

Blackstone Diversified Multi-Strategy Fund (BXDMSIE)

(BXDMSIE: Class I (EUR) Acc.) – A sub-fund of Blackstone Alternative Investment Funds plc, an umbrella fund established as a UCITS with segregated liability between sub funds. **This is a marketing communication.** Please refer to the prospectus and the Key Investor Information Document (KIID) of the Fund before making any final investment decisions. For professional and institutional investors use only. Not for onward distribution or distribution to retail investors.

BXDMSIE (the "Fund") provides a diversified blend of alternative strategies and managers in a single, daily liquid UCITS fund. BXDMSIE's investment objective is to seek capital appreciation. The Fund seeks this objective by allocating its assets among a variety of non-traditional or "alternative" investment strategies. Blackstone allocates the Fund's assets among investment sub-advisers with experience managing alternative investment strategies and also manages a portion of the Fund's assets directly. In pursuing the Fund's investment objective, Blackstone seeks to maintain an investment portfolio with, on average, lower volatility relative to the broader equity markets.

Fund Highlights

Fund Assets (Mn)	USD \$459.80
NAV per Share	€ 9.38
Currency	EUR
Fund Inception Date	August 11, 2014
Share Class Inception Date	December 1, 2014
Investment Manager	Blackstone Alternative Investment Advisors LLC
Subscriptions	Daily
Redemptions	Daily
Distributing/Accumulating	Accumulating
Cut-off	3pm (Ireland)
Bloomberg Ticker	BXDMSIE ID
ISIN	IE00BN85Y486

Fund Net Performance⁽¹⁾⁽²⁾

	As of December 31, 2022				ITD Statistics			
	MTD	QTD	YTD	ITD	St. Dev.	Beta	Alpha	Sharpe
BXDMSIE	0.21%	0.64%	(7.04%)	(0.79%)	4.65%	-	-	(0.06)
HFRX Global HF Index (EUR-hedged)	(0.32%)	(0.49%)	(6.28%)	(1.13%)	3.52%	0.77	0.34%	(0.17)
Barclays Gbl Agg (EUR-hedged)	(1.41%)	0.26%	(13.27%)	(0.46%)	3.01%	0.10	(0.47%)	0.02
MSCI World TR (EUR-hedged)	(5.17%)	6.93%	(17.45%)	6.75%	15.47%	0.18	(1.50%)	0.47

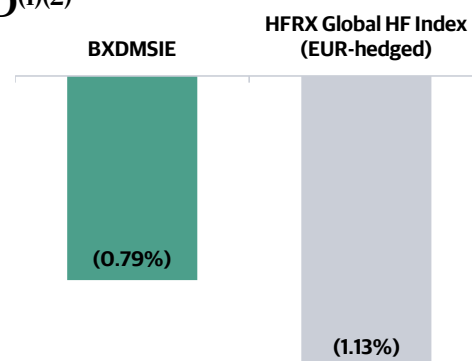
Fund Terms (Class I)⁽³⁾

Minimum Initial Investment (Mn)	€5.00
Management Fee	1.40%
Performance Fee ⁽⁴⁾	15.00%
Other Expenses ⁽⁴⁾	Capped 0.45%

These fees are charged to investors and used to pay the costs of running the fund. Additional costs may be incurred as detailed in the fund legal documentation. Some fees may be charged to investors when the fund outperforms the preferred return. These charges reduce the potential growth of your investment. Fund charges will be incurred in EUR or USD, meaning that payments may increase or decrease as a result of currency exchange fluctuations.

Past performance does not guarantee future results. Currency fluctuations may have an adverse effect on the value, price or income and costs of the product which may increase or decrease as a result of changes in exchange rates. 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.

Net Performance vs. Alternative Strategies ITD⁽¹⁾⁽²⁾



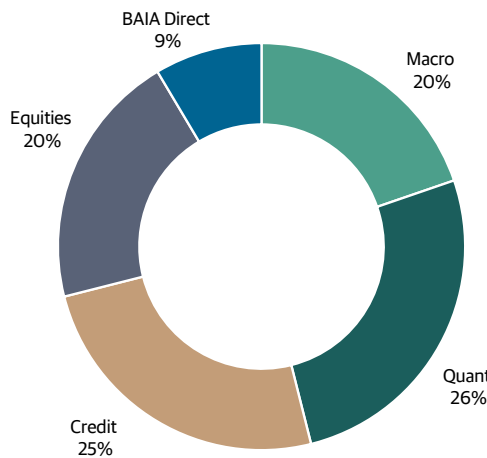
- Performance is presented through December 31, 2022. Returns are shown net of all fees and expenses less waived expenses. Inception to date (ITD) returns for BXDMSIE are calculated on an annualized basis. The investment return and principal value of an investment will fluctuate so that an investor's 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. The Class launched on December 1, 2014. Additional information and performance data current to the most recent month-end is available at www.bxdms.com. Recent fund performance is estimated and unaudited.
- All MTD, QTD, YTD and ITD statistics are calculated using daily performance since inception and uses the local currency rate. All returns include dividend and capital gain distributions. Standard Deviation and Sharpe calculations are annualized. Beta and Alpha are measured to the respective index. The index returns reflected are calculated by the respective index provider using a combination of spot and forward currency rates to estimate an implied cost of hedging. See end of document for additional disclosures regarding indices presented.
- The above terms are summarized and qualified in their entirety by the more detailed information set forth in the BXDMS 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.

Additional details concerning the Fund's performance, liquidity and asset class exposures are available upon request. Please contact your BAAM representative for further information. Current performance data is available at www.bxdms.com.

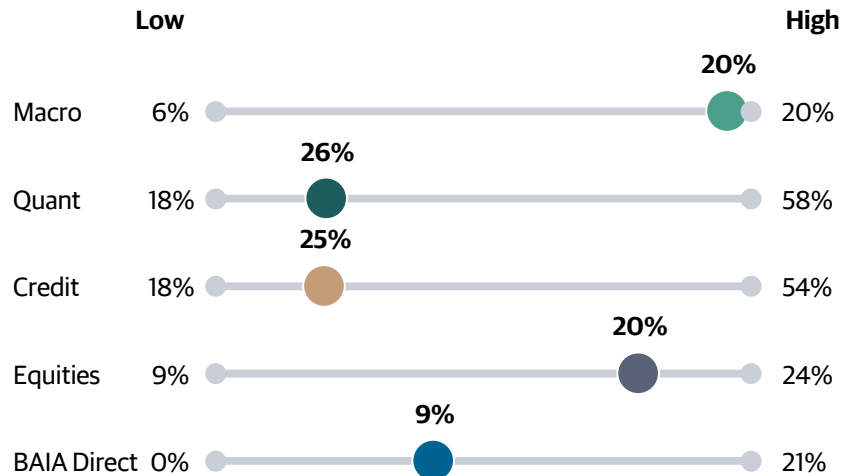
Performance Contribution⁽¹⁾⁽²⁾

Sub-Strategy	MTD		QTD		YTD		1Yr		ITD Annualized Return
	Return (Gross)	Return Attribution	Return	Attribution	Return	Attribution	Return	Attribution	
Macro	1.46%	0.33%	5.88%	1.42%	(0.87%)	(0.08%)	(0.87%)	(0.08%)	6.37%
Quant	0.47%	0.14%	0.28%	0.08%	(0.96%)	(0.32%)	(0.96%)	(0.32%)	3.36%
Credit	0.63%	0.18%	(0.21%)	(0.07%)	(6.13%)	(1.89%)	(6.13%)	(1.89%)	3.08%
Equities	(0.70%)	(0.17%)	0.81%	0.23%	(6.20%)	(1.78%)	(6.20%)	(1.78%)	1.00%
BAIA Direct	1.07%	0.10%	1.92%	0.22%	7.12%	0.79%	7.12%	0.79%	(5.32%)
Fund Return (Net)	0.21%		0.64%		(7.04%)		(7.04%)		(0.79%)

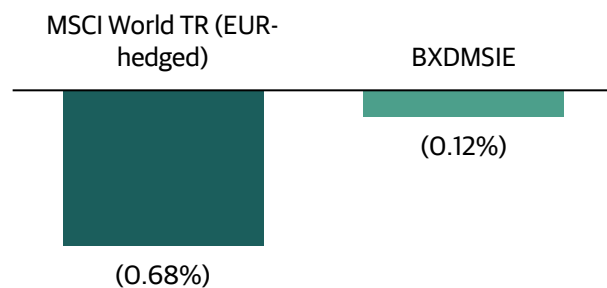
Portfolio Allocations⁽²⁾



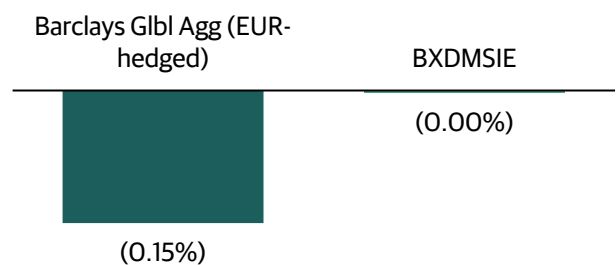
Current and Historical Allocation Range⁽²⁾



Avg. Return for Days When Stocks Were Down⁽³⁾



Avg. Return for Days When Bonds Were Down⁽⁴⁾



Performance is presented since BXDMSIE's inception on 12/1/2014 to 12/31/2022. Comparisons will differ, in some cases significantly, if the relative performance is measured over the course of a month, quarter, year or longer. Because of the broadly diversified and low beta nature of the portfolio, BXDMS is not expected to participate in the full upside of broader markets. See footnotes 3 and 4 below. None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.

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. Material differences in strategies, investment teams, and market conditions between funds being marketed and funds presented in the track record may exist.

Returns are shown for BXDMSIE Class I (EUR) Accumulating share class ("BXDMSIE"). BXDMSIE launched on December 1, 2014. Information about BXDMS, including current month-end performance, is available on BXDMS' website at www.bxdms.com or by calling 855-890-7725

- Sub-strategy returns are shown gross of all fees and expenses. All statistics are calculated using daily performance since inception. Performance is estimated and unaudited. Sub-strategy returns cannot be shown net of expenses given the fact expenses are incurred at the fund level and are not allocated across individual sub strategies.
- Portfolio allocations include exposure to certain BAIA-Direct investments. Portfolio allocations reflect investments into the sub-strategies, not necessarily exposure to all the asset classes listed. Equities allocation includes equity hedges. Credit allocation include a Fixed Income - Asset Backed sub-strategy and opportunistic credit trades. Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%. Allocations may change at any time without notice.
- "Stocks" refers to the MSCI World TR (EUR-hedged). From 12/1/2014 to 12/31/2022, there were 958 days in which the MSCI World TR (EUR-hedged) was down and 1152 days in which the MSCI World TR (EUR-hedged) was up or flat. During this period, on days that the MSCI World TR (EUR-hedged) was up, the average daily returns for the MSCI World TR (EUR-hedged) and BXDMSIE were 0.6% and 0.1%, respectively.
- "Bonds" refers to the Barclays Global Agg TR (EUR-hedged). From 12/1/2014 to 12/31/2022, there were 999 days in which the Barclays Global Agg TR (EUR-hedged) was down and 1104 days in which the Barclays Global Agg TR (EUR-hedged) was up or flat. During this period, on days that the Barclays Global Agg TR (EUR-hedged) was up, the average daily returns for the Barclays Global Agg TR (EUR-hedged) and BXDMSIE were 0.1% and -0.0%, respectively.

Potential Benefits of a Multi-Manager Portfolio



Diversification

Diversification is critical in investing and helps mitigate risk in a portfolio. The Fund's multi-manager structure provides built-in diversification for investors who seek to avoid single manager risk. Diversification does not ensure a profit or guarantee against loss.



Access to Specialists

Specialists with expertise in specific alternative strategies are combined in one solution. Given the complexity of many of these strategies, it is unlikely that a single manager has expertise across all of them.



Dynamic Allocation

Dynamic allocation allows Blackstone to rotate into more attractive sectors, strategies and managers as markets evolve.

Sub-Adviser Allocations⁽¹⁾⁽²⁾

Manager	Strategy	Sub-Strategy	Classification
Active Sub-Advisers			
Emerging Markets Manager	Relative Value	Fixed Income – Sovereign	Macro
Emso	Macro	Discretionary Thematic	
Bayforest	Multi-Strategy	N/A	Quant
D.E. Shaw	Multi-Strategy	N/A	
Jasper	Equity Hedge	Quantitative Directional	
Magnetar⁽²⁾	Event Driven	Risk Arbitrage	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	Credit
Bayview	Relative Value	Fixed Income – Asset Backed	
BRESSA⁽²⁾	Relative Value	Fixed Income – Asset Backed	
BX LCS⁽²⁾	Relative Value	Fixed Income – Asset Backed	
Caspian	Event Driven	Distressed/Restructuring	
EJF	Relative Value	Fixed Income – Asset Backed	Equities
Aperture Investors, LLC	Equity Hedge	Equity Long Short	
Endeavour	Equity Hedge	Equity Long Short	
HealthCor	Equity Hedge	Equity Long Short	
Sage Rock	Event Driven	Multi-Strategy	
Seiga⁽²⁾	Equity Hedge	Equity Long Short	
BAIA Direct⁽³⁾	Multi-Strategy	N/A	BAIA Direct
Inactive Sub-Advisers⁽⁴⁾			
Nephila	Event Driven	Reinsurance	Inactive
Waterfall	Relative Value	Fixed Income – Asset Backed	

There can be no assurance that the Fund will achieve its goals or avoid losses.

Note: Please refer to the Fund's Prospectus for a full list of Sub-Advisers. Opinions expressed reflect the current opinions of BAIA as of the date of the report only.

- Portfolio allocations reflect investments into the sub-strategies, not necessarily exposure to all the asset classes listed. 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 strategy definitions have been qualified to meaningfully distinguish among various investment styles. BAIA's underlying managers have been categorized based on the strategy definitions to the best of BAIA's knowledge. There can be no assurance that the underlying managers will meet their objectives. Certain of the data provided is based on information obtained or derived from the given manager and may be incomplete or dated. BAIA does not guarantee the accuracy of such information.
- Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliate benefits Blackstone Inc. and any redemption or reduction of such allocation would be detrimental to Blackstone 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.
- BAIA manages a portion of the Fund's assets directly. Such investments presently include allocations to structured notes providing exposure to commodity and equity capital markets strategies managed by third-party investment managers, opportunistic trades and hedging. BAIA allocations are subject to change and BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.
- Inactive managers are not currently managing any Fund assets. Allocations may change at any time without notice.
- Subject to Blackstone's information walls and confidentiality and fiduciary obligations.
- As of January 1, 2023.

Portfolio Attributes

- Innovative open-architecture framework accommodates a wide array of strategies
- Tailored mandates democratize access to specific skills and exposures
- Dedicated access to strategies with potentially scarce capacity
- Separate accounts increase portfolio efficiency and transparency⁽⁵⁾
- Open-architecture infrastructure allows seamless integration with sub-advisers' existing operations⁽⁵⁾

Portfolio Managers⁽⁶⁾

Name	Years at Blackstone
Riad Abrahams	<1
David Ben-Ur	1
Max Jaffe	6
Ian Morris	12
Alberto Santulin	19
Winfield Sickles	1
Stephen Sullens	21

Monthly Net Performance⁽¹⁾⁽²⁾

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	-	-	-	-	-	-	-	-	-	-	-	0.10%	0.10%
2015	0.40%	1.39%	1.18%	(0.48%)	1.27%	(0.77%)	1.75%	(0.67%)	(1.15%)	0.68%	0.58%	(1.05%)	3.10%
2016	(2.03%)	(2.57%)	1.22%	1.20%	0.79%	(0.98%)	0.89%	(0.59%)	1.09%	0.39%	(1.76%)	0.60%	(1.84%)
2017	1.58%	0.68%	0.58%	0.86%	0.67%	(0.95%)	0.86%	0.28%	(0.38%)	0.57%	(1.32%)	(0.95%)	2.47%
2018	(0.00%)	(1.44%)	0.29%	0.59%	(1.45%)	(0.30%)	0.99%	0.10%	1.17%	(2.03%)	(0.30%)	(0.79%)	(3.18%)
2019	2.59%	0.87%	0.29%	0.58%	(0.38%)	0.96%	0.28%	(1.04%)	(0.10%)	(0.10%)	0.00%	0.86%	4.88%
2020	0.66%	(0.75%)	(17.57%)	1.15%	1.59%	2.47%	0.98%	0.98%	(0.64%)	(0.76%)	2.39%	2.76%	(8.25%)
2021	0.21%	0.52%	0.10%	2.56%	0.40%	0.80%	(0.20%)	0.69%	(0.49%)	(0.10%)	(0.99%)	0.80%	4.34%
2022	(1.39%)	(0.40%)	0.71%	(1.60%)	(0.61%)	(2.77%)	(0.32%)	0.00%	(1.48%)	0.11%	0.32%	0.21%	(7.04%)

12 Month Performance Periods⁽¹⁾⁽²⁾

Fund Performance	12/01/2014 - 11/30/2015	12/01/2015 - 11/30/2016	12/01/2016 - 11/30/2017	12/01/2017 - 11/30/2018	12/01/2018 - 11/30/2019	12/01/2019 - 11/30/2020	12/01/2020 - 11/30/2021	12/01/2021 - 11/30/2022	12/01/2022 - 12/30/2022
BXDMSIE	4.30%	(3.45%)	4.07%	(3.34%)	3.16%	(9.95%)	6.38%	(6.49%)	0.21%
HFRX Global HF Index (EUR-hedged)	(3.78%)	(1.38%)	3.68%	(7.44%)	0.44%	1.36%	4.64%	(5.68%)	(0.32%)
Barclays Gbl Agg (EUR-hedged)	1.58%	1.97%	1.15%	(2.14%)	6.76%	3.57%	(1.51%)	(12.51%)	(1.41%)
MSCI World TR (EUR-hedged)	3.75%	3.35%	19.43%	(0.00%)	12.91%	11.01%	23.21%	(9.55%)	(5.17%)

Performance is presented since BXDMSIE's inception on 12/1/2014 to 12/31/2022. Comparisons will differ, in some cases significantly, if the relative performance is measured over the course of a month, quarter, year or longer. Because of the broadly diversified and low beta nature of the portfolio, BXDMS is not expected to participate in the full upside of broader markets. None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.

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1. Performance is presented through December 31, 2022. Returns are shown net of all fees and expenses less waived expenses. 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.
2. All YTD and 12 Month Performance Period statistics are calculated using daily performance since inception. All returns include dividend and capital gain distributions. The index returns reflected are calculated by the respective index provider using a combination of spot and forward currency rates to estimate an implied cost of hedging. See end of document for additional disclosures regarding indices presented.

Key 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.
- The Fund's investments will include shares, bonds and FDI. 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.
- 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. Sub-advisers may make investment or hedging decisions which conflict or offset with other sub-advisers.
- Increased legal, tax and other regulatory developments may adversely impact the ability of BAIA and the subadvisers to utilize certain investment techniques or invest in certain assets.
- The Fund may invest in countries or through over 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.
- 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 complete information on the risks faced by the Fund, see "Risk Factors" in the Prospectus and Prospectus Supplement for the Fund, available from www.bxdms.com.

Important Disclosure Information

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 regulated by the Central Bank of Ireland.

Investors and potential investors should consider the investment objectives, risks, charges and expenses of Blackstone Diversified Multi-Strategy Fund (BXDMS) carefully before investing. The Prospectus, Prospectus Supplement and Key Investor Information Document ("KIID") contain this and other information about BXDMS and are available on the Fund's website at <http://www.bxdms.com/>.

- The Prospectus, Prospectus Supplement KIIDs are available in English. Certain share class specific KIIDs are available in French, German, Greek, Dutch, Danish, Finnish, Swedish, Norwegian, Spanish and Italian as indicated on the Fund's website at www.bxdms.com.
- A summary, in English, of investors rights and information on access to collective redress mechanism can be obtained on the Fund's website or by clicking [here](#).

This is a marketing communication.

No Assurance of Investment Return: 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. There can be no assurance that the Fund will achieve its goals or avoid losses. Diversification does not ensure a profit or guarantee against loss. Information about the Fund, including current month-end performance, is available on the Fund's website at www.bxdms.com. **Investing in units of a UCITS does not have guaranteed return. Past returns are not a guarantee for future returns.**

Additional details concerning the Fund's performance, liquidity and asset class exposures are available upon request. Please contact your BAAM representative for further information.

Allocations: 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, strategies or sub- strategies. Blackstone may also add new 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 without notice.

ERISA Fiduciary Disclosure: The foregoing information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice.

Index Comparisons: The Fund is actively managed and uses the MSCI World Total Return Index, Barclays Global Aggregate Index and HFRX Global Hedge Fund Index for performance comparison purposes only. The Fund strategy is not managed in reference to any benchmark index. While a proportion of the Fund's assets may be components of and have similar weightings to one or more of the referenced indices, BAIA and the sub-advisers may use their discretion to invest a significant proportion of the Fund in assets which are not included in, or with different weightings to, the indices have risk profiles, volatility, asset composition and other material characteristics that may differ from the Fund. The indices do not reflect the deduction of fees or expenses and you cannot invest directly into an index. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. Indices are presented as indicative and for illustrative purposes only, are unmanaged and investors cannot invest in an index. Index data is obtained from unaffiliated third parties and is subject to subsequent adjustments.

Opinions and Trends: Opinions expressed reflect the current opinions of Blackstone as of the date appearing in the Materials only and are based on Blackstone's opinions of the current market environment, which are subject to change. Certain information contained in the Materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results.

Important Risks: An investment in the Fund should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other investments. The Fund's investments involve special risks including, but not limited to, loss of all or a significant portion of the investment due to leveraging, short-selling, or other speculative practices, lack of liquidity and volatility of returns. The following is a summary description of certain additional principal risks of investing in the Fund:

Allocation Risk – Blackstone's judgment about the attractiveness, value or market trends affecting a particular asset class, investment style, sub-adviser or security may be incorrect, and this may have a negative impact upon performance. **Market Risk and Selection Risk** – One or more markets may go down in value, possibly sharply and unpredictably, affecting the values of individual securities held by the Fund. **Derivatives Risk** – the use of derivatives involves the risk that their value may not move as expected relative to the value of the relevant underlying assets, rates, or indices. Derivatives can be subject to counterparty credit risk and may entail investment exposure greater than their notional amount. **Debt Securities Risk** – investments in bonds and certain asset-backed securities are subject to risks, including but not limited to, the credit risk of the issuer of the security, the risk that the issuer undergoes a restructuring or a similar event, the risk that inflation decreases the value of assets or income from the investments, and the risk that interest rates changes adversely impact the debt investments. **Equity Securities Risk** – prices of equity and preferred securities fluctuate based on changes in a company's financial condition and overall market and economic conditions. **Mortgage- and Asset-Backed Securities Risk** – involves credit, interest rate, prepayment and extension risk, as well as the risk of default of the underlying mortgage or asset, particularly during times of economic downturn. **Multi-Manager Risk** – managers may make investment decisions which conflict with each other and as a result, the Fund could incur transaction costs without accomplishing any net investment result. **Leverage Risk** – use of leverage can produce volatility and may exaggerate changes in the net asset value of Fund shares and in the return on the portfolio, which may increase the risk that the Fund will lose more than it has invested. **Large Purchase or Redemption Risk** – large redemption or purchase activity could have adverse effects on performance to the extent that the Fund incurs additional costs or is required to sell securities, invest cash, or hold a relatively large amount of cash at times when it would not otherwise do so.

Epidemics/Pandemics: Certain countries have been susceptible to epidemics which may be designated as pandemics by world health authorities, most recently COVID-19. The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and thereby is expected to adversely affect the performance of the Funds' Investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their Investments.

Exchange Rate. Currency fluctuations may have an adverse effect on the value, price, income, or costs of the product which may increase or decrease as a result of changes in exchange rates.

Russian Invasion of Ukraine: On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Material, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Fund invests), and therefore could adversely affect the performance of the Fund's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Fund and the performance of its investments and operations, and the ability of the Fund to achieve its investment objectives. Similar risks will exist to the extent that any portfolio entities, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

Conflicts of Interest: Blackstone and the Sub-Advisers have conflicts of interest that could interfere with their management of the Fund. These conflicts, which are disclosed in the Fund's Statement of Additional Information, 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 Blackstone Inc. and the relevant Sub-Adviser and redemptions from an affiliate (or terminating such entity as a service provider) would be detrimental to Blackstone Inc. and the relevant Sub-Adviser. For example:

- Blackstone Strategic Alliance Advisors L.L.C. ("BSAA"), an affiliate of BAIA, manages the Strategic Alliance Funds (the "SAF Funds") that provide seed capital to emerging alternative asset managers (the "SAF Managers") in exchange for a revenue share arrangement. Seiga Asset Management Limited, a SAF Manager, is a sub-adviser to the Fund. The revenue generated for BSAA related to the Fund's investment with a SAF Manager is rebated to the Fund. The Fund will not otherwise participate in any of the economic arrangements between the SAF Funds and any SAF Manager with which the Fund invests.
- 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.
- Blackstone Real Estate Special Situations Advisors L.L.C. ("BRESSA"), an affiliate of BAIA and an indirect wholly-owned subsidiary of Blackstone Inc., serves as a Sub-Adviser. BRESSA invests primarily in liquid, commercial and residential real estate-related debt instruments.
- Blackstone Liquid Credit Strategies LLC ("BX LCS"), an affiliate of BAIA and an indirect wholly-owned subsidiary of Blackstone Inc., serves as a Sub-Adviser. BX LCS invests primarily in below investment grade corporate credit.
- 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: Gross Exposure: Reflects the aggregate of long and short investment positions in relation to the net asset value. The gross exposure is one indication of the level of leverage in a portfolio. **Net Exposure:** This is the difference between long and short investment positions in relation to the net asset value. **Long Exposure:** A long position occurs when an individual owns securities. **Short Exposure:** Short selling a security not actually owned at the time of sale. Short positions can also generate returns when the price of a security declines. **Beta:** A measure of the volatility, or systemic risk, of a security or a portfolio in comparison to the market as a whole. **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. More specifically, Jensen's Measure is used to calculate alpha. **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.

Glossary of Indices: Market indices obtained through Bloomberg, HFR Asset Management, MSCI and Morningstar, as applicable. **MSCI World Gross Index TR:** Market capitalization weighted index designed to provide a broad measure of large and mid-cap equity performance across 23 developed markets countries. **HFRX Global Hedge Fund Index:** Designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies falling within four principal strategies: equity hedge, event driven, macro/CTA, and relative value arbitrage. Strategies are asset weighted based on the distribution of assets in the hedge fund industry. **Barclays Global Aggregate Bond Index TR:** Flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. **None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index.**

Termination of marketing arrangements. Please note that BXDMS may decide to terminate the arrangements made for the marketing of the Fund in one or more EU member states pursuant to the UCITS marketing passport in accordance with the procedure provided for under the applicable laws that implement Article 93a of Directive 2009/65/EC (the UCITS Directive).

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