

# Blackstone Diversified Multi-Strategy Fund

Blackstone

(BXDMSIG: Class I (GBP) Acc.) - A sub-fund of Blackstone Alternative Investment Funds plc, an umbrella fund established as a UCITS with segregated liability between sub funds  
For Reporting Purposes Only

As of June 30, 2021

## Investment approach

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

## Fund highlights

Fund Assets (Mn)	\$1,011.21
NAV per Share	£10.41
Currency	GBP
Fund Inception Date	August 11, 2014
Share Class Inception Date	May 23, 2016
Investment Manager	Blackstone Alternative Investment Advisors LLC
Subscriptions	Daily
Redemptions	Daily
Distributing/Accumulating	Accumulating
Cut-off	3pm (Ireland)
Bloomberg Ticker	BXDMSIG ID
ISIN	IE00B8NSY593

## Fund terms – share class I (GBP) acc.<sup>(3)</sup>

Minimum Initial Investment (Mn)	£5.00
Management Fee	1.40%
Performance Fee <sup>(4)</sup>	15.00%
Other Expenses <sup>(5)</sup>	Capped 0.45%

## Investment committee

Name	Years at Blackstone
Raymond Chan	2 Years
Min Htoo	4 Years
Robert Jordan	10 Years
Ian Morris	11 Years
Alberto Santulin	18 Years
Stephen Sullens	20 Years

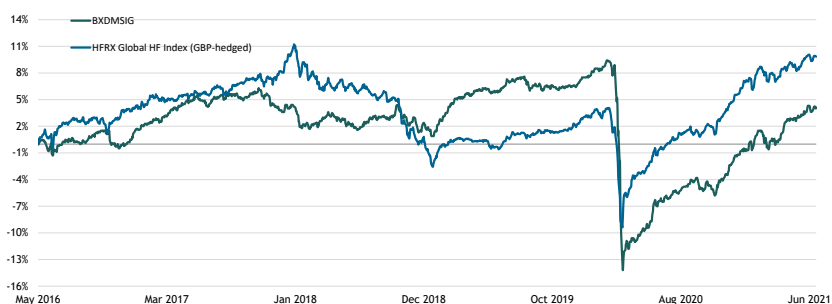
## Fund net performance<sup>(1)(2)</sup>

Fund Net Performance	MTD	QTD	YTD	ITD	ITD STATISTICS			
					St. Dev.	Beta	Alpha	Sharpe
BXDMSIG	0.77%	3.89%	4.94%	0.79%	4.94%	-	-	0.09
HFRX Global HF Index (GBP-hedged)	0.40%	2.19%	3.33%	1.85%	3.68%	0.78	(0.63%)	0.41
Barclays Gbl Agg (GBP-hedged)	0.39%	0.85%	(1.67%)	2.27%	2.52%	0.32	(0.06%)	0.76
MSCI World TR (GBP-hedged)	2.34%	7.86%	14.59%	14.06%	16.20%	0.17	(1.76%)	0.85

## 12 month performance periods – to last quarter end<sup>(1)(2)</sup>

	6/30/20 - 6/30/21	6/30/19 - 6/30/20	6/30/18 - 6/30/19	6/30/17 - 6/30/18	6/30/16 - 6/30/17
BXDMSIG	11.34%	(12.62%)	5.21%	(2.49%)	4.93%
HFRX Global HF Index (GBP-hedged)	9.68%	(1.20%)	(4.93%)	0.30%	4.57%
Barclays Gbl Agg (GBP-hedged)	(0.89%)	4.90%	5.91%	0.25%	(1.29%)
MSCI World TR (GBP-hedged)	31.80%	2.44%	5.81%	10.31%	18.98%

## Alternative strategies cumulative net performance<sup>(1)(2)</sup>



- Performance is presented through 6/30/2021. Returns are shown net of the Expense Ratio less waived expenses. Inception to date (ITD) returns for BXDMS are calculated on an annualized basis. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. The Class launched on May 23, 2016 and thus performance for May 2016 is limited to May 23 through May 31. Additional information and performance data current to the most recent month-end is available at [www.bxdms.com](http://www.bxdms.com).
- All 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 summarised 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.

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.

## Sub-adviser allocations<sup>(2)</sup>

Manager	Strategy	Sub-strategy	Classification
<b>Active Sub-Advisers</b>			
HealthCor	Equity Hedge	Equity Long Short	Equity
Jasper	Equity Hedge	Equity Long Short	
Seiga <sup>(3)</sup>	Equity Hedge	Equity Long Short	
Endeavour	Equity Hedge	Equity Market Neutral	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	Credit
BRESSA <sup>(3)</sup>	Relative Value	Fixed Income - Asset Backed	
BX LCS <sup>(3)</sup>	Relative Value	Fixed Income - Asset Backed	
EJF	Relative Value	Fixed Income - Asset Backed	
Good Hill	Relative Value	Fixed Income - Asset Backed	
Caspian	Event Driven	Distressed/Restructuring	Multi-Asset
Sage Rock	Event Driven	Multi-Strategy	
Magnetar <sup>(3)</sup>	Event Driven	Risk Arbitrage	
Emso	Macro	Discretionary Thematic	
NWI	Macro	Discretionary Thematic	
Bayforest	Macro	Multi-Strategy	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct <sup>(4)</sup>	Multi-Strategy	N/A	
<b>Inactive Sub-Advisers<sup>(5)</sup></b>			
Cerberus	Relative Value	Fixed Income - Asset Backed	Inactive
Waterfall	Relative Value	Fixed Income - Asset Backed	
Nephila	Event Driven	Reinsurance	

## Monthly net performance<sup>(1)</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2016</b>	-	-	-	-	0.40%	(1.00%)	1.01%	(0.40%)	1.00%	0.50%	(1.58%)	0.60%	0.50%
<b>2017</b>	1.59%	0.59%	0.78%	0.77%	0.86%	(0.86%)	0.96%	0.28%	(0.38%)	0.67%	(1.32%)	(0.86%)	3.08%
<b>2018</b>	0.10%	(1.45%)	0.39%	0.68%	(1.26%)	(0.29%)	1.08%	0.19%	1.26%	(1.82%)	(0.20%)	(0.68%)	(2.03%)
<b>2019</b>	2.66%	0.86%	0.48%	0.66%	(0.38%)	1.04%	0.47%	(0.93%)	0.00%	(0.09%)	0.19%	0.84%	5.91%
<b>2020</b>	0.74%	(0.55%)	(17.64%)	1.24%	1.67%	2.41%	1.07%	1.06%	(0.63%)	(0.74%)	2.44%	2.80%	(7.72%)
<b>2021</b>	0.30%	0.60%	0.10%	2.59%	0.49%	0.77%	-	-	-	-	-	-	4.94%

- Returns are shown net of the Expense Ratio less waived expenses. Returns for BXDMS are calculated on an annualized basis (unless otherwise stated). All ITD statistics are calculated using daily performance since inception and use the local currency rate. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. The Class launched on May 23, 2016 and thus performance for May 2016 is limited to May 23 through May 31.
- Portfolio allocations reflect allocations as of the date of the report. The Fund may shift allocations among sub-advisers, strategies and sub-strategies at any time. Further, Blackstone, on behalf of the Fund, may determine to not employ one or more of the above-referenced sub-advisers, strategies or sub-strategies. Blackstone may also add new sub-advisers, strategies or sub-strategies. Accordingly, the allocations are presented for illustrative purposes only and should not be viewed as predictive of the ongoing composition of the Fund's portfolio (and its sub-advisers), which may change at any time.
- Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliate 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.
- 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.
- Sub-adviser is not currently managing any Fund assets. Allocations may change at any time without notice.

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](http://www.bxdms.com).

Blackstone Alternative Investment Funds plc is authorised and regulated by the Central Bank of Ireland

# Blackstone Diversified Multi-Strategy Fund

Blackstone

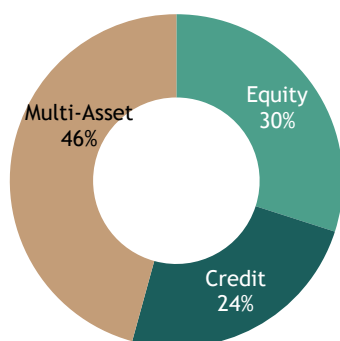
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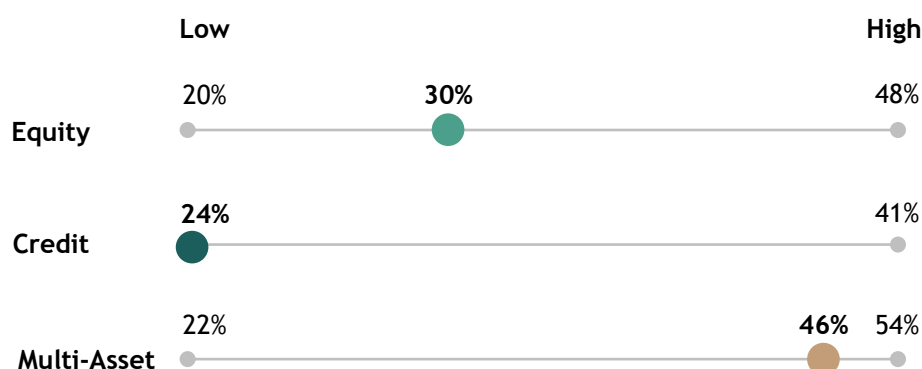
## Performance Summary<sup>1,2</sup>

Sub-Strategy Performance	Allocation at 6/30/2021		MTD		QTD		YTD		ITD Cumulative Performance	
	6/30/2021	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution	
Equity	29.95%	1.32%	0.54%	3.62%	1.43%	1.96%	0.89%	16.47%	6.57%	
Credit	24.33%	0.57%	0.19%	2.16%	0.76%	6.24%	2.35%	36.54%	9.75%	
Multi-Asset	45.72%	0.43%	0.30%	3.64%	2.48%	5.00%	3.37%	21.01%	10.57%	
Hedging Expenses			(0.02%)		(0.09%)		(0.09%)		(6.01%)	
Net Return			0.77%		3.89%		4.94%		4.10%	

## Portfolio Allocations<sup>2</sup>



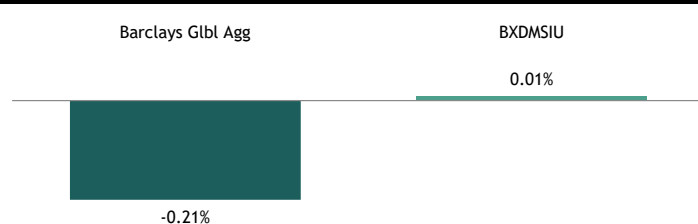
## Current and Historical Allocation Range<sup>2</sup>



## Avg. Return for Days When MSCI World was Down<sup>3</sup>



## Avg. Return for Days When Barclays Gbl Agg was Down<sup>4</sup>



Performance is presented since BXDMSIG's inception on 5/23/2016 to 6/30/2021. 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.

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. Returns are shown for BXDMS Class I (GBP) Accumulating share class ("BXDMSIG"). BXDMSIG launched on May 23, 2016 and thus performance for May 2016 is limited to May 23 through May 31. Information about BXDMS, including current month-end performance, is available on BXDMS' website at [www.bxdms.com](http://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.
- Portfolio allocations include exposure to certain BAIA-Direct investments. Equity allocation includes Equity Long/Short and Equity Market Neutral sub-strategies, and equity hedges. Credit allocation includes Fixed Income – Asset Backed and Distressed/Restructuring sub-strategies, and opportunistic credit trades. Multi-Asset is comprised of Discretionary Thematic, Risk Arbitrage, Multi-Strategy, and allocations to structured notes providing exposure to commodity and equity capital markets strategies managed by third-party investment managers. Allocations may change at any time without notice.
- During this period, there were 785 days in which the MSCI World was down and 991 days in which the MSCI World was up or flat. Because of the broadly diversified and low beta nature of the portfolio, BXDMS is not expected to participate in the full upside of broader equity markets. From 9/10/2014 to 6/30/2021, on days that the MSCI World TR was up, the average daily returns for the MSCI World TR and BXDMS were 0.56% and 0.09% respectively. Over the same period, on the ten best MSCI World TR trading days, the average daily returns for the MSCI World TR and BXDMS were 4.32% and 0.22% respectively.
- During this period, there were 837 days in which the Barclays Global Agg was down and 939 days in which the Barclays Global Agg was up or flat. 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. From 9/10/2014 to 6/30/2021, on days that the Barclays Global Agg was up, the average daily returns for the Barclays Global Agg and BXDMS were 0.21% and 0.01% respectively. Over the same period, on the ten best Barclays Global Agg trading days, the average daily returns for the Barclays Global Agg and BXDMS were 1.10% and -0.07% respectively.

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

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

**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. Information about the Fund, including current month-end performance, is available on the Fund's website at [www.bxdms.com](http://www.bxdms.com) or by calling 855-890-7725.

**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

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

**Exposure:** Exposure figures are shown as a percentage of Fund Net Asset Value. Explanatory notes regarding calculation of exposure: (a) exposure data represents market value except in the case of derivative instruments; (b) for options, exposure data represents the delta adjusted notional; (c) for interest-rate instruments, exposure data represents the notional of the 10-year equivalent instrument; and (d) for all other derivatives, exposure data represents notional value. Positions of unknown type (if any) are excluded from exposure data. Exposure data reflects fund holdings as of the relevant trade date and includes unsettled trades.

**Index Comparisons:** Indices are unmanaged and investors cannot invest in an index. Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for BXDMS, but rather are disclosed to allow for comparison of BXDMS' performance to that of well-known and widely recognized indices. The indices may include holdings that are substantially different than investments held by BXDMS and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from BXDMS. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. Index data is obtained from unaffiliated third parties and is subject to subsequent adjustments. Blackstone makes no assurances as to the accuracy or completeness thereof.

**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.

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## Key Risks

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

## Additional Disclosure Information (cont'd)

**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-Advisor 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 The Blackstone Group 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, as applicable. **MSCI World 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. **Barclays US Aggregate Bond Index:** A broad base, market capitalization-weighted bond market index representing intermediate term investment grade bonds traded in the United States. **S&P 500 Index:** Market-capitalization-weighted index of the 500 largest U.S. publicly traded companies. The S&P is a float-weighted index, meaning company market capitalizations are adjusted by the number of shares available for public trading.

**None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index.**

Opinions expressed reflect the current opinions of BAIA as of the date of the report only.

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