	0.15%
Asia general	2.23%	7.62%	-5.39%
Japan	3.98%	5.29%	-1.31%
<b>Total</b>	<b>123.68%</b>	<b>85.08%</b>	<b>38.60%</b>

- (1) Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
- (2) Fund performance is shown net of all fees and expenses. Past performance is not necessarily indicative of future results. There can be no assurance that the Fund will achieve its objective or avoid significant losses. Performance is estimated and unaudited for 2015 and 2016.
- (3) Performance is presented through February 29, 2016. Net performance is net of all fees and expenses. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. Additional information and current performance data is available at [www.blackstone.com/bxdms](http://www.blackstone.com/bxdms). BXDMSJG launched on July 6, 2015 and thus performance for July 2015 is limited to July 6 through July 31.
- (4) In the case of non-interest rate instruments, exposure data represents the delta adjusted market value. In the case of interest rate products, exposure data is represented by the 10-year equivalent instrument. Positions of unknown type (if any) are excluded from exposure data. Data is obtained from State Street Fund Services (Ireland) Limited, the administrator for the Fund. The Fund does not guarantee the accuracy of such data.
- (5) Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.

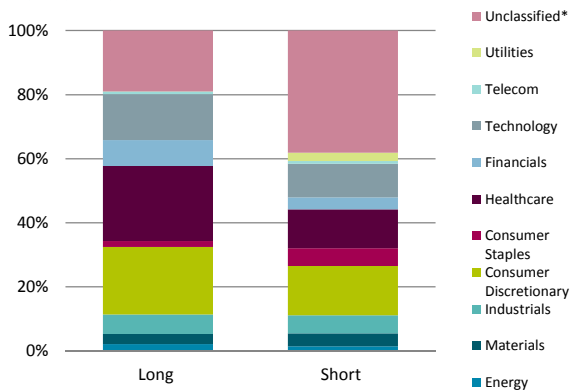
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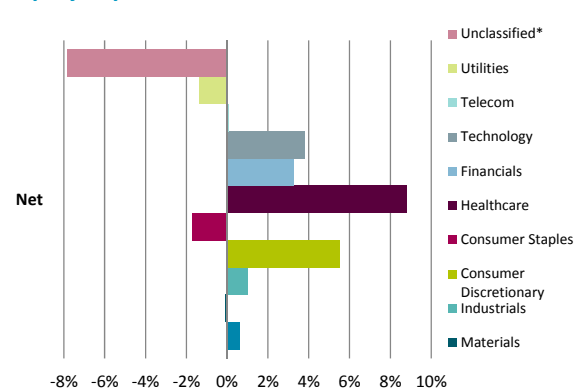


## February 29, 2016 | Investment Summary

### Equity Exposure – Sector Breakdown<sup>(1)</sup>



### Equity Exposure – Net Sector Breakdown<sup>(1)</sup>



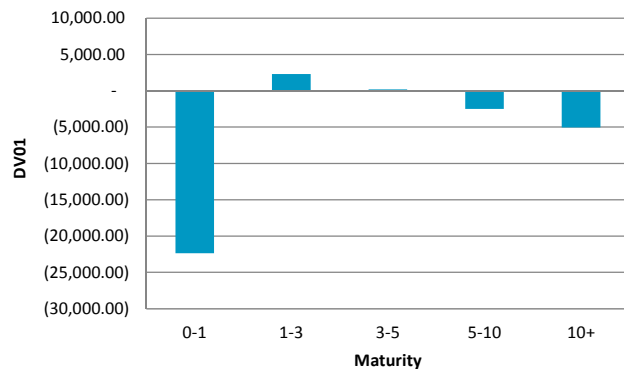
### Currency Exposure<sup>(1)</sup>

Region	Long	Short	Net
Asia general	0.00%	1.90%	-1.89%
China/HK/Taiwan	0.00%	0.98%	-0.98%
Core Europe	0.80%	5.21%	-4.42%
Japan	1.07%	2.05%	-0.98%
Latin America	1.17%	0.18%	0.99%
Middle East/Africa	1.76%	2.43%	-0.67%
Peripheral Europe	0.75%	0.00%	0.75%
US/Canada	0.99%	0.98%	0.01%
<b>Total</b>	<b>6.55%</b>	<b>13.74%</b>	<b>-7.19%</b>

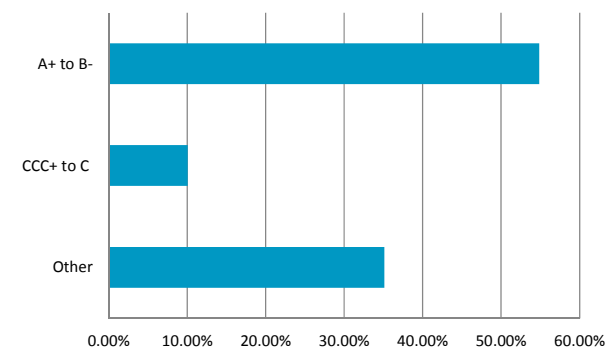
### Equity Exposure – Sector Breakdown<sup>(1)</sup>

	Long	Short	Net
Energy	1.41%	0.79%	0.62%
Materials	2.04%	2.14%	-0.10%
Industrials	3.95%	2.95%	1.01%
Consumer Discretionary	13.66%	8.13%	5.53%
Consumer Staples	1.22%	2.94%	-1.72%
Healthcare	15.18%	6.37%	8.81%
Financials	5.26%	2.01%	3.26%
Technology	9.31%	5.53%	3.78%
Telecom	0.54%	0.46%	0.09%
Utilities	0.01%	1.36%	-1.35%
Unclassified*	12.32%	20.13%	-7.81%
<b>Total</b>	<b>64.91%</b>	<b>52.79%</b>	<b>12.12%</b>

### Fixed Income Interest Rate Sensitivity<sup>(2)</sup>



### Fixed Income Ratings<sup>(1)</sup>



### VaR Analysis<sup>(3)</sup>

Date	VaR
2/29/16	2.89%

- (1) In the case of non-interest rate instruments, exposure data represents the delta adjusted market value. In the case of interest rate products, exposure data is represented by the 10-year equivalent instrument. Positions of unknown type (if any) are excluded from exposure data. Data is obtained from State Street Fund Services (Ireland) Limited, the administrator for the Fund. The Fund does not guarantee the accuracy of such data. Using the higher Standard & Poor's ("S&P's") and/or Moody's Investor Service ("Moody's") ratings.
- (2) Dv01 represents the change in value of a security for a 1 basis point change in interest rates.
- (3) Value at Risk ("VaR") is calculated at a 99% confidence level for a one month holding period (20 business days) using a model based on historical Fund data. Please see the Glossary of Terms for a further explanation of VaR.

\*Comprised of index futures, options on index futures, ETFs, and ETF options

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All investors should consider the investment objectives, risks, charges and expenses of Blackstone Diversified Multi-Strategy Fund (BXDMS) carefully before investing. The Key Investor Information Document ("KIID"), Prospectus and Supplement contain this and other information about BXDMS and are available on the Blackstone website at [www.blackstone.com/BXDMS](http://www.blackstone.com/BXDMS). All KIIDs are available in English, and certain share class specific KIIDs are available in French, German, Dutch, Danish, Finnish, Swedish, Norwegian, Spanish and Italian as indicated on the Blackstone website. All investors are urged to carefully read the Prospectus, Supplement and KIID in their entirety before investing.

## Glossary of Terms:

**Beta:** A measure of the volatility, or systemic risk, of a security or a portfolio in comparison to the market as a whole.

**Standard Deviation:** A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance.

**Alpha:** A risk-adjusted performance measure that represents the average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return.

**Sharpe Ratio:** A ratio to measure risk-adjusted performance. The Sharpe Ratio is calculated by subtracting the risk-free rate – such as that of the 10-year U.S. Treasury bond – from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. The greater a portfolio's Sharpe Ratio, the better its risk-adjusted performance has been.

**Delta:** The ratio comparing the change in the price of the underlying asset to the corresponding change in the price of a derivative.

**Gross Exposure:** Reflects the aggregate of long and synthetic short investment positions in relation to the net asset value. For example, if BXDMS has 60% long exposure and 50% synthetic short exposure to a particular asset class, then BXDMS has 110% gross exposure to that asset class. The gross exposure is one indication of the level of leverage in a portfolio.

**Net Exposure:** This is the difference between long and synthetic short investment positions in relation to the net asset value. For example, if BXDMS has 60% long exposure and 50% synthetic short exposure to a particular asset class, then BXDMS is 10% net exposure to that asset class.

**Long:** A long position occurs when an individual owns securities.

**Synthetic Short:** Short selling an underlying security through the use of derivatives. Synthetic Short positions can generate returns when the price of the underlying security declines.

**VaR:** A statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame. Value at risk is used by risk managers in order to measure and control the level of risk which the firm undertakes. The risk manager's job is to ensure that risks are not taken beyond the level at which the firm can absorb the losses of a probable worst outcome.

## Glossary of Indices:

Market indices obtained through Bloomberg. Indices are presented are indicative and for illustrative purposes only, are unmanaged and investors cannot invest in an index. The volatility of the indices presented may be materially different from that of the performance of BXDMS. In addition, the indices employ different investment guidelines and criteria than BXDMS; as a result, the holdings in BXDMS may differ significantly from the securities that comprise the indices. The performance of the indices has not been selected to represent an appropriate benchmark to compare to the performance of BXDMS, but rather is disclosed to allow for comparison of BXDMS performance to that of well-known and widely recognized indices. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

**Barclays Global Aggregate Bond Index (GBP-Hedged):** provides a broad-based measure of the global investment grade fixed-rate debt markets. It is comprised of the U.S. Aggregate, Pan-European Aggregate, and the Asian-Pacific Aggregate Indexes.

**MSCI World Index (GBP-Hedged):** A market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI World is maintained by Morgan Stanley Capital International, and is comprised of stocks from all the developed markets in the world.

## Important Disclosure:

Blackstone has agreed to waive its fees and/or reimburse expenses of the Fund so that "Other Expenses" will not exceed 0.45% (annualized). For this purpose, "Other Expenses" includes all expenses incurred in the business of the Fund other than (i) establishment expenses relating to the Fund; (ii) investment management fees; (iii) Performance Fees or Additional Performance Fees; (iv) distributor fees; (v) Eligible Collective Investment Scheme fees and expenses, (vi) brokerage and trading costs, (vii) interest payments, (viii) taxes, and (ix) extraordinary expenses. Blackstone may terminate or modify this arrangement at any time in its sole discretion upon 30 days' notice in writing to the Fund's shareholders.

## Important Risks:

There can be no assurance that BXDMS will achieve its investment objective. It should be appreciated that the value of Shares may go down as well as up. An investment in a Fund involves investment risks, including possible loss of the entire amount invested. The capital return and income of BXDMS is based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, the Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. The following is a summary description of certain principal risks of investing in BXDMS:

- General economic and market conditions can affect the price and volatility of investments.
- The success of the Fund depends upon BAIA's skill in determining the Fund's allocation to alternative investment strategies and in selecting the best mix of sub-advisers. There can be no guarantee that sub-advisers will stick to the Investment strategy for which they were selected, or that these strategies will be successful.
- Sub-advisers may make investment decisions which conflict with each other; for example, sub-advisers may hold economically offsetting positions or may purchase or sell the same security at the same time without aggregating their transactions. This may result in unnecessary brokerage and other expenses and the Fund may incur losses as a result.
- Some of the sub-advisers selected may hold only a small number of investments, or assets that move closely in line with assets held by other sub-advisers.
- The Fund's investments will include shares, bonds and FDI. Each of these will be exposed to the risks specific to the type of asset in question. In particular, the use of FDI may result in substantial gains or losses that are greater in magnitude than the original amount invested.
- The Fund may invest in countries with a weak legal or financial framework where it can be hard to enforce ownership rights or repatriate funds.
- The Fund may invest in currencies other than its base currency. The success of measures to protect the Fund or a Class against currency movements cannot be certain.
- Changes in exchange rates may have an adverse effect on the value price or income of the product.
- The Fund may invest in FDI that derive their value from other assets in the expectation of making a profit if the price of the assets falls; theoretically, this could result in an infinite loss.
- The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.
- Low trading volumes, lack of buyers, large positions or legal restrictions may limit or prevent the Fund from selling particular assets quickly and/or at desirable prices.

For further information on the risks faced by the Fund, see "Risk Factors" in the Prospectus and Supplement for the Fund, available from [www.blackstone.com/BXDMS](http://www.blackstone.com/BXDMS)

## February Market Commentary

February offered investors little reprieve on the heels of a challenging January, with continued uncertainty around the global economic outlook reinforced by mixed but largely unconvincing data releases during the month. While the headline numbers reflect a moderate decline, this disguises the actual experience over the course of February, which can largely be described in two halves. In the first half of the month, equity markets suffered sharp losses, and at one point the MSCI World Index was down over 11% on a year-to-date basis. Around the mid-month mark, however, risk assets began to rebound and ultimately staged a partial recovery, as investor sentiment improved slightly leading into month end.

In Europe, geopolitical risks guided returns in February, as fear of a possible “Brexit” drove the pound sterling down to its lowest levels relative to the dollar since 2009, and the refugee crisis continued to be cause for concern across the region. Investors continue to have a negative view on the European banking sector based on a weak Q4 earnings season and the fear that the overall health of the system will be significantly hampered by negative interest rates. As a result, European financials saw significant selling pressure in February, ending down 15%<sup>1</sup> on a year-to-date basis through February. These market pressures, along with the aforementioned political tensions, have led the ECB to consider implementing additional easing measures at its next meeting in March.

Turning to the U.S., economic data releases in February continued to be tepid; though employment numbers remained fairly robust (the unemployment rate fell to its lowest level since 2008, coming in at 4.9%). Other metrics, including consumer confidence and housing starts, dipped in February, providing ammunition for more bearish market commentators who hold the view that a recession in the U.S. is imminent. As we have discussed previously, our view at BAAM is that a recession is not likely in the coming months, given various economic and market indicators that we monitor. We continue to see divergence between the views of the U.S. Federal Reserve and those of the market when it comes to the future path of rates, with the market pricing in a low probability of rate hikes in the coming months. This phenomenon has had a particularly adverse impact on financials, which have declined 10.8%<sup>2</sup> year-to-date through February.

## Review of Fund Performance

The investment objective of Blackstone Diversified Multi-Strategy Fund (the “Fund”) is to seek capital appreciation. The Fund aims to achieve its objective by allocating assets among a variety of investment sub-advisers with experience managing non-traditional or “alternative” investment strategies. In February, the Fund’s Class I (USD) share class returned -2.56%<sup>3</sup> net of fees and expenses versus -0.68% and 0.71% for the MSCI World and Barclays U.S. Aggregate Bond Index, respectively<sup>4</sup>. **For a summary of Fund performance of the share class to which this report relates, please refer to the “Investment Summary” section of this report.**

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<sup>1</sup> As measured by the MSCI Europe Financials Index.

<sup>2</sup> As measured by the S&P 1500 Financials Index.

<sup>3</sup> Performance is shown net of all fees and expenses for Share Class I (USD). Past performance may not be a reliable guide to future performance. The value of shares may go down as well as up and there can be no assurance that the Fund will achieve its investment objectives or avoid significant losses. Performance is estimated and unaudited.

<sup>4</sup> The indices presented are indicative and for illustrative purposes only. The volatility of the indices presented may be materially different from that of the performance of the Fund. In addition, these indices employ different investment guidelines and criteria than the Fund; as a result, the holdings in the Fund may differ significantly from the securities that comprise the indices. The performance of these indices has not been selected to represent an appropriate benchmark to compare to the performance of the Fund, but rather is disclosed to allow for comparison of Fund performance to that of well-known and widely recognized indices. A summary of the investment guidelines for these indices is available upon request. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

### ***Equity Strategies***

Equity strategies were the largest detractor in February, with negative performance reflecting trends seen in the broader equity market during the month. One market theme that started to rear its head during January, and which came into full force during February, was the rotation out of momentum stocks and into value-oriented names. This translated into a bifurcation in equity market performance, with 950 basis points in performance spread between top and bottom MSCI ACWI sectors. Specifically, materials, telecommunication services and industrials sectors saw positive performance (up between 0.9% and 6.4%)<sup>5</sup> while financials, health care, information technology and consumer sectors experienced losses (ranging from -3.1% to -0.9%)<sup>5</sup>. Within this context, the Fund's relatively large allocations to health care, financials and consumer discretionary sectors weighed negatively on performance during the month.

Additionally, February proved particularly challenging across many short exposures within the Fund and across the long/short equity space more broadly, as technical buying pressures caused widely held short positions to rebound in dramatic fashion. In fact, the depth and breadth of this reversal was the most extreme instance we've seen since the March 2009 bottom and subsequent reversal following the Global Financial Crisis. While the Fund's Equity sub-advisers generally reduced gross and net exposures in February, they maintain conviction in core theses and view the recent unwind as more technicals-driven than fundamental in nature. We have seen these types of de-risking events in the past, and as long-term investors, we continue to focus on optimizing the exposures in the portfolio with the objective of generating attractive risk-adjusted returns for our investors over the long run.

### ***Credit Strategies***

Credit strategies also detracted from performance in February, with losses spread across corporate high yield, distressed credit and asset-backed exposures, which all suffered from negative mark-to-market moves over the course of the month. Weakness in energy credit markets trickled into non-energy related credits, driving losses more broadly. Our view is that this is being overplayed by the market, and the Fund's Credit sub-advisers generally maintain conviction in the value of the underlying collateral of the credits in their portfolios and see this as an opportunity to add to positions at attractive prices. From a positioning perspective, we are more constructive on the structured credit opportunity set, but in light of the recent market dislocation are starting to find interesting opportunities in senior secured corporate debt of lower rated non-energy names.

### ***Multi-Asset Strategies***

Multi-Asset strategies ended February slightly positive, with mixed performance across sub-advisers. We allocate to these strategies to diversify the Fund's risk profile away from Equity and Credit, and, in large part, these strategies have delivered the desired diversification benefits that we would expect. From an attribution perspective, exposures to Argentina, Russia and Venezuela contributed positively, as the Argentine debt dispute looked to be headed towards a resolution. While Greek sovereign exposures detracted from performance, we retain conviction in the underlying thesis that the new bailout review will be successful, and see potential for Greek inclusion in the ECB's quantitative easing program. Systematic strategies were mixed in February. On the negative side, fixed income carry and value-oriented exposures experienced losses driven by the Bank of Japan's decision to allow rates to go further into negative territory. From a positive attribution perspective, select developed currency exposures, including long the Japanese Yen, contributed to performance. Additionally, general long global fixed income and short equity biases helped boost performance.

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<sup>5</sup> As measured by MSCI ACWI sector returns.