

# Profiles of Sub-Advisers

September 2020

## *Blackstone Diversified Multi-Strategy Fund (BXDMS)*

A sub-fund of Blackstone Alternative Investment Funds plc, an umbrella fund with segregated liability between sub funds Blackstone Alternative Investment Funds plc is authorised and regulated by the Central Bank of Ireland.

*The Fund may shift allocations among Sub-Advisers and strategies at any time. The Fund may also add new Sub-Advisers or strategies and/or determine to not employ one or more Sub-Advisers or strategies. Accordingly, the information contained herein is for illustrative purposes only and should not be viewed as predictive of the Fund's portfolio (and its Sub-Advisers).*

*Certain information contained in these Sub-Adviser Profiles (the "Profiles") has been provided by, or is based on information provided by, the Sub-Advisers that are the subject of these Reviews (the "Sub-Advisers"). Blackstone has not independently verified such information and makes no representation or warranty as to the accuracy or completeness of such information. The materials contained herein are for informational purposes only and do not constitute an offer to sell or a solicitation of an offer to purchase any interest in any investment vehicle managed by Blackstone or its affiliates or by the Sub-Advisers. Past performance is not indicative of future results. There can be no assurance the Sub-Advisers will achieve their investment objectives or avoid significant losses. Opinions expressed reflect the current opinions of Blackstone as of the date appearing in this material only.*

## Important Disclosure Information

The materials contained herein are for informational purposes only and do not constitute an offer to sell or a solicitation of an offer to purchase any interest in any investment vehicles (the “Blackstone Funds”) managed by Blackstone Alternative Investment Advisors LLC or any of its investment advisory affiliates (together, “Blackstone”). Any such offer or solicitation shall be made only pursuant to the prospectus or confidential private placement memorandum for such Blackstone Fund, which qualifies in its entirety the information set forth herein and contains a description of the risks of investing. These materials are also qualified by reference to the governing documents and the subscription agreement relating to the relevant Blackstone Fund. All such documents should be reviewed carefully by all prospective investors prior to an investment in that Fund.

**Blackstone Diversified Multi-Strategy Fund (BXDMS) is a sub-fund of Blackstone Alternative Investment Funds plc (the “Company”), an umbrella fund with segregated liability between sub funds. Blackstone Alternative Investment Funds plc is authorised in Ireland and regulated by the Central Bank of Ireland. 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.bxdms.com](http://www.bxdms.com). All KIIDs are available in English, and certain share class specific KIIDs are available in French, German, Greek, 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.**

**Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor’s shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. All returns include dividend and capital gain distributions. Information about the Fund, including the current Net Asset Value, is available on the Fund’s website at [www.bxdms.com](http://www.bxdms.com). Index performance is shown for illustrative purposes only. You cannot invest directly in an index.**

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 strategies and in selecting sub-advisers. There can be no guarantee that sub-advisers will adhere to the investment strategy for which they were selected, or that such strategy will be successful.
- Certain investment techniques and FDI may increase the adverse impact to the Fund. In particular, there is a risk of infinite loss when using an FDI that derives its value from other assets decreasing.
- BAIA and sub-advisers have conflicts of interest that could interfere with their management of the Fund, including the allocation of time and investment opportunities. Further, BAIA and sub-advisers may make investment or hedging decisions that conflict or offset other investments in the Fund.
- Some transactions may give rise to a form of economic leverage. Increases and decreases in the value of the Fund’s portfolio will be magnified when the Fund uses leverage.
- Increased legal, tax and other regulatory developments may adversely impact the ability of BAIA and the sub-advisers to utilize certain investment techniques or invest in certain assets.
- The Fund may invest in countries or through other investment funds that are subject to a weak legal or financial framework, as a result of which 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.
- The Fund is dependent on BAIA, sub-advisers and other service providers for certain investment management, operational and financial support services. A deficiency in any of these services may have an adverse impact on the Fund.
- 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.
- Some securities held by the Fund may be difficult to sell, or less liquid, particularly during times of market turmoil. If the Fund is forced to sell a less liquid asset to meet redemptions or other cash needs, the Fund may be forced to sell at a loss.

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

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## Blackstone Alternative Investment Advisors LLC<sup>(1)</sup> (“BAIA”)

### Firm Background

<b>Strategy</b>	Multi-Strategy
<b>Sub-Strategy</b>	N/A
<b>Geographic Focus</b>	Global
<b>Portfolio Managers<sup>(2)</sup></b>	BAIA IC
<b>Headquarters</b>	New York, NY
<b>Firm Inception</b>	2012
<b>Firm AUM<sup>(3)</sup></b>	\$7.2b

### Strategy Overview

BAIA, the Fund’s Investment Manager, allocates its assets among a variety of discretionary investment advisers (“Sub-Advisers”) with experience managing non-traditional or “alternative” investment strategies. BAIA is responsible for selecting the strategies, for identifying and retaining Sub-Advisers with expertise in the selected strategies, and for determining the amount of Fund assets to allocate to each strategy and to each Sub-Adviser. In addition, BAIA monitors the overall risk levels and investment concentrations of the Fund that are produced by the various sleeves managed by the Sub-Advisers. If BAIA identifies that the risks and/or concentrations, when aggregated at the Fund level, are undesirable, BAIA may enter into portfolio overlay hedging that seeks to mitigate those risks or concentrations. This overlay hedging may seek to hedge excessive market, interest rate, currency, issuer or other investment risk.

BAIA manages a portion of the Fund’s assets directly. Such investments presently include allocations to certain opportunistic trades that may be advised by Sub-Advisers on a non-discretionary basis.

Note: Past performance may not be a reliable guide to future performance. The value of the Fund’s 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.

(1) BAIA is the Fund’s Investment Manager and manages a portion of the Fund’s assets directly. BAIA’s fees on directly managed assets are not reduced by a payment to a sub-advisor.

(2) The BAIA Investment Committee consists of Gideon Berger, Ray Chan, Min Htoo, Robert Jordan, Ian Morris, Alberto Santulin and Stephen Sullens.

(3) BAIA’s AUM is as of 8/31/2020 and is an estimate and unaudited.

## Bayview Asset Management, LLC (“Bayview”)

### Firm Background

<b>Strategy</b>	Relative Value
<b>Sub-Strategy</b>	Fixed Income – Asset Backed
<b>Geographic Focus</b>	North America
<b>Portfolio Manager(s)</b>	David Ertel Matt Miller
<b>Headquarters</b>	Coral Gables, FL
<b>Firm Inception</b>	1993
<b>Firm AUM<sup>(1)</sup></b>	\$13.8b

### Strategy Overview

Bayview is a mortgage-focused manager that aims to generate capital appreciation by investing in undervalued senior residential and commercial mortgage-backed securities, senior consumer asset-backed securities and related derivatives originated after 2009.

In sourcing ideas for the strategy, the manager leverages the experience, deep team and infrastructure of the broader Bayview firm in sourcing, purchasing, special servicing and divesting whole loans. Bayview is an active purchaser of large and small pools of seasoned real-estate backed (performing and non-performing) loans from a variety of banks and government agencies. It is also an active seller of mortgage loans, including seasoned, performing assets to regional and community banks that find it advantageous to purchase performing assets in their footprints to supplement their loan originations.

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(1) AUM as of 3/31/2020.

## Blackstone Real Estate Special Situations Advisors L.L.C.<sup>(1)</sup> (“BRESSA”)

### Firm Background

<b>Strategy</b>	Relative Value
<b>Sub-Strategy</b>	Fixed Income – Asset Backed
<b>Geographic Focus</b>	Global
<b>Portfolio Manager(s)</b>	Jonathan Pollack Michael Nash Michael Wiebolt
<b>Headquarters</b>	New York, NY
<b>Firm Inception</b>	2007
<b>Firm AUM<sup>(2)</sup></b>	\$18b

### Strategy Overview

BRESSA, a wholly-owned subsidiary of The Blackstone Group L.P. and an affiliate of BAIA, is an investment adviser within the Blackstone Real Estate Debt Strategies group (“BREDS”).

BRESSA’s investment strategy for the Fund primarily focuses on credit-oriented, liquid high-yield real estate investments including CMBS, RMBS, corporate debt, CDOs, CLOs, CMBX and REITs and seeks to identify relative value opportunities between asset classes.

BRESSA (i) seeks to drive returns by optimizing credit selection and relative value across liquid real estate debt-related investments, (ii) seeks yield and current income while focusing on market risk, and (iii) targets zero interest rate exposure as an alternative to traditional fixed income.

BRESSA benefits from the expertise, proprietary insight and deep relationships of the Blackstone real estate teams. This knowledge informs a risk analysis of potential positions, creates investment opportunities and enables security selection to create a portfolio consistent with Blackstone’s global viewpoint.

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(1) Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliates (such as BRESSA) benefits The Blackstone Group Inc. and any redemption or reduction of such allocation would be detrimental to The Blackstone Group Inc., creating potential conflicts of interest in allocation decisions. For a discussion of this and other conflicts, please see the Additional Disclosure section at the end of this document.

(2) AUM as of 3/31/2020.

## Caspian Capital LP (“Caspian”)

### Firm Background

<b>Strategy</b>	Event Driven
<b>Sub-Strategy</b>	Distressed/ Restructuring
<b>Geographic Focus</b>	North America
<b>Portfolio Manager(s)</b>	Adam Cohen David Corleto
<b>Headquarters</b>	New York, NY
<b>Firm Inception</b>	1997
<b>Firm AUM<sup>(1)</sup></b>	\$3.3b

### Strategy Overview

Caspian is a credit manager that focuses on capital structure arbitrage strategies and stressed/distressed investing. Caspian seeks attractive, long-term, risk-adjusted returns by applying a flexible and opportunistic approach to investing which involves evaluating the current attractiveness of various asset classes.

Caspian invests in a variety of securities but has historically focused on three trading strategies: 1) stressed/distressed corporate situations; 2) capital structure arbitrage; and 3) value shorting.

Most strategies are based on fundamental analysis with valuation work focusing on going concern and asset liquidation scenarios. Caspian creates comprehensive models to evaluate important fundamental characteristics such as asset quality, market share, industry value chain dynamics, free cash flow, liquidity, capital structure and/or possible near-term catalysts. After comparing the potential risk/reward of various credit outcomes on the entire corporate capital structure, Caspian seeks to implement favorable risk/reward strategies on a credit by credit basis, which could be expressed as stressed/distressed long, value short, or intra-capital structure long/short positions.

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(1) AUM as of 3/31/2020.

## Cerberus Sub-Advisory I, LLC<sup>(1)</sup> (“Cerberus”)

### Firm Background

<b>Strategy</b>	Relative Value
<b>Sub-Strategy</b>	Fixed Income – Asset Backed
<b>Geographic Focus</b>	United States
<b>Portfolio Manager(s)</b>	Joshua Weintraub Brendan Garvey
<b>Headquarters</b>	New York, NY
<b>Firm Inception<sup>(1)</sup></b>	1992
<b>Firm AUM<sup>(2)</sup></b>	\$44.5b

### Strategy Overview

Cerberus’ investment strategy focuses on agency and non-agency mortgage-backed securities, interest rate products and synthetic indices.

Cerberus seeks to generate attractive risk-adjusted returns for the portfolio from both current income and capital appreciation through investments in mortgage instruments.

Idea generation for the portfolio begins with top down views and fundamental credit analysis; however, Cerberus has historically generated value for the portfolio through trade execution. Positions are constructed for the portfolio with the goal of understanding the motivations of various market participants in order to arbitrage structures and ratings. Cerberus looks for securities for the portfolio that are fundamentally cheap but also have technicals working in their favor. Technical analysis is focused on liquidity and flows.

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(1) Sub-Adviser is not currently managing any Fund assets. Allocations may change at any time without notice.

(2) Refers to Cerberus Capital Management, L.P. (“CCM”)

(3) Refers to the AUM of Cerberus Capital Management, L.P and its affiliated management entities, including Cerberus Sub-Advisory I, LLC, as of 3/31/2020.

## D. E. Shaw Investment Management, L.L.C. (“DESIM”)

### Firm Background

<b>Strategy</b>	Multi-Strategy
<b>Sub-Strategy</b>	N/A
<b>Geographic Focus</b>	Global
<b>Portfolio Manager(s)</b>	Anne Dinning Philip Kearns
<b>Headquarters</b>	New York, NY
<b>Firm Inception<sup>(1)</sup></b>	1988
<b>Firm AUM<sup>(2)</sup></b>	\$22.1b

### Strategy Overview

DESIM is a member of the D. E. Shaw group, a global investment and technology development firm that combines a rigorous quantitative approach with a complementary strategic focus on qualitative strategies. The strategy that DESIM deploys on behalf of the Fund seeks dynamic exposures to risk premia in core global assets along with the potential capture of more exotic forms of risk premia and opportunistic alpha. The strategy’s objective is to produce, across a variety of market conditions, attractive long-term risk-adjusted returns with moderate beta to the S&P 500 and various other major asset classes.

The strategy uses a combination of both qualitative and quantitative approaches to forecast expected returns for global assets based on modeling time-varying risk premia and various other dynamics in asset prices. The resulting portfolio is bucketed into five categories: credit, nominal rates, equities, inflation, and opportunistic.

The strategy also employs DESIM’s rigorous risk management process, which involves the application of a proprietary optimizer supplemented by a scenario-based framework focused on managing tail risk.

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(1) Inception date for the D. E. Shaw group. DESIM, a member of the D.E. Shaw group, was formed in 2005.

(2) AUM is for DSIM as of 3/31/2020.



## EJF Capital LLC (“EJF”)

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### Firm Background

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<b>Strategy</b>	Event Driven
<b>Sub-Strategy</b>	Fixed Income – Asset Backed Strategies
<b>Geographic Focus</b>	Global
<b>Portfolio Manager(s)</b>	Emanuel Friedman
<b>Headquarters</b>	Arlington, VA
<b>Firm Inception</b>	2005
<b>Company AUM<sup>(1)</sup></b>	\$6.3b

### Strategy Overview

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EJF uses a catalyst-driven strategy focused on debt and debt-like instruments in the financial sector.

EJF combines fundamental credit analysis, structural analysis, and experience to identify investments with favorable risk-reward profiles. EJF forms differentiated views on financial investments by understanding the opportunities created by changes in the regulatory environment.

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(1) AUM as of 3/31/2020.

## Emso Asset Management Limited (“Emso”)

### Firm Background

<b>Strategy</b>	Macro
<b>Sub-Strategy</b>	Discretionary Thematic
<b>Geographic Focus</b>	Global
<b>Portfolio Manager(s)</b>	Mark Franklin John Hynes
<b>Headquarters</b>	London, UK
<b>Firm Inception<sup>(1)</sup></b>	2000
<b>Company AUM<sup>(2)</sup></b>	\$4.8b

### Strategy Overview

Emso is an emerging markets manager focused on credit, rates and currencies. It combines a value-oriented investment approach with a macro overlay.

Emso’s investment strategy typically pursues value-oriented investments and transactions in the securities of sovereign and corporate obligors, principally in emerging markets, which are primarily rated non-investment grade. The emphasis is on securities that are undervalued either due to insufficient research coverage of the obligor or due to the complexity of their structure. Emso monitors special situations, such as debt restructurings, as well as mispricings due to forced liquidations of substantial holdings.

Emso evaluates investment opportunities and performs an assessment of the risks related to those investments as well as the opportunities to mitigate them. In addition, Emso endeavors to reduce risk and enhance returns by opportunistically hedging the credit, interest rate, currency and other risks related to investing principally in emerging markets.

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(1) While the Firm’s management business started in 2000, its current management company, Emso Asset Management Limited, was formed in 2003.

(2) AUM as of 3/31/2020.

## Endeavour Capital Advisors Inc. (“Endeavour”)

### Firm Background

<b>Strategy</b>	Equity Hedge
<b>Sub-Strategy</b>	Equity Market Neutral
<b>Geographic Focus</b>	United States
<b>Portfolio Manager(s)</b>	Laurence Austin Mitchell Katz Jonah Marcus
<b>Headquarters</b>	Greenwich, CT
<b>Firm Inception</b>	2002
<b>Company AUM<sup>(2)</sup></b>	\$982m

### Strategy Overview

Endeavour is an equity market neutral manager that invests across the financial services sector, with a style that combines bottom-up fundamental research with perspective on the macroeconomic, regulatory, and financial conditions that impact the industry.

Endeavour primarily invests in securities within the banking, insurance, mortgage, specialty finance, and brokerage/asset management sectors. Endeavour evaluates investment opportunities with a stock specific lens, understanding how industry trends, economic data, and competitive dynamics impact company fundamentals to inform idea generation, analysis, and risk management.

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(1) AUM as of 3/31/2020.

## Good Hill Partners LP (“Good Hill”)

### Firm Background

<b>Strategy</b>	Relative Value
<b>Sub-Strategy</b>	Fixed Income – Asset Backed
<b>Geographic Focus</b>	United States
<b>Portfolio Manager(s)</b>	Franklin Collins Brant Brooks
<b>Headquarters</b>	Greenwich, CT
<b>Firm Inception</b>	2007
<b>Firm AUM<sup>(2)</sup></b>	\$2.3b

### Strategy Overview

Good Hill is a fixed income manager that seeks to achieve attractive risk-adjusted returns by pursuing a relative value, long-biased investment strategy, primarily through investments in mortgage-backed and asset-backed securities.

Good Hill’s investment process combines research-driven fundamental analysis with experienced portfolio management and disciplined surveillance. Good Hill’s investment strategy relies on three primary components: 1) ability to identify appropriate investments; 2) prudent asset liability management; and 3) an intensive analytical approach to risk management.

Good Hill uses the trading experience of its personnel and numerous analytical tools to identify investments that it believes present an attractive risk/reward profile. A significant portion of the investment return has historically been comprised of current income. Additionally, to the extent that securities increase in value relative to the market, positions may realize capital appreciation.

Good Hill aims to identify and capture yield spread differentials over time that may enable the portfolio to be profitable in both rising and declining fixed income markets.

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(1) AUM as of 3/31/2020.

## GSO / Blackstone Debt Funds Management LLC<sup>(1)</sup> (“GSO DFM”)

### Firm Background

<b>Strategy</b>	Relative Value Strategies
<b>Sub-Strategy</b>	Fixed Income – Asset Backed
<b>Geographic Focus</b>	Global
<b>Portfolio Manager(s)</b>	Michael Sobol Daniel McMullen
<b>Headquarters</b>	New York, NY
<b>Firm Inception<sup>(2)</sup></b>	2005
<b>Firm AUM<sup>(3)</sup></b>	\$38b

### Strategy Overview

GSO DFM, a wholly-owned subsidiary of The Blackstone Group L.P. and an affiliate of BAIA, is an investment adviser within Blackstone's global credit investment platform, GSO Capital Partners LP (“GSO”).

GSO DFM'S investment strategy for the Fund is focused primarily on investments in below-investment grade corporate credit. GSO DFM is focused on generating risk-adjusted returns with a strong emphasis on capital preservation across various credit instruments including bank loans, high yield bonds and collateralized loan obligation (“CLO”) securities.

GSO DFM leverages the scale of GSO's credit platform, breadth and experience of its investment team and GSO's information advantage as the largest CLO manager.

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- (2) Inception date is for GSO.
- (3) AUM as of 3/31/2020.

## HealthCor Management, L.P. (“HealthCor”)

### Firm Background

<b>Strategy</b>	Equity Hedge
<b>Sub-Strategy</b>	Equity Long Short
<b>Geographic Focus</b>	Global
<b>Portfolio Manager(s)</b>	Art Cohen Joe Healey
<b>Headquarters</b>	New York, NY
<b>Firm Inception</b>	2005
<b>Firm AUM<sup>(1)</sup></b>	\$2.5b

### Strategy Overview

HealthCor is a long/short equity manager primarily focused on the Biotech, Pharma, Medtech, and Services sub-sectors of Healthcare. While the team has the ability to evaluate investments from a scientific perspective, the strategy is grounded in translating how industry trends and competitive dynamics may impact company fundamentals, with an emphasis on financial metrics. Specifically, they look to identify situations where an underappreciated fundamental driver results in a divergence between their estimates and consensus expectations, such that a sufficient margin of safety exists.

HealthCor’s investment objective is to achieve superior risk-adjusted growth primarily through investments in equity and equity-related instruments. Each investment position is generally judged on its own ability to generate profits consistent with its risk profile.

HealthCor seeks to maintain a hedged exposure. While the long book is expected to be the primary driver of alpha over time, the short side of the portfolio is positioned to be accretive to overall performance as well. From a risk management perspective, the portfolio managers are risk conscious and can be expected to reduce exposures when they are uncomfortable with the market environment.

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(1) AUM as of 3/31/2020.

## IPM Informed Portfolio Management AB (“IPM”)

### Firm Background

<b>Strategy</b>	Macro
<b>Sub-Strategy</b>	Systematic Diversified
<b>Geographic Focus</b>	Global
<b>Portfolio Manager(s)</b>	Björn Österberg / Mattias Jansson
<b>Headquarters</b>	Stockholm, Sweden
<b>Firm Inception</b>	1998
<b>Firm AUM<sup>(1)</sup></b>	\$2.7b

### Strategy Overview

IPM implements systematic investment strategies across currency, fixed income and equity markets. IPM applies value, risk premia, macroeconomic and market dynamics models in order to identify relative attractiveness of financial instruments with the aim of exploiting divergences in fundamentals, taking medium- to long-term views.

The portfolio is focused on relative value systematic strategies, with some exposure to directional strategies, using models that are based on economic theories, investor behavioral economics, and empirical observations. The models use the same calibration across all markets within the same asset class.

IPM’s macroeconomic and market dynamics models, in comparison with more standard carry and value strategies, have the potential to be more “alpha generative” and to enable the strategy to add value over a generic risk premia implementation. The macroeconomic models attempt to capture different markets’ reactions to changes in global economic activity while the market dynamics models aim to exploit market specific characteristics such as cross-border capital flows.

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(1) AUM as of 3/31/2020.

## Jasper Capital Hong Kong (“Jasper”)

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### Firm Background

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<b>Strategy</b>	Macro
<b>Sub-Strategy</b>	Systematic Diversified
<b>Geographic Focus</b>	China
<b>Portfolio Manager(s)</b>	Bo Huang
<b>Headquarters</b>	Hong Kong
<b>Firm Inception</b>	2013
<b>Firm AUM<sup>(1)</sup></b>	\$ 251 million

### Strategy Overview

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Jasper is an institutionally focused quantitative investment manager that aims to take advantage of the idiosyncrasies of the Chinese A-share market regulatory environment and investor participant behavior.

The strategy for the Fund seeks to generate alpha by identifying mis-pricings that arise from the market’s high level of retail investor participation (behavioral biases) and arbitrage opportunities created by regulatory frictions.

Jasper employs a quantitative investment process centered around the creation of alpha factors. This process consists of single factor research and analysis, factor integration, portfolio construction, and algorithmic execution.

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(1) AUM as of 8/31/2020.



## Magnetar Asset Management LLC<sup>(1)</sup> (“Magnetar”)

### Firm Background

<b>Strategy</b>	Event Driven
<b>Sub-Strategy</b>	Risk Arbitrage
<b>Geographic Focus</b>	North America, Western Europe, and Australia
<b>Portfolio Manager(s)</b>	Devin Dallaire
<b>Headquarters</b>	Evanston, IL
<b>Firm Inception<sup>(2)</sup></b>	2016
<b>Firm AUM<sup>(3)</sup></b>	\$11b

### Strategy Overview

Magnetar manages a portion of the Fund’s assets using a risk arbitrage strategy. The strategy involves investing in equity securities of companies that are the targets of merger transactions in an effort to capture the difference in the value of the target company and its price in the marketplace. Magnetar employs a process driven and quantitative approach to value complex merger offers and to measure and manage risk.

Magnetar primarily invests in companies with a broad range of market capitalizations that are targets of announced merger transactions, with a focus on North America, Western Europe, and Australia, but with potential to invest worldwide.

Note: Past performance may not be a reliable guide to future performance. The value of the Fund’s 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. The data presented above is based on information obtained or derived from the Sub-Adviser. Blackstone does not guarantee the accuracy and completeness of such information and provides no assurance regarding the performance, management or affairs of the Sub-Adviser.

- (1) Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliates (such as Magnetar) benefits The Blackstone Group Inc. and any redemption or reduction of such allocation would be detrimental to The Blackstone Group Inc., creating potential conflicts of interest in allocation decisions. For a discussion of this and other conflicts, please see the Additional Disclosure section at the end of this document.
- (2) Magnetar was formed in 2016 and is an affiliate of Magnetar Financial LLC, which was founded in 2005.
- (3) AUM as of 3/31/2020. AUM reflects approximate investor capital managed by Magnetar and its affiliated investment managers, on a discretionary and non-discretionary basis, including designated investments in side pockets and unfunded commitments (money committed to any fund managed by Magnetar and its affiliated investment managers as of the report date, but not yet transferred by the investors).

## NWI Management, L.P. (“NWI”)

### Firm Background

<b>Strategy</b>	Macro
<b>Sub-Strategy</b>	Discretionary Thematic
<b>Geographic Focus</b>	Global
<b>Portfolio Manager(s)</b>	Nellapalli (“Hari”) Hariharan
<b>Headquarters</b>	New York, NY
<b>Firm Inception</b>	1999
<b>Company AUM<sup>(1)</sup></b>	\$6.5b

### Strategy Overview

NWI is a global macro manager focused on interest rates, credit and currencies across emerging markets.

NWI’s strategy typically pursues investments and transactions in the securities of sovereign and corporate obligors, principally in emerging markets. NWI aims to capture dislocations and invests in trades that reflect a stabilization and recovery of emerging markets.

NWI looks to develop proprietary trading ideas through market analysis or negotiated transactions sourced from its extensive network of relationships. As a result NWI is often an anchor participant in emerging market new issues. NWI seeks to reduce risk by opportunistically hedging the interest rate, currency and other risks.

Note: Past performance may not be a reliable guide to future performance. The value of the Fund’s 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. The data presented above is based on information obtained or derived from the Sub-Adviser. Blackstone does not guarantee the accuracy and completeness of such information and provides no assurance regarding the performance, management or affairs of the Sub-Adviser.

(1) AUM as of 3/31/2020.

## Sage Rock Capital Management LP (“Sage Rock”)

### Firm Background

<b>Strategy</b>	Event Driven Strategies
<b>Sub-Strategy</b>	Event-Driven Multi Strategy
<b>Geographic Focus</b>	Global
<b>Portfolio Manager(s)</b>	Atul Khanna Matt Fisher
<b>Headquarters</b>	New York, NY
<b>Firm Inception</b>	2013
<b>Firm AUM<sup>(1)</sup></b>	\$316m

### Strategy Overview

Sage Rock is an event driven manager with a focus on special situations investing.

Sage Rock’s sub-strategy seeks to capture the embedded value of Special Purpose Acquisition Companies (“SPAC”) units (comprised of common stock, warrants and rights) (the “SPACs Sub-Strategy”).

The SPACs Sub-Strategy involves systematically buying positions in a broad range of outstanding SPAC units and future SPAC unit IPOs, and generally holding the associated common stock, warrants and rights until the completion of a deal. Sage Rock applies a discretionary overlay to eliminate some SPACs and trade SPAC units, common stock and warrants based on, among other things, expected internal rate of return, richness/cheapness, and evaluation of the SPAC sponsors. Additionally, Sage Rock will hold associated SPAC securities post the closing of a SPAC deal.

Note: Past performance may not be a reliable guide to future performance. The value of the Fund’s 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. The data presented above is based on information obtained or derived from the Sub-Adviser. Blackstone does not guarantee the accuracy and completeness of such information and provides no assurance regarding the performance, management or affairs of the Sub-Adviser.

(1) AUM as of 3/31/2020.

## Seiga Asset Management (“Seiga”)

### Firm Background

<b>Strategy</b>	Equity Hedge
<b>Sub-Strategy</b>	Equity Long Short
<b>Geographic Focus</b>	Pan-Asia
<b>Portfolio Manager(s)</b>	Keita Arisawa
<b>Headquarters</b>	Hong Kong
<b>Firm Inception</b>	2016
<b>Firm AUM<sup>(1)</sup></b>	\$537m

### Strategy Overview

Seiga is a pan-Asia fundamental long/short equity manager primarily focused on markets in Japan and China. Seiga performs fundamental bottom-up research focusing on market inefficiencies and idiosyncratic ideas.

The strategy for the Fund seeks to generate alpha by taking advantage of mispricing across regional markets prone to dislocations. Seiga identifies investment opportunities using specific stock picking criteria with a thematic overlay. The research process includes analysis of core value drivers and the source of mispricing. Seiga employs a disciplined and balanced approach to portfolio construction in order to make it possible to run a concentrated portfolio with full expression of fundamental stock picks.

The strategy benefits from Seiga’s investment management experience in Asia markets and Seiga’s ability to leverage its extensive local network of information and relationships.

Note: Past performance may not be a reliable guide to future performance. The value of the Fund’s 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. The data presented above is based on information obtained or derived from the Sub-Adviser. Blackstone does not guarantee the accuracy and completeness of such information and provides no assurance regarding the performance, management or affairs of the Sub-Adviser.

(1) As of 7/31/2020.

## Two Sigma Advisers, LP (“Two Sigma Advisers”)

### Firm Background

<b>Strategy</b>	Equity Hedge
<b>Sub-Strategy</b>	Equity Market Neutral
<b>Geographic Focus</b>	United States
<b>Portfolio Manager(s)</b>	Geoff Duncombe, Vikram Modi
<b>Headquarters</b>	New York, NY
<b>Firm Inception</b>	2009
<b>Firm AUM<sup>(1)</sup></b>	\$33.1b

### Strategy Overview

Two Sigma Advisers primarily uses systematic and quantitative mathematical models to implement its strategies. These models rely on patterns inferred from historical prices and other financial data in evaluating prospective investments.

These formulas and models are typically developed and implemented using high-powered computers that may generate buy or sell indications to assist Two Sigma Advisers in the purchase and sale of securities and other financial instruments or alternatively may send buy or sell orders directly to brokers.

The models used are often complex and rely on quantitative (and to a lesser extent, technical) analysis of large amounts of real-time and historic data with a view towards identifying pricing discrepancies, inefficiencies and/or anomalies.

Note: Past performance may not be a reliable guide to future performance. The value of the Fund’s 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. The data presented above is based on information obtained or derived from the Sub-Adviser. Blackstone does not guarantee the accuracy and completeness of such information and provides no assurance regarding the performance, management or affairs of the Sub-Adviser.

(1) AUM as of 3/31/2020. AUM reflects total AUM of Two Sigma and its affiliate Two Sigma Investments, LP and includes employee and proprietary capital.

## Waterfall Asset Management, LLC<sup>(1)</sup> (“Waterfall”)

### Firm Background

<b>Strategy</b>	Relative Value
<b>Sub-Strategy</b>	Fixed Income – Asset Backed
<b>Geographic Focus</b>	United States
<b>Portfolio Manager(s)</b>	Jack Ross Tom Capasse
<b>Headquarters</b>	New York, NY
<b>Firm Inception</b>	2005
<b>Firm AUM<sup>(2)</sup></b>	\$7.5b

### Strategy Overview

Waterfall is a specialist credit manager focused on high-yield asset-backed securities, real estate and consumer debt investments.

Waterfall’s general investment strategy looks to develop proprietary trading ideas through quality information or negotiated transactions sourced from its extensive network of relationships and market analysis.

The Waterfall team performs intensive cash flow stress testing and due diligence on distressed situations. Waterfall’s proprietary investment process employs fundamental, technical, and cyclical analysis to analyze an investment opportunity. Following investment, Waterfall seeks to reduce market risks through conservative use of leverage and hedging strategies, and also seeks to reduce downside risk related to unanticipated credit events by proactively managing positions.

Note: Past performance may not be a reliable guide to future performance. The value of the Fund’s 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. The data presented above is based on information obtained or derived from the Sub-Adviser. Blackstone does not guarantee the accuracy and completeness of such information and provides no assurance regarding the performance, management or affairs of the Sub-Adviser.

(1) Sub-Adviser is not currently managing any Fund assets. Allocations may change at any time without notice.

(2) AUM as of 3/31/2020.

## Additional Disclosure Information

### Investment Policy

The investment objective of Blackstone Diversified Multi Strategy Fund (the “Fund”) is to seek capital appreciation. The Fund seeks to achieve its objective by allocating its assets among a variety of discretionary investment advisers (“Sub-Advisers”) with experience managing non-traditional or “alternative” investment strategies. Blackstone Alternative Investment Advisors L.L.C. (“The Investment Manager”) is responsible for selecting the strategies, for identifying and retaining Sub-Advisers with expertise in the selected strategies, and for determining the amount of Fund assets to allocate to each strategy and to each Sub-Adviser. For an overview description of the Investment Manager’s experience managing alternative investment strategies as well as its investment and Sub-Adviser selection processes, see the section in the Supplement to the Prospectus entitled “Investment Manager Overview, Sub-Adviser Selection Process”. The Investment Manager may also manage a portion of the Fund’s assets directly and may invest a portion of the Fund’s assets in Eligible Collective Investment Schemes. The Fund may invest principally in derivatives. The Fund may take both long and synthetic short positions in all of its investments, with synthetic short positions to be achieved through the use of instruments such as swaps, futures and options. Such securities and instruments and the reference assets underlying such derivatives may be located anywhere in the world (including emerging markets), may have any market capitalization and may belong to any industry sector.

The Fund also has the ability to invest more than 35% of its scheme property in transferable securities and money market instruments issued or guaranteed by an EEA State, one or more of its local authorities, a third country or a public international body to which one or more EEA States belong. However, the Fund does not target particular EEA States, local authorities, third countries or public international bodies in which to invest as part of its investment strategy. Please refer to the Blackstone Alternative Investment Funds plc Prospectus for a list of individual issuers in which the Fund may invest.

### Conflicts of Interest

Blackstone and the Sub-Advisers have conflicts of interest that could interfere with their management of the Fund. These conflicts, include, without limitation:

- Selection of Sub-Advisers. Blackstone compensates the Sub-Advisers out of the management fee it receives from the Fund. This could create an incentive for Blackstone to select Sub-Advisers with lower fee rates.
- Financial Interests in Sub-Advisers and Service Providers. Blackstone, the Sub-Advisers, and their affiliates have financial interests in asset managers and financial service providers. Allocating to an affiliate (or hiring such entity as a service provider) benefits The Blackstone Group L.P. and the relevant Sub-Adviser and redemptions from an affiliate (or terminating such entity as a service provider) would be detrimental to The Blackstone Group L.P. and the relevant Sub-Adviser. For example:
  - Blackstone Strategic Capital Advisors L.L.C. (“BSCA”), an affiliate of BAIA, manages certain funds (the “BSCA Funds”) that acquire equity interests in established alternative asset managers (the “Strategic Capital Managers”). One of the Strategic Capital Managers in which the BSCA Funds have a minority interest is Magnetar Capital Partners L.P., a control affiliate of Magnetar Asset Management LLC, a sub-adviser for the Fund. The Fund will not participate in any of the economic arrangements between the BSCA Funds and any Strategic Capital Manager with which the Fund invests.
  - GSO / Blackstone Debt Funds Management LLC (“GSO DFM”), an affiliate of BAIA and an indirect wholly-owned subsidiary of The Blackstone Group L.P., serves as a Sub-Adviser. GSO DFM invests primarily in below-investment grade corporate credit.
  - Blackstone Real Estate Special Situations Advisors L.L.C. (“BRESSA”), an affiliate of BAIA and an indirect wholly-owned subsidiary of The Blackstone Group L.P., serves as a Sub-Advisor Sub-Adviser. BRESSA invests primarily in liquid, commercial and residential real estate-related debt instruments.
  - Blackstone utilizes technology offered by Arcesium LLC (“Arcesium”) to provide certain middle- and back-office services and technology to the Fund. The parent company of a Sub-Adviser owns a controlling, majority interest in Arcesium and Blackstone Alternative Asset Management L.P. owns a non-controlling, minority interest in Arcesium.
- Other Activities of Blackstone or the Sub-Advisers. The activities in which Blackstone, the Sub-Advisers, or their affiliates are involved in on behalf of other accounts may create conflicts of interest or limit the flexibility that the Fund may otherwise have to participate in certain investments. For example, if Blackstone or a Sub-Adviser comes into possession of material non-public information with respect to a company, then Blackstone or the relevant Sub-Adviser generally will be restricted from investing in securities issued by that company. Further, Blackstone generally will be restricted from investing in portfolio companies of its affiliated private equity business.
- Allocation of Investment Opportunities. Blackstone and the Sub-Advisers (or their affiliates) manage other accounts and have other clients with investment objectives and strategies that are similar to, or overlap with, the investment objective and strategy of the fund, creating potential conflicts of interest in investment and allocation decisions. These conflicts of interest are exacerbated to the extent that the other clients are proprietary or pay higher fees or performance-based fees.

## Glossary of Terms

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### Strategy Definitions:

**Equity Hedge Strategies**, which employ both long and short positions in primarily equity securities and equity security derivatives. A wide variety of investment processes, including both fundamental and quantitative techniques, can be employed to arrive at an investment decision. Investment strategies can be broadly diversified or narrowly focused on specific sectors and can range broadly in terms of the levels of net exposure, leverage employed, holding periods, concentrations of market capitalizations, and valuation ranges of typical portfolios.

**Event-Driven Strategies**, which focus on event-linked, reinsurance-related, and other types of securities and instruments that are currently or may be prospectively affected by transactions or events, including mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or, other capital structure adjustments, shareholder activism, or triggering events relating to weather, natural disasters and other catastrophes. The investment focus is predicated on fundamental analysis of the anticipated effect of such transactions or events on the price of the securities of a company. Security types can range from the most senior in the capital structure to the most junior or subordinated, and frequently involve additional derivative securities.

**Macro Strategies**, which seek to profit from movements in underlying macroeconomic variables and the impact those variables, have on equity, fixed income, currency, and/or commodity markets. These strategies employ a variety of techniques, including discretionary and systematic approaches, combinations of top-down and bottom up analysis, fundamental and quantitative techniques, and long- and short -term holding periods. These strategies invest across various countries, markets, sectors, and companies, and have the flexibility to invest in numerous financial instruments, including derivatives.

**Relative Value**, which focus on potential valuation discrepancies in related financial instruments. These strategies generally involve taking a position in one financial instrument and simultaneously taking an offsetting position in a related instrument in an attempt to profit from incremental changes in the price differential. Investment managers seek to exploit these discrepancies while achieving a low correlation to the market. These strategies employ a variety of fundamental and quantitative techniques and financial instruments may range broadly across asset classes and security types.

**Multi-Strategy**, which employ a wide variety of strategies, including some or all of those described above.

### Sub-strategies

**Equity Hedge: Equity Long/Short Strategies**, which combine core long and short positions in stocks, stock indices, or derivatives related to the equity markets. Equity long/short investment managers attempt to generate capital appreciation by developing and actively managing equity portfolios that include both long and short positions. Long/short equity strategies generally seek to generate capital appreciation through the establishment of both long and short positions in equities by purchasing perceived undervalued securities and selling perceived overvalued securities to generate returns and to reduce a portion of general market risk. In generating non-market related returns, this investment approach emphasizes an investment manager's discretionary approach based on fundamental research. Investment managers employing equity long/short strategies may focus on a particular sector of the market or invest in a broad range of investments.

**Equity Hedge: Equity Market Neutral Strategies**, which employ fundamental or quantitative techniques of analyzing price data to seek to ascertain information about future price movement and relationships between securities. Equity market neutral investment managers attempt to generate capital appreciation by developing and actively managing equity portfolios that contain relatively balanced long and short positions. This strategy can, among other things, include an investment approach based on company-specific fundamental valuation and analysis. This strategy can include the systematic analysis of common relationships between securities. Additionally, this strategy can include statistical arbitrage/trading strategies that seek to exploit pricing anomalies and new information the investment manager believes has not been fully, completely, or accurately discounted into current security prices.

**Event Driven: Distressed/Restructuring Strategies**, which focus on corporate fixed income instruments, primarily corporate credit instruments of companies trading at significant discounts to their value at issuance or obliged (par value) at maturity as a result of either formal bankruptcy or restructuring proceeding or financial market perception of near term proceedings. Managers typically employ fundamental credit processes focused on valuation and asset coverage of securities of distressed firms. In some cases portfolio exposures are concentrated in instruments that are publicly traded, in some cases actively and in others under reduced liquidity.



## Glossary of Terms

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### Sub-strategies (cont'd)

**Event-Driven Multi-Strategy Strategies**, which focus on positions in companies currently or prospectively involved in corporate transactions or events of a wide variety including mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Event-driven exposure includes a combination of sensitivities to equity markets, credit markets, and idiosyncratic, company specific developments.

**Event Driven: Reinsurance Strategies**, which focus on investing in reinsurance-related securities, including, but not limited to, event-linked bonds and certain derivatives. The performance of reinsurance-related securities and the reinsurance industry itself are tied to the occurrence of various triggering events, including weather, natural disasters (hurricanes, earthquakes, etc.), non-natural large catastrophes, and other specified events causing physical and/or economic loss. Investment decisions are typically not based on prospects for the economy or based on movements of traditional equities and debt securities markets.

**Event Driven: Risk Arbitrage Strategies**, which focus on securities of companies that are targets of merger transactions in order to capture the difference in the value of the target company and its price in the marketplace. Managers typically employ a process driven and quantitative approach to value complex merger offers and to measure and manage risk. Risk arbitrage transactions are generally affected by (i) the risk-free rate of return at the time a position is established; (ii) the likelihood a transaction is completed or fails, and the gains or losses associated with each outcome; (iii) market risk; and (iv) a risk arbitrage premium.

**Macro: Discretionary Thematic Strategies**, which focus on the evaluation of market data, relationships, and influences, as interpreted by investment personnel, to identify themes in markets that are expected to outperform the relevant market as a whole. These strategies employ investment processes primarily influenced by top-down analysis of macroeconomic variables. Investment managers may trade actively in developed and emerging markets, focusing on both absolute and relative levels on equity markets, interest rates/fixed income markets, currency, and/or commodity markets. Investment managers frequently employ spread trades to isolate a differential between instruments identified by the investment manager to be inconsistent with expected value.

**Macro: Systematic Diversified Strategies**, which employ mathematical, algorithmic, and technical models, with little or no influence of investment personnel over the portfolio positioning. These strategies typically seek to identify opportunities in markets exhibiting trending or momentum, value, or carry characteristics across individual instruments or asset classes. Such strategies typically employ a quantitative process that focuses on statistically robust or technical patterns in the return series of the asset and highly liquid instruments, including strategies that seek risk to profit from premia caused by factors such as risk aversion, behavior biases, or structural limitations.

**Relative Value: Fixed Income – Asset Backed Strategies**, which focus on the realization of a spread between related instruments, at least one of which is a fixed income instrument backed by physical collateral or other financial obligations other than those of a specific corporation. These strategies seek to isolate attractive opportunities between a variety of fixed income instruments specifically securitized by collateral commitments which frequently include loans, pools and portfolios of loans, receivables, real estate, machinery, or other tangible financial commitments. In many cases, investment managers hedge, limit, or offset interest rate exposure in the interest of isolating the risk of the position to strictly the yield disparity of the instrument relative to the lower risk instruments.

**Relative Value: Fixed Income – Corporate Strategies**, which focus on realization of a spread between related instruments, at least one of which is a corporate fixed income instrument. These strategies employ an investment process designed to isolate attractive opportunities between a variety of fixed income instruments, typically realizing an attractive spread between multiple corporate bonds or between a corporate and risk free government bond.

## Glossary of Terms

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### Additional Definitions:

**Risk premium:** The return in excess of the risk-free rate of return that an investment is expected to yield. An asset's risk premium is a form of compensation for investors who tolerate the extra risk - compared to that of a risk-free asset - in a given investment.

**Beta:** A measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. Beta is used in the capital asset pricing model (CAPM), a model that calculates the expected return of an asset based on its beta and expected market returns.

**Capital structure arbitrage:** Investment strategy in which an undervalued security is bought and the same firm's overvalued security is sold. Its objective is to profit from the pricing inefficiency in the issuing firm's capital with the expectation that the pricing disparity between the two securities will cancel out (converge).

**Distressed debt investing:** is the purchase (or sale) of equity or debt securities, bank debt, CDS, trade claims, options etc. of companies under financial distress. Unfortunately there is no hard and fast rule to what the definition of financial distress really means.

**Short sale:** A market transaction in which an investor sells borrowed securities in anticipation of a price decline and is required to return an equal number of shares at some point in the future.

**Synthetic index:** The purchase of futures contracts and/or options such that one's exposure and potential payout resemble that of an index. One creates a synthetic index if one believes doing so will result in a higher return than a security tracking a real index.

**Commercial mortgage-backed securities (CMBS):** are a type of mortgage-backed security backed by commercial mortgages rather than residential real estate. CMBS tend to be more complex and volatile than residential mortgage-backed securities due to the unique nature of the underlying property assets.

**REIT, or Real Estate Investment Trust:** is a company that owns or finances income-producing real estate. Modeled after mutual funds, REITs provide investors of all types regular income streams, diversification and long-term capital appreciation.

**Alpha:** A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a mutual fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

**High Yield:** Description of investments with high rates of return. Generally, a high yield bond will be ranked very low by a rating agency, because these are bonds which have a relatively high chance of default, and therefore have to offer higher returns. Similarly, a stock will offer a high dividend yield in order to compensate for lower expected capital gains, for example a large company in a mature industry which is no longer growing.

**Asset-backed securities, called ABS:** are bonds or notes backed by financial assets. Typically these assets consist of receivables other than mortgage loans, such as credit card receivables, auto loans, manufactured-housing contracts and home-equity loans.

**Leverage:** The use of various financial instruments or borrowed capital, such as margin, to increase the potential return of an investment.

**Hedge:** Making an investment to reduce the risk of adverse price movements in an asset. Normally, a hedge consists of taking an offsetting position in a related security, such as a futures contract.

**Non-agency mortgage backed securities:** mortgage backed securities sponsored by private companies other than government sponsored enterprises.

**Mortgage-backed securities:** are bonds that are backed by pools of mortgage loans. In the most basic type of MBS, homeowners' mortgage payments are passed through to the bondholder, meaning the bondholder receives monthly payments that include both principal and interest.

**Agency mortgage backed securities:** the purchase of mortgage-backed securities issued by government sponsored enterprises such as Ginnie Mae, Fannie Mae or Freddie Mac.

**Volatility:** Volatility measures how far returns stray from an average. The higher the standard deviation, the larger the difference among individual returns and the greater the financial risk. Volatility indicates the dispersion of the range of returns where low volatility means the returns are tightly clustered around the average return and higher volatility means the returns are dispersed at greater distances from the average.

**Horizontal & Vertical Asset allocation:** Methods of allocating an investment portfolio across asset classes, geographies and sectors to achieve a desired balance of risk/reward that is appropriate for the end investor's goals, risk tolerance and investment horizon. Horizontal asset allocation refers to asset allocation across broader categories such as asset class and geography, while vertical asset allocation refers to more focused asset allocation within a sector, sub-sector, asset class, or geography.

**Technical Analysis:** A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity.

**Yield Spread:** The difference between yields on differing debt instruments, calculated by deducting the yield of one instrument from another. The higher the yield spread, the greater the difference between the yields offered by each instrument. The spread can be measured between debt instruments of differing maturities, credit ratings and risk.

**Tail risk:** The risk of an asset or portfolio of assets moving more than three standard deviations from its current price.

## **Appendix: Regional Disclosures**

## Important Disclosure Information

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### Austria

This document has been presented to you personally and only within the scope of private placement, as defined by the Austrian regulator FMA. It must not be reproduced, copied, forwarded, published or handed over to third parties. The information contained herein does not constitute any investment advice or public marketing of shares or units. At present, only Blackstone Diversified Multi-Strategy Fund, a sub-fund of Blackstone Alternative Investment Funds plc, an Irish UCITS compliant umbrella fund, is registered with the Austrian regulator FMA. Any investment is only allowed based on the latest sales documents. The Key Investor Information Document (KIID) in German language and the Prospectus including any Supplement thereto in English language, are available free of charge at the registered seat of the Company as well as from the Austrian Paying Agent. Past performance of the fund is not a reliable indicator for the future performance and the development of the fund respectively.

### Denmark

This document does not constitute a prospectus under any Danish law and has not been filed with or approved by the Danish Financial Supervisory Authority as this document has not been prepared in the context of either (i) a public offering of securities in Denmark within the meaning of the Danish Securities Trading Act or any Executive Orders issued pursuant thereto or (ii) an offering of a collective investment scheme comprised by the Danish Investment Association Act or any Executive Orders issued pursuant thereto. This document will only be directed to fewer than 150 natural or legal persons in Denmark, qualified investors as defined in section 2 of the Danish Prospectus Order no. 1257/2015 or Danish investors, who commit to acquire shares in Blackstone Diversified Multi Strategy Fund (the "Fund") for a total consideration of at least EUR 100,000 per investor for each single offer of interests in the Fund. This offering is subject to a minimum denomination of equivalent to at least EUR 100,000. Accordingly, this document may not be made available nor may the shares otherwise be marketed and offered for sale in Denmark other than in circumstances which are deemed not to be considered as marketing or an offer to the public in Denmark.

### Finland

Blackstone Diversified Multi Strategy Fund (the "Fund") is registered for public distribution in Finland and the offering of shares in the Fund is permitted by the Finnish Financial Supervisory Authority (the "FIN-FSA") within the meaning of the Act on Common Funds (48/1999, as amended). Subscription for shares in the Fund is subject to the terms of the Key Investor Information Document ('KIID'), Prospectus and Supplement to the Prospectus available on the Blackstone website at [www.bxdms.com](http://www.bxdms.com). All investors are urged to carefully read the Prospectus, Supplement and KIID in their entirety before investing.

### Germany

Blackstone Diversified Multi Strategy Fund (the "Fund") is a sub-fund of Blackstone Alternative Investment Funds plc ("BAIF plc"), an umbrella investment company established as a UCITS. An investor should abstain from investing in the Fund if the investor lacks sufficient experience, knowledge and expertise to properly assess the risks that an investment in the Fund incurs. Further information about the Fund can be obtained from to the terms of the relevant Key Investor Information Document ('KIID'), Prospectus and Supplement to the Prospectus and the latest annual and half-yearly reports. These documents are available free of charge in English. The KIIDs are also available in German. These documents can be found, along with other information, such as share prices, on the Fund's website at [www.bxdms.com](http://www.bxdms.com). An investor should make an investment in the Fund only after having read and understood the terms of the Key Investor Information Document ('KIID'), Prospectus and Supplement to the Prospectus and the latest annual and half-yearly reports. The Fund is exposed to significant risks. For further information on the risks faced by the Fund, see "Risk Factors" in the Prospectus and Supplement to the Prospectus for the Fund. Each potential investor is advised to consider possible tax consequences and to consult his own tax counsel.

### Ireland

The distribution of this document and the offering or purchase of shares in Blackstone Diversified Multi Strategy Fund (the "Fund") is restricted to the individual to whom it is addressed. Accordingly, it may not be reproduced in whole or in part, nor may its contents be distributed in writing or orally to any third party and it may be read solely by the person to whom it is addressed and his/her professional advisers.

The shares will not be offered or sold by any person:

- (a) otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017, as amended; or
- (b) in any way which would require the publication of a prospectus under the Companies Act 2014, or any regulations adopted pursuant thereto; or
- (c) in Ireland except in all circumstances that will result in compliance with all applicable laws and regulations in Ireland.

Shares in the Fund will not in any event be marketed in Ireland except in accordance with the requirements of the Central Bank of Ireland.

## Important Disclosure Information

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### France

The marketing of the shares of Blackstone Diversified Multi Strategy Fund, a sub-fund of Blackstone Alternative Investment Funds plc ("BAIF plc"), an umbrella investment company established as a UCITS, has been notified to the Autorité des marchés financiers ("AMF") pursuant to article 93 of EU Directive 2009/65/EC and that the Fund has been authorised for sale in France by the AMF. The Key Investor Information Document (KIID) in French language and the Prospectus including any Supplement thereto in English language, are available free of charge on the Blackstone website [www.bxdms.com](http://www.bxdms.com) as well as from the local representative. Past performance of the fund is not a reliable indicator for the future performance and the development of the fund. All investors are urged to carefully read the Prospectus, Supplement and KIID in their entirety before investing. Investors should note that, relative to the expectations of the Autorité des Marchés Financiers, this UCITS, Blackstone Alternative Investment Funds plc, presents disproportionate communication on the consideration of non-financial criteria in its investment policy.

### Italy

The marketing of the shares of Blackstone Diversified Multi Strategy Fund, a sub-fund of Blackstone Alternative Investment Funds plc ("BAIF plc"), an umbrella investment company established as a UCITS, has been notified to CONSOB (Commissione Nazionale per le Società e la Borsa) pursuant to Article 42 of Legislative Decree no. 58 of 24 February 1998, as amended (the "Italian Financial Act"). In Italy this document is addressed only to qualified investors (investitori qualificati) pursuant to Article 100, first paragraph, letter a), of the Italian Financial Act, as implemented by Article 34-ter, first paragraph, letter b), of CONSOB Regulation No. 11971 of 14 May 1999, as amended and by Article 26, first paragraph, letter d), of CONSOB Regulation No. 16190 of 29 October 2007, as amended.

### Luxembourg

In relation to each member state of the EEA (each a "Member State") which has implemented Alternative Investment Fund Managers Directive (Directive (2011/61/EU)) (the "AIFMD") (and for which transitional arrangements are not/ no longer available), this document may only be distributed and shares in the relevant fund may only be offered or placed in a Member State to the extent that: (1) the fund is permitted to be marketed to professional investors in the relevant Member State in accordance with AIFMD (as implemented into the local law/regulation of the relevant Member State); or (2) this document may otherwise be lawfully distributed and the shares may otherwise be lawfully offered or placed in that Member State (including at the exclusive initiative of the investor). In relation to each Member State of the EEA which, at the date of this document, has not implemented AIFMD, this document may only be distributed and shares may only be offered or placed to the extent that this document may be lawfully distributed and the shares may lawfully be offered or placed in that Member State (including at the initiative of the investor).

### Norway

Blackstone Diversified Multi Strategy Fund is a sub-fund of Blackstone Alternative Investment Funds plc ("BAIF plc"), an umbrella investment company established as a UCITS and is registered in Norway pursuant to the UCITS Directive, as implemented in Norway. BAIF plc has notified the Norwegian Financial Supervisory Authority (Nw.: Finanstilsynet) in accordance with section 9-3 of the Norwegian Securities Funds Act of 2011 and the shares are permitted for marketing and selling in Norway. BAIF plc has represented and agreed that it has complied with all applicable provisions of the Norwegian Securities Funds Act of 2011 and the Norwegian Securities Trading Act of 2007 and other relevant Norwegian laws and regulations with respect to anything done by it in relation to the shares in, from or otherwise involving Norway. Each investor should carefully consider individual tax issues before investing in BAIF plc.

### Spain

Blackstone Diversified Multi Strategy Fund (the "Fund") is authorised by the Spanish Comisión Nacional del Mercado de Valores (CNMV) and both the Fund and its management company, Blackstone Alternative Investment Funds plc ("BAIF plc"), are shown on its registers. Prior to a subscription, the Key Investor Information Documents ('KIIDs'), the marketing memorandum and the latest annual and semi-annual reports and, upon request, the rest of the official documentation of the Fund will be delivered to Spanish investors free of charge from the Fund's Spanish distributors. Such documents, including the net asset values, can be found at least at one of the Fund's Spanish distributors' websites.

### Switzerland

Blackstone Diversified Multi Strategy Fund has appointed a duly licensed representative and a Swiss licensed bank as paying agent in Switzerland. In addition, in accordance with the Swiss Collective Investment Schemes Act (CISA), before the Shares will be distributed in Switzerland, the Prospectus, this Country Supplement, the key investor information documents relating to the Share distributed in Switzerland (the "KIIDs") and the articles of association relating to the Company will be submitted to the Swiss Financial Market Supervisory Authority FINMA for approval.

The representative of the Fund in Switzerland (the "Representative in Switzerland") is Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070 1928, CH-8021 Zurich. The paying agent ("Paying Agent") of the Fund in Switzerland is Société Générale, Paris, Zurich Branch, Talacker 50, P.O. Box 5070 1928, CH-8021 Zurich.

Regarding the publication of performance data of the Fund, it should be noted that the historic performance does not represent an indicator for the current or future performance and, unless otherwise indicated, the performance data do not take account of the commissions and costs incurred on the issue and redemption of units. In respect of the distribution activity of the Shares in Switzerland, the place of performance and jurisdiction is at the registered office of the Representative in Switzerland.

## Important Disclosure Information

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### Sweden

Blackstone Alternative Investment Funds plc (the “Company”) and its sub-fund Blackstone Diversified Multi Strategy Fund (the “Fund”) have been registered with Finansinspektionen (the Swedish Financial Supervisory Authority) under Chapter 1 Section 7 of the Swedish Securities Funds Act (Sw: lag (2004:46) om värdepappersfonder), which implies that the shares of the Fund may be marketed in Sweden. The Company has appointed Skandinaviska Enskilda Banken AB (the “Paying Agent”) to (i) make payments to shareholders in Sweden, (ii) redeem shares in Sweden and (iii) distribute in Sweden the information that the Company and/or the Fund is required to supply under the laws of Ireland. Past performance is no guarantee of a particular return in the future. The money invested in a fund can increase or decrease in value, and there is no guarantee that all of the capital you invest will be repaid.

### UK

Blackstone Diversified Multi Strategy Fund has been established and is authorised as a UCITS (in accordance with the UCITS Directive) in Ireland and has been registered in the UK and is therefore a recognised collective investment scheme for the purposes of the Financial Services and Markets Act 2000 of the United Kingdom (“FSMA”). However, the promotion of the Fund and the distribution of this document in the United Kingdom is available only to certain investor types and is accordingly restricted by law.

#### Distribution in the UK:

This is neither an offer to sell nor a solicitation of any offer to buy any securities in any fund managed by us. Any offering is made only pursuant to the relevant offering document, together with the current financial statements of the relevant fund, if available, and the relevant subscription application, all of which must be read in their entirety. No offer to purchase securities will be made or accepted prior to receipt by the offeree of these documents and the completion of all appropriate documentation.

This document is not an advertisement and is not intended for public use or distribution. It has not been approved under section 21 of the Financial Services and Markets Act 2000 (FSMA). In the United Kingdom, this document is being distributed only to and is directed only at persons who satisfy both of the conditions set out in (A) and B) below:

(A) persons who are professional clients or eligible counterparties for the purposes of the European Markets in Financial Instruments Directive (Directive 2004/39/EC);

(B) (i) persons who have professional experience in matters relating to investments falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the Financial Promotion Order); or (ii) high net worth entities and other persons to whom it may otherwise lawfully be communicated, falling within Article 49 of the Financial Promotion Order; or (iii) certified sophisticated investors falling within Article 50 of the Financial Promotion Order; or (iv) other persons to whom it may lawfully be directed under an exemption contained in the Financial Promotion Order; all such persons together being referred to as “relevant persons”. Accordingly, this document is exempt from the general restriction in Section 21 of FSMA on the grounds that it will be communicated only to relevant persons. Persons who are not relevant persons must not act on or rely on this document or any of its contents. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons. Relevant persons in receipt of this document must not distribute, publish, reproduce, or disclose this document (in whole or in part) to any person who is not a relevant person.

"Certified sophisticated investor", for this purpose, means a person:

(a) who has a current certificate in writing or other legible form signed by an authorised person to the effect that he is sufficiently knowledgeable to understand the risks associated with participating in unregulated collective investment schemes and of investments of the type described in this document; and

(b) who has signed, within the period of twelve months ending with the day on which the communication is made, a statement in the prescribed form.

A person acquiring any investment is placing their capital at risk and could lose some or all of the amount invested. Information on past or projected performance of funds or investments, where given, is not a reliable indicator of future results. No reliance should be made on this document for the purpose of engaging in any investment activity. Investors should seek independent advice from their investment advisers or further information concerning an interest and the suitability of making an investment in the context of the investor’s individual circumstances. If a prospective investor has any doubt about the suitability of an investment, the investor should contact for advice a duly authorised independent financial adviser specialising in providing advice in relation to investments of the type described in this document. Levels and bases of taxation may change from time to time. Investors should consult their own tax advisers in order to understand any applicable tax consequences of an investment. Prospective investors should note that the tax treatment of each investor, and of any investment, depends on individual circumstances and may be subject to change in the future.