Blackstone

Profiles of Sub-Advisers

JANUARY 2021

Blackstone Alternative Multi-Strategy Fund (BXMIX)

A series of Blackstone Alternative Investment Funds, a Massachusetts business trust registered under the Investment Company Act of 1940 as an open-end management investment company.

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 Profiles. 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. Prepared by Blackstone Securities Partners L.P., a member of FINRA and an affiliate of Blackstone Alternative Investment Advisors LLC, the investment adviser of the Fund.

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.

All investors should consider the investment objectives, risks, charges and expenses of the Blackstone Alternative Multi-Strategy Fund (the “Fund”) carefully before investing. The prospectus and the summary prospectus contain this and other information about the Fund. You can obtain the prospectus and the summary prospectus, from the Fund’s website (www.bxmix.com). All investors are urged to carefully read the prospectus and the summary prospectus, in its 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 current month-end performance, is available on the Fund’s website at www.bxmix.com or by calling 855-890-7725.

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. ***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. ***Distressed Securities Risk*** – investments in securities of business enterprises involved in workouts, liquidations, reorganizations, bankruptcies and similar situations involve a high degree of risk of loss since there is typically substantial uncertainty concerning the outcome of such situations. ***Event-Driven Trading Risk*** – involves the risk that the specific event identified may not occur as anticipated and that this may have a negative impact upon the market price of the securities involved. ***Foreign Investments/Emerging Markets Risk*** – involves special risks caused by foreign political, social and economic factors, including exposure to currency fluctuations, less liquidity, less developed and less efficient trading markets, political instability and less developed legal and auditing standards. ***High Portfolio Turnover Risk*** – active trading of securities can increase transaction costs (thus lowering performance) and taxable distributions. ***Model and Technology Risk*** – involves the risk that model-based strategies, data gathering systems, order execution and trade allocation systems and risk management systems may not be successful on an ongoing basis or could contains errors, omissions, imperfections or malfunctions. ***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.

In addition, you should be aware of the following risks and conflicts relating specifically to the Fund:

- The fees paid by the Fund to Blackstone will be reduced by the full amount of any fees paid to the Fund’s underlying managers. This compensation offset arrangement may give Blackstone an incentive to favor underlying managers that charge lower fees.
- Subject to applicable law, the Fund is not restricted from selecting underlying managers in which Blackstone, Blackstone Clients or their affiliates have a financial interest.

The following 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. If you are an individual retirement investor, contact your financial advisor or other fiduciary unrelated to BAIA about whether any given investment idea, strategy, product or service described herein may be appropriate for your circumstances.

Prepared by Blackstone Securities Partners L.P., a member of FINRA and an affiliate of Blackstone Alternative Investment Advisors LLC, the investment adviser of the Fund.

Firm Background

Strategy	Multi-Strategy
Sub-Strategy	N/A
Geographic Focus	Global
Portfolio Managers[(2)]	BAIA IC
Headquarters	New York, NY
Firm Inception	2012
Firm AUM[(3)]	$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 funds managed by EJF Capital LLC, Aeolus Capital Management Ltd., PIMCO Investment Management, Saba Capital Management, L.P. and 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.

Firm Background

Strategy	Relative Value
Sub-Strategy	Fixed Income - Asset Backed
Geographic Focus	North America
Portfolio Manager(s)	David Ertel Matt Miller
Headquarters	Coral Gables, FL
Firm Inception	1993
Firm AUM[(1)]	$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.

Firm Background

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

Firm Background

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

Firm Background

Strategy	Relative Value
Sub-Strategy	Fixed Income – Asset Backed
Geographic Focus	United States
Portfolio Manager(s)	Joshua Weintraub Brendan Garvey
Headquarters	New York, NY
Firm Inception[(1)]	1992
Firm AUM[(2)]	$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.

Firm Background

Strategy	Macro
Sub-Strategy	Commodity-Energy
Geographic Focus	North America
Portfolio Manager(s)	John Redpath
Headquarters	Austin, TX
Firm Inception	2013
Firm AUM[2]	$300m

Strategy Overview

The Sub-Adviser is a global energy trader and risk manager, which operates across North American and European energy markets.

The Sub-Adviser seeks to capture opportunities arising from the disruption in energy markets by leveraging its energy market experience and predictive modelling platform.

The strategy for the Fund aims to identify trading opportunities in North American financial energy markets which may arise from trade flows, supply, demand or infrastructure imbalances. The Sub-Adviser will initially invest the Fund's assets exclusively in commodities or commodities interests. The strategy benefits from the Sub-Adviser's specialized team of investment professionals who trade and manage risk across both physical and financial markets.

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(1) Please refer to the Fund's Prospectus for a full list of Sub-Advisers.

(2) As of 7/31/2020. TrailStone oversees approximately $300 million invested in various commodity energy products.

Firm Background

Strategy	Multi-Strategy
Sub-Strategy	N/A
Geographic Focus	Global
Portfolio Manager(s)	Anne Dinning Philip Kearns
Headquarters	New York, NY
Firm Inception(1)	1988
Firm AUM(2)	$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 DESIM as of 3/31/2020.

Firm Background

Strategy	Macro
Sub-Strategy	Discretionary Thematic
Geographic Focus	Global
Portfolio Manager(s)	Mark Franklin John Hynes
Headquarters	London, UK
Firm Inception[(1)]	2000
Company AUM[(2)]	$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.

Firm Background

Strategy	Equity Hedge
Sub-Strategy	Equity Market Neutral
Geographic Focus	United States
Portfolio Manager(s)	Laurence Austin Mitchell Katz Jonah Marcus
Headquarters	Greenwich, CT
Firm Inception	2002
Company AUM[(2)]	$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.

Firm Background

Strategy	Macro
Sub-Strategy	Multi-Strategy
Geographic Focus	Global
Portfolio Manager(s)	Dr. Theodoros Tsagaris
Headquarters	London, United Kingdom
Firm Inception	2017
Firm AUM[2]	$40.5m

Strategy Overview

The Sub-Adviser is a multi-asset quantitative research firm that combines real-time statistical inference analytics with deep market expertise. It specialises in stream learning algorithms to analyse large quantities of data, built solely on proprietary infrastructure.

The Sub-Adviser's proprietary algorithm consumes large quantities of data to infer actionable insights in real time, which in turn are used to identifying complex patterns that may be formed because of market inefficiencies.

The strategy for the Fund invests across asset classes, with a focus on trading futures on commodity indices, equity indices, interest rate and foreign exchange contracts. The strategy relies solely on quantitative analysis to build signals that are translated to financial instrument orders. The end-to-end process is entirely systematic and aims to capture perceived market inefficiencies.

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(1) Refer to the Fund's prospectus for a full list of Sub-Advisers.

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

Firm Background

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

Firm Background

Strategy	Relative Value Strategies
Sub-Strategy	Fixed Income – Asset Backed
Geographic Focus	Global
Portfolio Manager(s)	Michael Sobol Daniel McMullen
Headquarters	New York, NY
Firm Inception[(2)]	2005
Firm AUM[(3)]	$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.

Firm Background

Strategy	Equity Hedge
Sub-Strategy	Equity Long Short
Geographic Focus	Global
Portfolio Manager(s)	Art Cohen Joe Healey
Headquarters	New York, NY
Firm Inception	2005
Firm AUM[(1)]	$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.z

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

Firm Background

Strategy	Macro
Sub-Strategy	Systematic Diversified
Geographic Focus	Global
Portfolio Manager(s)	Björn Österberg / Mattias Jansson
Headquarters	Stockholm, Sweden
Firm Inception	1998
Firm AUM[2]	$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) Sub-Adviser is not currently managing any Fund assets. Allocations may change at any time without notice.

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

Firm Background

Strategy	Macro
Sub-Strategy	Systematic Diversified
Geographic Focus	China
Portfolio Manager(s)	Bo Huang
Headquarters	Hong Kong
Firm Inception	2013
Firm AUM[(1)]	$ 251 million

Strategy Overview

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.

Firm Background

Strategy	Macro
Sub-Strategy	Commodity Energy
Geographic Focus	North America
Portfolio Manager(s)	Jonathan Barrett
Headquarters	New York, NY
Firm Inception	2002
Firm AUM(1)	$1.9b

Strategy Overview

Luminus is an equity hedge manager that focuses on a fundamental, low net, relative value oriented strategy that invests opportunistically across the capital structure of companies within the broader energy ecosystem. Luminus' coverage universe includes sectors that are interrelated fundamentally and synergistic from a research and information perspective.

Luminus' strategy for the Fund is focused exclusively on generating absolute returns through investments in California Carbon Allowances ("CCAs") and/or CCA futures. The strategy benefits from Luminus' deep understanding of the intricate along with the regulatory, compliance, and environmental issues that are inextricably tied to the this market.

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(1) AUM is as of 3/31/2020 and is estimated and unaudited.

Firm Background

Strategy	Event Driven
Sub-Strategy	Risk Arbitrage
Geographic Focus	North America, Western Europe, and Australia
Portfolio Manager(s)	Devin Dallaire
Headquarters	Evanston, IL
Firm Inception[2]	2016
Firm AUM[3]	$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).

Firm Background

Strategy	Event Driven
Sub-Strategy	Reinsurance
Geographic Focus	Global
Portfolio Manager(s)	Adolfo Pena Chris Parish
Headquarters	Bermuda
Firm Inception	1997
Firm AUM[(1)]	$9.9b

Strategy Overview

Nephila manages a variety of portfolios focusing on different natural catastrophe insurance-linked instruments that provide varying levels of risk profiles to investors. As a firm, Nephila’s edge is derived from its underwriting and structuring expertise in reinsurance and its ability to dynamically allocate capital to what it believes are opportunities in the market, including private transactions, CAT Bonds, ILWs, Indemnity Reinsurance and Retro.

The strategy that Nephila executes for Blackstone’s mutual fund is opportunistic in nature and focuses on reinsurance—specifically Catastrophe Bonds (“CAT”). The strategy seeks to provide an attractive risk-adjusted return that is largely uncorrelated with other asset classes.

Nephila leverages its CAT models, proprietary risk systems, meteorological forecasts and industry relationships to evaluate the reinsurance market. Nephila has the ability to identify both long and short opportunities (writing and buying reinsurance) to create a balanced portfolio with an attractive risk/reward profile across geographies.

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

Firm Background

Strategy	Macro
Sub-Strategy	Discretionary Thematic
Geographic Focus	Global
Portfolio Manager(s)	Nellapalli ("Hari") Hariharan
Headquarters	New York, NY
Firm Inception	1999
Company AUM[(1)]	$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.

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

Firm Background

Strategy	Event Driven Strategies
Sub-Strategy	Event-Driven Multi Strategy
Geographic Focus	Global
Portfolio Manager(s)	Atul Khanna Matt Fisher
Headquarters	New York, NY
Firm Inception	2013
Firm AUM[(1)]	$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.

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

Firm Background

Strategy	Equity Hedge
Sub-Strategy	Equity Long Short
Geographic Focus	Pan-Asia
Portfolio Manager(s)	Keita Arisawa
Headquarters	Hong Kong
Firm Inception	2016
Firm AUM[2]	$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.

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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 Seiga) 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 As of 7/31/2020.

Firm Background

Strategy	Equity Hedge
Sub-Strategy	Equity Market Neutral
Geographic Focus	United States
Portfolio Manager(s)	Geoff Duncombe, Vikram Modi
Headquarters	New York, NY
Firm Inception	2009
Firm AUM[(1)]	$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.

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(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.

Firm Background

Strategy	Relative Value
Sub-Strategy	Fixed Income - Asset Backed
Geographic Focus	United States
Portfolio Manager(s)	Jack Ross Tom Capasse
Headquarters	New York, NY
Firm Inception	2005
Firm AUM[2]	$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.

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(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.

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 The Blackstone Group Inc. 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 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 The Blackstone Group Inc., serves as a Sub-Adviser. BRESSA invests primarily in liquid, commercial and residential real estate-related debt instruments.
- GSO / Blackstone Debt Funds Management LLC ("GSO DFM"), an affiliate of BAIA and an indirect wholly-owned subsidiary of The Blackstone Group Inc., serves as a Sub-Adviser. GSO DFM 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.

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.

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.

Macro: Commodity - Energy strategies are reliant on the evaluation of market data, relationships and influences as they pertain primarily to Energy commodity markets focusing primarily on positions in Crude Oil, Natural Gas and other Petroleum products. Portfolio investment process can be predicated on fundamental, systematic or technical analysis, and strategies typically invest in both Emerging and Developed Markets. Commodity: Energy strategies typically would expect to have greater than 50% of portfolio in dedicated Energy exposure over a given market cycle.

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.

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.