

BLACKSTONE ALTERNATIVE INVESTMENT FUNDS PLC
(an umbrella fund with segregated liability between sub-funds)

Supplement to the Prospectus dated 19 December 2019
for Blackstone Diversified Multi-Strategy Fund

This Supplement contains specific information in relation to Blackstone Diversified Multi-Strategy Fund (the “Fund”), a sub-fund of Blackstone Alternative Investment Funds plc (the “Company”), an open-ended umbrella investment company established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.

The information contained in this Supplement forms part of, and should be read in conjunction with, the information contained in the Prospectus dated 19 December 2019 (the “Prospectus”). Terms used herein shall have the meanings attributed to them in the Prospectus, unless otherwise stated. The Directors, whose names appear in the Prospectus in the section entitled “Management and Administration”, accept responsibility for the information contained in the Prospectus and in this Supplement.

Name of Fund:	Blackstone Diversified Multi-Strategy Fund.
Investment Manager:	Blackstone Alternative Investment Advisors LLC.
Base Currency:	U.S.\$.
Initial Offer Period:	The Initial Offer Period shall be the period indicated in Schedule I. After the Initial Offer Period, the Fund will be continuously open for subscriptions on any Dealing Day, except in the circumstances outlined in the section of the Prospectus entitled “Administration of the Company - Temporary Suspension of Valuation of the Shares and of Sales and Redemptions”.
Distribution Date:	For any Class of Shares which are distributing Shares, a date on which distributions are to be made and which shall, in the case of Class A (GBP) Distributing and Class I (GBP) Distributing, be 31 December in each year and, in the case of all other distributing classes of Shares, be 31 March, 30 June, 30 September and 31 December in each year.
Initial Charge:	None.
Redemption Charge:	None.
Dealing Day:	Each Business Day, or such other Business Day(s) as the Directors may determine and notify in advance to Shareholders.
Business Day:	Unless otherwise determined by the Directors and notified in advance to Shareholders, a day (other than Saturday, Sunday and days on which retail banks in Dublin or London are closed) on which the New York Stock Exchange is open for business.
Trade Cut-Off Time:	In the case of both subscriptions and redemptions, 3 p.m. (Irish time) on the Business Day prior to the relevant Dealing Day.
Settlement Time:	(i) In the case of subscriptions, the time by which subscription monies must be received by the Administrator which time is 3 Business Days after the relevant Dealing Day in respect of which the subscription is made or such other time as may be agreed with the Administrator and notified to Shareholders; and (ii) in the case of redemptions, the time by which redemption monies in respect of a redemption request shall be paid, which

time shall normally be within 3 Business Days of the Dealing Day in respect of which the redemption request is made provided that, in any event, redemption monies shall be paid within 10 Business Days of the Trade Cut-Off Time for the relevant redemption request.

Valuation Point: The close of the regular trading session of the NYSE (normally 4 p.m. (New York time), Monday through Friday) on each Dealing Day.

Details of the Classes offered, Initial Offer Price, minimum initial investment, minimum subsequent investment, and minimum holding for each Class are set out in Schedule I to this Supplement.

Investment Objective and Policies:

Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Investment Objective

The objective of the Fund is to seek capital appreciation.

Investment Policies

The Investment Manager, Blackstone Alternative Investment Advisors LLC, seeks to achieve the Fund's objective by allocating the Fund's assets among a variety of discretionary and non-discretionary investment advisers ("Sub-Advisers") with experience managing and/or advising on non-traditional or "alternative" investment strategies. The Investment Manager is responsible for selecting the strategies, for identifying and retaining Sub-Advisers with expertise in the selected strategies, and for determining the amount of Fund assets to allocate to each strategy and to each Sub-Adviser. For an overview description of the Investment Manager's experience managing alternative investment strategies as well as its investment and Sub-Adviser selection processes, see the section below entitled "Investment Manager Overview, Sub-Adviser Selection Process". The Investment Manager also manages a portion of the Fund's assets directly. In addition, subject to the limit below, the Investment Manager may invest a portion of the Fund's assets in Eligible Collective Investment Schemes. The Fund may invest principally in derivatives. In pursuing the Fund's investment objective of capital appreciation, the Investment Manager focuses on the mitigation of market risk and seeks to maintain an investment portfolio with, on average, lower volatility relative to the broader equity markets.

The main investment strategies and sub-strategies of the Fund and the Eligible Collective Investment Schemes may include those set out below. The securities, instruments, derivatives and other assets that the Fund may invest in, in implementing these strategies, is set out in this section immediately below the strategy descriptions.

- **Equity Hedge Strategies**, which employ both long and synthetic short positions in primarily equity securities and equity-related 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 and concentrations of market capitalisations of typical portfolios. Equity hedge strategies include:
 - **Equity Long/Short Strategies**, which combine long and synthetic 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 synthetic 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 emphasises 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 Market Neutral Strategies**, which employ fundamental or quantitative techniques of analysing 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, or the analysis of correlations in security price movements across 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 Strategies**, which focus on event-linked instruments including equities, debt income securities and derivatives 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, 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 across equities, fixed income and derivatives and from the most senior in the capital structure to the most junior or subordinated. Event-driven strategies include:
 - **Distressed/Restructuring Strategies**, which focus on corporate debt securities, 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 or systematic credit processes focused on valuation and asset coverage of securities of distressed firms. In doing so, Managers may also employ processes designed to identify attractive opportunities in securities of companies that are undervalued/overvalued or expected to experience high or low levels of growth. Such portfolio exposures may be concentrated in instruments that are publicly traded, in some cases actively and in others under reduced liquidity. It is intended that in all cases the relevant securities will be sufficiently liquid and the relevant securities will meet the definition of a “transferable security” under the UCITS Regulations.
 - **Reinsurance Strategies**, which focus on investing in reinsurance-related securities, including catastrophe bonds, event-linked bonds, and reinsurance-related securitisation (i.e. securitisations that are backed by a pool of reinsurance-related obligations). 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 (e.g., technical or man-made hazards including terrorist attacks, cyber-attacks, and industrial accidents), and other specified events (e.g., strikes, service interruptions, and quarantine events, etc.) 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.
 - **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, though fundamental analysis may also be employed. Risk arbitrage transactions are generally affected by (i) the risk-free rate of return at the time an investment position relating to the merger transaction is established; (ii) the likelihood a merger transaction is completed or fails, and the gains or losses associated with each outcome; (iii) market risk; and (iv) a risk arbitrage premium, which is the share price spread (i.e. the difference in the share price at which the Fund transacts) in (a) the event of a successful merger for absorbing the risk that the transaction could have failed, or (b) in the event of an unsuccessful merger for absorbing the risk that the transaction would be completed.

- **Macro Strategies**, which seek to profit from movements in, or risks related to, underlying macroeconomic variables and/or risk premia factors and the impact those variables and factors have on equity, fixed income, currency, and/or commodity markets. Macroeconomic variables are indicators of the overall state of the global economy or the economy of a country or region. Such variables may include, among other things, consumer price indices, benchmark interest rates, leading stock indices or inflation rates. A risk premium is the return in excess of the risk-free rate of return an investment is expected to yield. A risk premium strategy seeks to profit from premia caused by factors such as risk aversion or other behaviour biases. 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. Macro strategies include:
 - **Discretionary Thematic Strategies**, which focus on the evaluation of market data, market relationships, and market 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 (i.e. use a combination of direct investments and/or derivatives to profit from the spread or price differential between related instruments) identified by the investment manager to be inconsistent with expected value.
 - **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.
- **Relative Value Strategies**, 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. These strategies may use a combination of direct investments and/or financial derivative instruments (“FDI”) to profit from 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 referred to in this Supplement. Relative value strategies include:
 - **Fixed Income – Asset-Backed Strategies**, which focus on the realisation of a spread between related instruments (e.g., collateralised bond obligations) 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 (e.g., a collateralised loan obligation). These strategies seek to isolate attractive opportunities between a variety of fixed income instruments specifically securitised 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.
 - **Fixed Income – Corporate Strategies**, which focus on realisation of a spread between related instruments at least one of which is a corporate fixed income instrument (e.g., a corporate bond or a government bond). These strategies employ an investment process designed to isolate attractive opportunities between a variety of fixed income instruments, typically realising an attractive spread between multiple corporate bonds or between a corporate and risk free government bond.

- **Multi-Strategy Strategies**, which employ a wide variety of strategies, including some or all of those described above, with allocations among such strategies based upon analysis of fundamental, statistical, technical or other factors. Generally, investment managers employing a multi-strategy strategy will have different teams focusing on different strategies and an investment committee and/or chief investment officer that allocates among the teams based on perceived market opportunities.

Where a strategy description above refers to “fundamental” techniques, this term refers to the use of processes designed to identify attractive opportunities in securities of companies that are undervalued/overvalued or expected to experience high/low levels of growth. This “bottom up” approach to investing seeks to achieve a deep understanding of the issuer’s business. It looks at individual securities by analysing the issuer’s financial statements and other issuer-specific data and, where appropriate, conducting interviews with industry analysts and the issuer’s management. The Fund will invest in securities that are believed to be undervalued relative to other comparable investments. Investments are sold in anticipation of deterioration in the financial status of the issuer or when it is believed that a security is overvalued relative to other comparable investments. The Fund may also take synthetic short positions in securities that are believed to be overvalued.

Where a strategy description above refers to “quantitative” techniques, this term refers to the use of processes that seek gains from anticipated price movements, including models based on valuation, events, statistics, economic fundamentals, changes in economic environments and changes in market sentiment. Quantitative mathematical models are utilised to implement strategies and may rely on patterns inferred from historical prices and other financial data in evaluating prospective investments. These methods integrate information, computing power and human skill to make investment decisions and recommendations across a wide variety of market instruments and assets. These techniques generally also involve a reliance on optimisers and other systematic order management and execution management systems. Such systems optimise the management and execution of orders.

There is no assurance that any or all of the strategies discussed in this Supplement will be used by the Investment Manager or the Sub-Advisers. The Investment Manager may also allocate the Fund’s assets to additional strategies in the future subject to appropriate disclosure on those strategies being added to this Supplement.

The Investment Manager determines the allocations of the Fund’s assets and allocates a majority of the Fund’s assets among a number of affiliated and unaffiliated Sub-Advisers with expertise in alternative investment strategies. The Investment Manager is responsible for selecting the strategies, for identifying and retaining Sub-Advisers, and for determining the amount of Fund assets to allocate to each Sub-Adviser or to manage directly. The Investment Manager may adjust allocations from time to time among strategies or Sub-Advisers based on its assessment of market conditions and/or Sub-Adviser strategies. The Investment Manager, from time to time, may also choose not to allocate to certain Sub-Advisers, and there may be lengthy periods of time when there is no allocation to one or more Sub-Advisers or strategies described in this Supplement. In allocating the Fund’s assets among alternative strategies, the Investment Manager reviews a number of quantitative and qualitative factors, including, without limitation, macroeconomic scenarios, diversification, strategy capacity, regulatory constraints, and the fees associated with the strategy. For additional information, please reference the section below entitled “Investment Manager Overview, Sub-Adviser Selection Process”.

The Investment Manager may retain discretionary and non-discretionary Sub-Advisers for the Fund. Each discretionary Sub-Adviser is responsible for the day-to-day management of the portion of Fund’s assets that the Investment Manager allocates to it. Each non-discretionary Sub-Adviser is responsible for providing the Investment Manager with a model portfolio, which could consist of one or more individual investment recommendation(s), for the assets allocated to it, which is implemented by the Investment Manager in its discretion.

It is expected that the Fund will be diversified among strategies, provided that, depending on the views of the Investment Manager, the Fund may from time to time be concentrated in one or more strategies. A Shareholder will be able to obtain upon request from the Investment Manager the latest investor “factsheet” for the Fund which will set out the allocation of the Fund, as of the most recent month-end, to the different

investment strategies and asset classes. Such information is published for information purposes only and does not form part of the Prospectus or this Supplement.

The Investment Manager manages Fund assets not allocated to the Sub-Advisers. There are a number of circumstances in which the Investment Manager may assume further direct management responsibilities. For example, the Investment Manager could assume discretionary investment management of an entire sleeve on an opportunistic basis where, for example, the Investment Manager has identified a particular investment opportunity for the Fund. In addition, the Investment Manager monitors the overall risk levels and investment concentrations of the Fund that are produced by the various sleeves managed by the Sub-Advisers. If the Investment Manager identifies that the risks and/or concentrations, when aggregated at the Fund level, are undesirable, the Investment Manager 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. The Investment Manager may adopt limitations on assets managed directly and through affiliated Sub-Advisers. Such limits may change from time to time, for example, to reflect new regulations and/or changes in the Investment Manager's business (e.g., acquisition by an affiliate of an existing Sub-Adviser). A Shareholder may obtain upon request from the Investment Manager information about any such limitations currently in effect. Such information is published for information purposes only and does not form part of the Prospectus or this Supplement.

The Investment Manager expects to retain at least one Sub-Adviser at all times. The Investment Manager may invest up to 10% of the Fund's Net Asset Value in Eligible Collective Investment Schemes. Such vehicles may have different investment policies to those of the Fund provided that the investment in such vehicles is consistent with the investment policy of the Fund and is intended to assist the Fund in achieving its investment objective.

The Fund is expected to invest, directly and indirectly through the use of derivatives or investments in Eligible Collective Investment Schemes, in a wide range of assets that are eligible investments for UCITS. The investments of the Fund may include equity securities, debt securities, money market instruments, currencies, instruments (e.g., swaps, futures, forwards and options) relating to commodity indices which are cleared by the Central Bank, REITs and related derivatives (such as those listed below). The Fund may take both long and synthetic short positions in all of its investments, with synthetic short positions to be achieved through the use of instruments such as swaps, futures and options. Such securities and instruments and the reference assets underlying such derivatives may be located anywhere in the world (including emerging markets), may have any market capitalisation and may belong to any industry sector. At any given time, the Fund may be invested in some or all of these asset classes and may take long or synthetic short positions in these asset classes.

The equity securities in which the Fund may invest include, without limitation, equity securities of companies of any market capitalisation throughout the world (both domestic and foreign markets (including emerging markets)), which may include common stocks, depositary receipts (ADRs, EDRs or GDRs) and related securities such as convertibles, preferred stocks, income trusts, royalty trusts, ETFs, REITs, private placements, rights, warrants, New Issues and Rule 144A securities. In addition, the Fund may also invest in recently issued transferable securities which the Investment Manager or Sub-Adviser, as applicable, anticipates will be admitted to official listing on a Regulated Market within one year.

The fixed income securities in which the Fund may invest shall include investment grade, Below Investment Grade and unrated debt securities of any credit quality and having any maturity or duration. They may include treasury bonds, corporate bonds and other debt securities as set out in the section of the Prospectus entitled "Investment Techniques and Instruments." Such debt securities may be supranational, government or corporate securities and may be fixed or floating rate securities. The Fund may invest, without limitation, in debt securities of governments throughout the world (both domestic and foreign markets (including emerging markets)) as well as their agencies and/or instrumentalities (e.g., organisations created by or pursuant to statute and operated for public purposes), debt securities of corporations throughout the world (both domestic and foreign markets (including emerging markets)), including inflation-indexed securities, commercial and residential mortgage-backed securities, asset-backed securities (including those backed by consumer assets), adjustable rate securities, stripped securities (i.e. securities resulting from the separation of income and principal components of debt securities), net interest margin securities (i.e. securities based on the value of excess cash flows received by underlying mortgage-backed securities), floating rate securities, credit-linked

notes, collateralised debt obligations, municipal securities, event-linked instruments (including catastrophe bonds), inflation-indexed securities, New Issues, Rule 144A securities, and structured financial instruments (“SFI”) as set out below in the section entitled “Structured Financial Instruments”. The Fund may invest without limit in Below Investment Grade Securities.

The money market instruments in which the Fund may invest include investment grade, Below Investment Grade and unrated short term-debt securities issued by supranational, government and corporate issuers, discount notes, deposits, certificates of deposit, bankers acceptances, commercial paper and treasury bills.

In addition, the Fund may purchase participations in or assignments of floating rate mortgages or other commercial loans that are liquid and will provide for interest rate adjustments at least every 397 days and which may be secured by real estate or other assets. These participations may be interests in, or assignments of, the loan and may be acquired from banks or brokers that have made the loan or members of the lending syndicate. Such participations may be listed or unlisted and will not exceed 20% of the Net Asset Value of the Fund in aggregate.

Please see the section of the Prospectus entitled “Investment Techniques and Instruments” for further information on the securities in which the Fund may invest.

The Fund may take active long and short currency positions in a particular currency or currencies through exchange-traded and over-the-counter (“OTC”) FDI, some of which may operate as a hedge of its currency exposure. Typically, the absolute value of the Fund’s total notional exposure (through long and short positions) to investments in emerging markets (including Russia) is not expected to exceed 30% of the Net Asset Value of the Fund. However, in certain circumstances such as where the Investment Manager is of the opinion that assets or markets in emerging markets are significantly over- or under-valued, the level of such exposure may be greater, but is not expected to exceed 80% of the Net Asset Value of the Fund. In any case, the net exposure of the Fund to emerging markets may be materially less than the levels indicated above.

Subject to the limit above, the Fund may, where the Investment Manager or Sub-Adviser, as applicable, deems it appropriate and for the purposes of gaining exposure to equities, debt, money market instruments, currencies, REITs and related FDI, and instruments (e.g., swaps, futures, forwards and options) relating to commodity indices which are cleared by the Central Bank, invest in Eligible Collective Investment Schemes.

The Fund may:

- (i) invest extensively in a wide variety of exchange-traded and OTC FDI for investment purposes and efficient portfolio management purposes, including:
 - futures (such as bond futures, equity futures, index futures, currency futures and interest rate futures);
 - forwards (including foreign currency forward contracts);
 - options (including options on securities, indices, currencies, swaps and futures contracts);
 - swaps (such as equity swaps, interest rate swaps, credit default swaps, total return swaps, currency swaps, volatility swaps, variance swaps and dividend swaps);
 - contracts for differences;
 - swaptions;
 - interest rate caps, floors and collars;
 - rights and warrants; and
 - securities embedding derivatives such as convertibles (including convertible bonds and convertible preferred shares), structured financial instruments such as credit-linked notes, when issued, forward commitment, and to be announced securities (or “TBAs”);
- (ii) engage in repurchase, reverse repurchase and stock-lending transactions for efficient portfolio management purposes only;

each as described in the section of the Prospectus entitled “Investment Techniques and Instruments”. In this context, efficient portfolio management purposes include: the reduction of risk, the reduction of cost and the

generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund. Further details of the risk profile of the Fund are set out below in the section entitled “Risk Factors”.

In particular, but without limitation, the FDI and transactions referred to above may be used for the purposes of:

- reducing the risks associated with the Fund’s investments in any assets forming part of the Fund’s investment strategy (e.g., entering into FDI referencing short exposure to eligible indices (including equity sector and market indices) to reduce long market exposure);
- replacing direct investing (e.g., creating equity or debt exposure through the use of futures contracts, options or swaps);
- gaining exposure to particular assets or asset classes (e.g., investing in an FDI to gain exposure to a commodities index that has been cleared by the Central Bank);
- adjusting exposure to market volatility;
- managing risk by implementing shifts in investment exposure;
- reducing the costs associated with the Fund’s investment strategy and operations;
- generating additional capital or income for the Fund through exposure to any assets forming part of the Fund’s investment strategy with a level of risk which is consistent with the risk profile of the Fund;
- arbitraging market anomalies; and
- leveraging the Fund.

The Investment Manager expects that typically the Fund will hold synthetic short positions on securities, instruments, currencies, indices, interest rates and/or other assets referred to above in the investment policies of the Fund. The Fund will not physically short assets but instead will hold any short positions exclusively through FDI of the types referred to above. Although the Fund intends to maintain an overall long position in its portfolio investments, the Fund may maintain significant synthetic short positions. In certain circumstances, these short positions may approach or reach the size of the overall long position, however, the Fund does not expect to be net short over any significant period of time. The use of both long and short positions better enables the Fund to seek to produce returns that are uncorrelated to those available by investing in the market as a whole. The Fund takes long positions primarily in assets that the Investment Manager or relevant Sub-Adviser, as applicable, has identified as attractive and short positions in such assets that the Investment Manager or relevant Sub-Adviser, as applicable, has identified as overvalued or likely to underperform. At any time up to 100% of the assets of the Fund may be invested in long and/or short positions.

The Fund may invest in FDI on indices referencing equity securities, debt securities, money market instruments and/or other assets referred to above in the investment policies of the Fund. It is intended that the primary purpose of such transactions is to seek to reduce, or hedge against, the risks associated with the Fund’s direct investments. However, the Fund may also invest in such indices for investment purposes where the Investment Manager or Sub-Adviser, as applicable, determines that this is an efficient way of achieving such exposure. The types of indices that may be relevant to the Fund include: (i) regional indices that reflect the investment performance of particular geographical regions; (ii) sectoral indices that reflect the investment performance of particular industry sectors; (iii) indices that reflect the investment performance of companies having a particular size and market capitalisation; (iv) indices that reflect the investment performance of debt securities of a particular investment grade rating; and (iv) indices that reflect the investment performance of different types of commodities. The following list includes examples of those types of indices.

Regional Equity Indices

- The CAC40 Paris Index
- German Stock Index (DAX)
- FTSE 100 Index

Sector Equity Indices

- The Consumer Staples Select Sector Index
- The Financial Select Sector Index

Small Cap Equity Indices

- Russell 2000 Index

Equity Volatility Indices

- SPX Volatility Index (VIX)

Fixed Income and Credit Indices

- iBoxx \$ Investment Grade Corporate Bond Index

Commodity Indices

- Bloomberg Commodity Index (BCOM)
- Goldman Sachs Equal Weight Strategy
- Goldman Sachs Overweight Brent Crude Strategy 00
- Goldman Sachs Overweight Gold Strategy 00
- Goldman Sachs Overweight Natural Gas Strategy 00
- Goldman Sachs Overweight Crude Oil Strategy 00
- Goldman Sachs Overweight Corn Strategy 00
- Goldman Sachs Overweight Wheat Strategy 00
- Goldman Sachs Overweight Soybeans Strategy 00
- Goldman Sachs Overweight Cocoa Strategy 00
- Goldman Sachs Overweight Cotton Strategy 00
- Goldman Sachs Overweight Aluminium Strategy 00
- Goldman Sachs Overweight Copper Strategy 00
- Goldman Sachs Overweight Nickel Strategy 00
- Goldman Sachs Overweight Lead Strategy 00
- Goldman Sachs Overweight Zinc Strategy 00
- Goldman Sachs Overweight Coffee Strategy 00
- Goldman Sachs Overweight Live Cattle Strategy 00
- Goldman Sachs Overweight Lean Hogs Strategy 00
- Goldman Sachs Overweight Sugar Strategy 00
- Goldman Sachs Overweight Silver Strategy 00
- Goldman Sachs Overweight Feeder Cattle Strategy 00
- Goldman Sachs Overweight GasOil Strategy 00
- Goldman Sachs Overweight Heating Oil Strategy 00
- Goldman Sachs Overweight Unl Gasoline Strategy 00
- Goldman Sachs Overweight Kansas Wheat Strategy 00

Details of the indices to which the Fund may gain exposure shall be available upon request from the Investment Manager and, in accordance with the requirements of the Central Bank, the Investment Manager shall disclose where further material information on such indices can be obtained. Such indices are re-balanced on a periodic basis, typically annually, but such re-balancing is not expected to have a material effect on the costs incurred by the Fund within this strategy. Should the weighting of any particular index constituent exceed the investment restrictions permitted by the Central Bank, the Investment Manager will adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

The Investment Manager will monitor the credit quality of FDI counterparties to confirm that they maintain what the Investment Manager believes to be sufficient financial resources to meet their obligations to the Fund.

For the purposes of compliance with the Regulations, the market risk of the Fund will be measured using the value-at-risk (“VaR”) methodology. In accordance with the requirements of the Central Bank, the Fund is subject to an absolute VaR limit of 20% of the Fund’s Net Asset Value, based on a 20 Business Day holding period, a historical observation period of at least one year (250 Business Days), unless a shorter observation period is justified by a significant increase in price volatility, and a 99% one-tailed confidence interval. VaR is a statistical methodology that seeks to predict, using historical data, the likely maximum loss that the Fund

could suffer, calculated to a specific one-tailed confidence level (i.e., 99%). However, the Fund may from time to time experience a change in Net Asset Value over a 20 Business Day holding period greater than 20% of the Net Asset Value. This would represent a VaR greater than the limit applicable to the Fund and the Fund is required to take steps to address such a situation in accordance with the requirements of the Central Bank. Please see Schedule II to this Supplement for details of the standards which currently apply to the calculation of the absolute VaR of the Fund.

In accordance with the requirements of the Central Bank, the Fund will be managed subject to the above VaR limits. Depending on market conditions, the Fund may employ leverage from time to time. In this context, “leverage” is calculated, in accordance with the requirements of the Central Bank, as the sum of the notionals of the derivatives used. Using this “sum of the notionals” methodology does not reflect any netting or hedging arrangements that the Fund may have in place. Please see Schedule II to this Supplement for an illustration of how leverage is calculated using the “sum of notionals” method and how use of this method can result in high leverage computations. Applying this calculation method, it is possible for the leverage of the Fund to be as high as 1,500% of the Net Asset Value of the Fund. It is expected that, with the exception of the “global macro” and “managed futures” strategies, the strategies in the Fund will generally operate at significantly lower levels of leverage. Excluding such “macro” and “managed futures” strategies, the Investment Manager anticipates that the Fund will generally be leveraged, using the “sum of notionals” method, up to 250% of its Net Asset Value. “Global macro” and “managed futures” strategies tend to produce higher leverage levels using the “sum of notionals” method as they use a large volume of futures, options, swaps and other FDI (see example (iv) in Schedule II to this Supplement). The reason why such strategies may use a large volume of FDI is that they tend to focus, for example, on the direction of interest rates as a major component of their strategy. Interest rates in developed markets tend to show low volatility by comparison with the volatility shown by equity securities. In addition, as demonstrated in example (iv) in Schedule II, interest rate FDI tend to show a low sensitivity to changes in interest rates. Accordingly, a high volume of FDI would be needed to produce the appreciable risk reduction or investment effect sought by the strategy. Such FDI are often used to take both long and short positions in underlying assets and risk may be offset as a result, although this is not reflected in the amount produced by the “sum of notionals” method. The disclosed level of leverage is not intended to be an additional risk exposure limit for the Fund. Furthermore, it is not intended that the leverage level by itself be indicative of the risk profile of the Fund. Leverage is just one of many risk factors the Investment Manager and the Sub-Advisers consider in constructing a portfolio, and investors are advised to read carefully the section of the Prospectus entitled “Risk Factors” and Schedule II to this Supplement which gives a summary of the back-testing, stress testing and other aspects of the Fund’s risk limitation procedures which apply in both normal and abnormal market conditions.

Structured Financial Instruments

The Fund may invest in SFI. The SFI in which the Fund shall invest are delta one certificates, a type of debt security which may be issued by a U.S. or EEA credit institution or any affiliated entity, or by a special purpose vehicle established and/or arranged by such credit institution or affiliated entity. The specific debt issuers of the SFI that the Fund will invest in include, but are not limited to STAR Compass plc, STAR Helios plc, Société Générale and SG Issuer (the “Debt Issuer”). The SFI invested in by the Fund shall comply with the following criteria pursuant to the requirements of the UCITS Regulations:

- there shall be either a market price available or an independent valuation performed for such SFI. For the avoidance of doubt, a valuation provided by the Administrator of the Fund constitutes an independent valuation;
- the SFI shall be listed on one or more Regulated Markets set out in Schedule I of the Prospectus (including, for the avoidance of doubt, the EURO MTF Luxembourg Stock Exchange or the Third Market of the Vienna Stock Exchange) and will be issued by issuers located in Luxembourg, Ireland, and or France;
- the SFI are delta one certificates which shall provide exposure on a 1:1 basis to equity interests in a Cayman fund entity which intends to employ an investment management strategy providing exposure to equity securities, debt securities, money market instruments, currencies, instruments relating to commodities, REITs and related derivatives. 1:1 exposure to the Cayman fund is

achieved through the issuance of a debt security by the Debt Issuer and the commitment by the Debt Issuer or the Dealer (as defined below) to paying the return on the debt giving 1:1 exposure to the Cayman fund. The SFI does not have embedded leverage or embed a derivatives component. However via the SFI, the Fund may be exposed to entities which use portfolio management techniques or financial derivatives instruments which may or may not create leverage. Please refer to the risk factor below entitled “Exposure to Entities Which Use Margin Funding and Leverage” and to the risk factor in the Prospectus entitled “Financial Derivative Instruments” for further details;

- investments in SFI in the aggregate shall not exceed 10% of the Net Asset Value of the Fund; and
- the Debt Issuer, or a U.S. or EEA credit institution or any affiliated entity acting in its capacity as dealer and market maker for the SFI (the “Dealer”), shall commit to purchase the SFI from the Fund in the absence of market disruption events at its execution price. This price will be the amount (net of all costs or fees) that would be received in cash by the Debt Issuer, the Dealer or any affiliated entity for a redemption order on its 1:1 exposure to the Cayman fund. Market disruption events may include “force majeure” or other events that inhibit the normal operation of the financial markets (e.g., an exchange being suspended, a cyberattack affecting market infrastructure, or political or regulatory interventions).

Investment Manager Overview, Sub-Adviser Selection Process:

The Investment Manager was founded as a business unit in The Blackstone Group Inc. (“Blackstone”) in 2012.

The Company has implemented a multi-manager approach in the management of the Fund. The Investment Manager, pursuant to various Sub-Adviser Agreements, delegates certain investment management responsibilities to Sub-Advisers representing distinct investment styles and expertise in an asset class. The Investment Manager may retain discretionary and non-discretionary Sub-Advisers for the Fund. Each discretionary Sub-Adviser is responsible for the day-to-day management of the assets that the Investment Manager allocates to it. Each non-discretionary Sub-Adviser is responsible for providing the Investment Manager with a model portfolio for the assets allocated to it or providing other advice to be implemented by the Investment Manager in its discretion. Subject to the terms of the Investment Management Agreement between the Company and the Investment Manager, the Investment Manager has the ultimate responsibility to oversee each Sub-Adviser.

Each appointment of a Sub-Adviser is the culmination of the Investment Manager’s investment decision-making process. This process integrates a top-down perspective with bottom-up expertise, where strategy-focused research teams seek to identify investment opportunities that are consistent with the Investment Manager’s macroeconomic view and the investment objective and policies of the Fund. The Investment Manager will select preferred Sub-Advisers and will aim to combine them in a way that diversifies an investment portfolio across each major investment style in a given asset class according to its top down and bottom up views. The Investment Manager will develop and continue to oversee and refine an investment mandate for each of the Sub-Advisers that addresses the role the Sub-Adviser will play in the Fund and specifies certain investment restrictions applicable to that Sub-Adviser. Each Sub-Adviser will have expertise in one or more of the asset classes or investment strategies referenced in the investment policies of the Fund.

The Investment Manager currently intends to generally consider the following factors as part of its Sub-Adviser screening process, although the factors considered from time to time or with respect to any one Sub-Adviser may vary and may include only some or none of the factors listed below or other factors that are not listed below:

- **Attractive long-term risk-adjusted investment performance:** The Investment Manager may choose Sub-Advisers focused on alternative strategies that it believes will produce attractive long-term risk-adjusted returns over a full market cycle.

- **Skilled application of non-traditional investment techniques:** The Investment Manager believes that attractive risk-adjusted investment returns can sometimes be found outside traditional investment strategies that rely on relative performance against public market equity and fixed income benchmarks. The Investment Manager seeks to choose Sub-Advisers who use “non-traditional” investment approaches, which often seek to take advantage of market inefficiencies and other factors in order to outperform the underlying markets of their investments.
- **Opportunistic approach to investing:** Among the Sub-Advisers sought out by the Investment Manager, there may be “opportunistic” Sub-Advisers who are willing to make substantial investments based on the direction the Sub-Adviser anticipates a particular market, markets or individual securities will take. These Sub-Advisers may make “directional investments” and frequently use leverage to attempt to produce attractive returns. It is possible that the Investment Manager may make only relatively short-term allocations to Sub-Advisers that specialise in opportunistic trades. In certain circumstances, higher levels of risk may be associated with the opportunistic nature of this strategy.
- **Management stability and committed investment professionals:** The Investment Manager believes the ability to generate attractive risk-adjusted returns over a full market cycle, especially when the application of sophisticated non-traditional techniques is involved, is dependent upon the performance of committed investment professionals. No matter how appealing the investment concept, the Investment Manager believes that attractive risk-adjusted returns can only be generated by committed people operating in a stable environment.
- **Ongoing monitoring:** Once selected, the performance of each Sub-Adviser is regularly reviewed, and new Sub-Advisers are identified and considered on an ongoing basis. In addition, the allocation of a Fund’s assets among Sub-Advisers, approaches, and styles will be regularly monitored and may be adjusted in response to performance results or changing economic conditions.

FX Transactions:

Many of the Fund’s investments may be denominated in currencies other than the Fund’s Base Currency. Certain Sub-Advisers may seek to limit this foreign currency exposure by entering into currency forwards and other foreign currency derivative transactions.

The Sub-Advisers typically will not adjust their currency hedging positions daily, and do not seek to provide a “perfect hedge” back into the Fund’s Base Currency. As a result, notwithstanding the hedging positions, a Sub-Adviser’s sleeve may be “net short” (i.e., under-hedged) or “net long” (i.e., over-hedged) with respect to the Fund’s Base Currency exposures.

In addition, the Fund is offering Classes denominated in currencies other than the Base Currency. Accordingly, the Investment Manager and/or the Fund will engage in currency hedging at the Class level that is separate and distinct from the investment level currency hedging undertaken by Sub-Advisers described above. The Investment Manager will seek to hedge the currency exposure risk between the Base Currency of the Fund and the currency denomination of Classes denominated in currencies other than the Base Currency. Although not intended, over-hedged or under-hedged positions may arise due to factors outside of the control of the Investment Manager. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. This review will also incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month. A position shall be over-hedged where the currency forward or other derivative attributable to a specific Class hedges an amount of the currency denomination of that Class in excess of the Net Asset Value of the Class. Class currency transactions will be clearly attributable to a specific Class (therefore currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Classes). Costs and gains/losses of the hedging transactions will accrue solely to the relevant Class.

To the extent that the hedging is successful, the performance of the hedged currency Class is likely to move in line with the performance of the underlying assets because some of the currency exposures have been reduced.

Whilst these hedging strategies are designed to reduce the losses to a Shareholder's investment if the currency of that Class or the currencies of assets which are denominated in currencies other than the Fund's Base Currency fall against that of the Base Currency and/or the currencies of the relevant or appropriate benchmark, the use of hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the currency of that Class rises against that of the Base Currency and/or the currency in which the assets of the Fund are denominated and/or the currencies of the relevant or appropriate benchmark. Investors in the hedged currency Class will not benefit if the hedged Class currency falls against the Base Currency and/or the currency in which the underlying assets are denominated.

Fund Performance – Comparison Against Benchmark Indices

The MSCI World TR Index, Barclays Global Aggregate Index and HFRX Global Hedge Fund Index are benchmark indices against which the Fund's performance is compared. The MSCI World Index is a market capitalisation-weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI World is comprised of stocks from 23 developed markets in the world. The Barclays Global Aggregate Bond Index is a broad-based measure of the global investment grade fixed-rate debt markets, comprised of the U.S. Aggregate, Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The HFRX Global Hedge Fund Index is 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. Details of the Fund's performance relative to these benchmark indices are available in the Fund's KIID and marketing materials. The benchmark indices presented are indicative and for illustrative purposes only.

The Fund is actively-managed and, while a proportion of the Fund's assets may from time to time be components of and have similar weightings to one or more of the referenced indices, the Investment Manager and the Sub-Advisers may use their discretion to invest a significant proportion of the Fund in assets which are not included in the indices or with weightings different to that of the indices. In addition, the indices employ different investment guidelines and criteria than the Fund. As a result, the holdings in the Fund may differ significantly from the assets that comprise the indices and the volatility of the indices presented may be materially different from that of the performance of the Fund. There is no guarantee that the Fund's performance will match or exceed any particular referenced index. The performance of the indices has not been selected to represent an appropriate benchmark to compare to the performance of the Fund, but rather is disclosed to allow for comparison of the Fund's performance to that of well-known and widely recognised indices.

In addition, certain Sub-Advisers are eligible for a performance fee with respect to the value added for that part of the Fund for which that Sub-Adviser is responsible. The value added is measured as the value in money weighted terms above the Sub-Adviser's performance benchmark and/or a hurdle rate during a Performance Period, in each case, to the extent applicable. (The hurdle rate is the U.S. Federal Funds Rate or other hurdle rate that is agreed by the Investment Manager and the Sub-Adviser from time to time and the performance benchmark is an index that is agreed by the Investment Manager and the Sub-Adviser from time to time, provided that at all times the index is relevant to the investment policy of the Fund.) Further details of such hurdle rates and performance benchmarks shall be available upon request from the Investment Manager.

Profile of a Typical Investor:

The Fund is suitable for investors seeking capital appreciation over a full market cycle and who are prepared to accept a moderate level of volatility. The Investment Manager currently considers that a full market cycle is approximately five years but, given that market cycles are not static, this may change over time.

Distributions:

Distributing Share Classes

The Company intends to declare dividends in respect of the Class A (USD) Distributing, Class A (EUR) Distributing, Class A (GBP) Distributing, Class A (DKK) Distributing, Class A (NOK) Distributing, Class A

(SEK) Distributing, Class A (CHF) Distributing, Class A (AUD) Distributing, Class A (JPY) Distributing, Class A (CAD) Distributing, Class C (USD) Distributing, Class C (EUR) Distributing, Class C (CHF) Distributing, Class I (USD) Distributing, Class I (EUR) Distributing, Class I (GBP) Distributing, Class I (DKK) Distributing, Class I (NOK) Distributing, Class I (SEK) Distributing, Class I (CHF) Distributing, Class I (AUD) Distributing, Class I (JPY) Distributing, Class I (CAD) Distributing, and Class Z (USD) Distributing Classes of Shares (the “Distributing Share Classes”). Distributions in respect of these Classes (with the exception of Class A (GBP) Distributing and Class I (GBP) Distributing) will be declared on each Distribution Date in each year, to be paid within 20 Business Days of such Distribution Date, provided that if such dates are not Business Days, the declaration and payment date will be the Business Day immediately following such dates respectively. With regard to Class A (GBP) Distributing and Class I (GBP) Distributing, distributions will be declared in respect of the Distribution Date in each year and paid on or around 31 March in each year, provided that if such dates are not Business Days, the declaration and payment date will be the Business Day immediately following such dates respectively. The distribution may comprise net income (if any) of the Fund. If the Directors determine, at their discretion, that the amount of net income available for distribution is not sufficient to be the subject of a distribution (taking into account wire costs and other factors), they may defer the distribution of that amount to be part of a distribution payment on the subsequent Distribution Date.

Distributions are paid to a Shareholder’s bank accounts by telegraphic transfer to the account of the Shareholder specified in the application form.

Distributions in respect of the Fund will automatically be reinvested in additional Shares of the same Class of the Fund unless the Shareholder has specifically elected on the application form or subsequently notified the Administrator in writing of its requirement that distributions be received in cash.

Distributions which have not been claimed within six years of their payment date shall no longer be payable to the beneficiaries and shall revert to the relevant Fund.

Charging Fees and Expenses to Capital

The Class I (USD) Distributing Share Class is permitted, at the sole discretion of the Directors, to charge fees and expenses to capital rather than income (the “Gross Income Share Class”). For this Gross Income Share Class, there is an increased risk that on the redemption of the Shares of such Class, Shareholders may not receive back the full amount invested because charging fees and expenses to capital may result in the erosion of capital notwithstanding the performance of the Fund. As a result, some of the potential for future capital growth will be lost as a consequence of seeking to increase the amount of income that can be distributed by this Class. The reason for this policy is to assist this Class in seeking to pay a distribution amount that equates to the gross income attributable to such Class. Although the Fund is permitted to charge certain fees and expenses to capital for the Gross Income Share Class it may choose, at the discretion of the Directors, not to do so. The Fund’s annual and semi-annual reports will disclose whether such Gross Income Share Class has charged fees and expenses to capital and the amount of such fees and expenses. For more information, please contact the Investment Manager.

Accumulating Share Classes

With respect to Class A (USD) Accumulating, Class A (EUR) Accumulating, Class A (GBP) Accumulating, Class A (DKK) Accumulating, Class A (NOK) Accumulating, Class A (SEK) Accumulating, Class A (CHF) Accumulating, Class A (AUD) Accumulating, Class A (JPY) Accumulating, Class A (CAD) Accumulating, Class B (USD) Accumulating, Class C (USD) Accumulating, Class C (EUR) Accumulating, Class C (CHF) Accumulating, Class I (USD) Accumulating, Class I (EUR) Accumulating, Class I (GBP) Accumulating, Class I (DKK) Accumulating, Class I (NOK) Accumulating, Class I (SEK) Accumulating, Class I (CHF) Accumulating, Class I (AUD) Accumulating, Class I (JPY) Accumulating, Class I (CAD) Accumulating, Class K (EUR) Accumulating, and Class Z (USD) Accumulating Classes of Shares (the “Accumulating Share Classes”), it is intended that, in the normal course of business, distributions will not be declared and that any net investment income attributable to each Accumulating Share Class will be accumulated daily in the respective Net Asset Value per Share of that Class. If distributions are declared and paid with respect to Accumulating Share Classes, such distributions may be made from the source listed above in relation to

“Distributing Share Classes”. Shareholders will be notified in advance of any change in distribution policy for the Accumulating Share Classes and full details will be provided in an updated Supplement.

Risk Factors:

Investors’ attention is drawn to the section of the Prospectus entitled “Risk Factors” and to the additional risk factors set out below.

Exposure to Entities Which Use Margin Funding and Leverage

The Fund may obtain exposure to a Cayman fund entity (each an “Entity”) by investing in SFI as described in more detail in the section entitled “Investment Policies”. Such instruments may provide the Fund with direct or indirect exposure to an Entity which uses financial derivative instruments which may or may not create leverage at the level of the underlying Entity to obtain an optimum return on equity capital. Such Entities will also be subject to fees, ongoing expenses and other costs. Investment in such SFI and the related costs may therefore increase the volatility or otherwise affect the returns of the Fund, as the Fund has an indirect exposure to such underlying instruments held by the Entity via its investment in SFI.

Investment Manager:

Pursuant to the Investment Management Agreement the Company has appointed the Investment Manager to manage the investment and reinvestment of the Fund’s assets.

Under the Investment Management Agreement the Investment Manager may delegate its investment management functions to one or more Sub-Advisers provided that such delegation is made in accordance with the requirements of the Central Bank. The assets of the Fund will be managed by one or more Sub-Advisers appointed by the Investment Manager. Fund assets that are not allocated to a Sub-Adviser are managed by the Investment Manager or its affiliates. The Investment Manager may retain discretionary and non-discretionary Sub-Advisers for the Fund. Each discretionary Sub-Adviser is responsible for the day-to-day management of the assets that the Investment Manager allocates to it. Each non-discretionary Sub-Adviser is responsible for providing the Investment Manager with a model portfolio for the assets allocated to it or providing other investment advice to be implemented by the Investment Manager in its discretion. Subject to the terms of the Investment Management Agreement between the Company and the Investment Manager, the Investment Manager has the ultimate responsibility to oversee each Sub-Adviser.

Certain information concerning the Sub-Advisers, including the relevant investment strategies, will be provided by the Investment Manager, free of charge, upon a Shareholder’s request and shall be available at the internet address www.blackstone.com/bxdms. For investment advisers registered with the SEC, additional information is available on the Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov. Such information is published for information purposes only and does not form part of the Prospectus or this Supplement. Information concerning the Sub-Advisers will also be contained in the Company’s latest annual and half-yearly reports.

Investment Restrictions:

The Fund’s investment restrictions are as set out in the Prospectus in the section entitled “Investment Restrictions”.

Fees:

Any fees and expenses payable out of the assets of the Fund other than those set out below are set out in the Prospectus in the section entitled “Fees and Expenses”.

Investment Manager – Investment Management Fee:

Under the Investment Management Agreement, the Company will pay to the Investment Manager an investment management and distribution fee up to the amount specified in the following fee table, which fee shall be calculated and accrue on each Dealing Day and be payable quarterly in arrears.

Share Class	Investment Management Fee as a % of the average daily Net Asset Value of the relevant Class
Class A	1.95%
Class B	1.95%
Class C	1.75%
Class I	1.40%
Class K	1.25%
Class Z	1.25%

In addition, the Investment Manager shall be entitled to be reimbursed certain reasonably vouched out-of-pocket expenses. The Fund shall bear its pro rata share of such out-of-pocket expenses.

See below the section entitled “Expenses – Voluntary Waiver” for details of the voluntary reimbursement currently undertaken by the Investment Manager. In addition to such arrangement, in the event that the Fund invests in a collective investment scheme that is managed by the Investment Manager or its affiliates, the Investment Manager shall undertake to reduce or waive its investment management fee or to make other arrangements in order to avoid the payment of investment management fees in respect of both the Fund and the relevant collective investment scheme.

Investment Manager – Performance Fee:

Under the Investment Management Agreement, the Company will pay to the Investment Manager a performance fee (“Performance Fee”) detailed below.

Share Class	Performance Fee as a % of the New Net Appreciation of the relevant Class at the end of a Performance Period
Class A	15%*
Class B	15%*
Class C	15%*
Class I	15%*
Class K	15%*
Class Z	15%*

**With respect to any particular Performance Period, the Performance Fee and any Additional Performance Fee (as defined below) together shall not exceed 4.95% of the Net Asset Value of the relevant Class (after the deduction of the investment management fee and all other payments and expenses but before the deduction of any accruals for the Performance Fee or Additional Performance Fee) at the end of such Performance Period.*

“New Net Appreciation” represents the excess, if any, of the positive performance of a Class during a Performance Period over any loss carryforward (as defined below) applicable at the start of such period, adjusted daily for investor redemptions during that period. New Net Appreciation is calculated with reference to the Cumulative Performance Account and, for any Performance Period, shall equal the positive balance (if any) of such account at the end of the period.

For each Performance Period, the opening balance of the “Cumulative Performance Account” shall be zero unless, as of the end of the prior Performance Period, the balance of the account was negative, in which case such negative amount (the “loss carryforward”) shall be the opening balance. The opening balance of the Cumulative Performance Account for the first Performance Period of a Class shall be zero. Thereafter, the balance of the account shall be adjusted on each Dealing Day, including the first Dealing Day of the Performance Period, as follows (in the order noted):

- first, the balance shall be scaled down by an amount proportionate to the percentage of outstanding Shares redeemed in the relevant Class on the prior Dealing Day; and
- then, the balance shall be increased or decreased, as applicable, to reflect any change in the Net Asset Value of the Class between the Dealing Day and the prior Dealing Day relating to the income and net realised and unrealised gains and losses of the Class, less investment management fees and expenses (adjusted for any voluntary waivers) but before any accrued Performance Fees and/or Additional Performance Fees.

For the avoidance of doubt, the balance of the Cumulative Performance Account (i) shall not be adjusted by the amount of subscriptions received on a Dealing Day, only the subsequent performance of the Class attributable to the amounts subscribed, and (ii) shall be inclusive of any gains that are distributed as a dividend during the Performance Period.

“Performance Period” means the period beginning on 1 January and ending on 31 December of each year, with the exception of the first Performance Period for a Class, which will begin upon the initial issue of Shares in that Class.

The Performance Fee (if any) will accrue each Dealing Day. The amount accrued on each Dealing Day will be determined by calculating the Performance Fee that would be payable if that day was the last day of the current Performance Period. The Performance Fee will be payable by the Fund to the Investment Manager annually in arrears within 45 calendar days of the end of each Performance Period.

Insofar as the Cumulative Performance Account is adjusted for net realised and unrealised gains and losses, a Performance Fee may be paid on unrealised gains which may subsequently never be realised. There is no repayment of any Performance Fee already paid if the Cumulative Performance Account subsequently falls below zero even if an investor redeems its holding.

The calculation of the Performance Fee shall be based upon unaudited information but will be verified by the Depositary.

Deemed End of Performance Period

Shares redeemed other than at the end of a Performance Period will be treated as if the date of redemption was the end of the Performance Period and the above provisions shall apply. Any Performance Fee payable to the Investment Manager in respect of a redemption shall be paid within 45 calendar days of the Dealing Day for the relevant redemption. For the avoidance of doubt, the amount of Performance Fee paid to the Investment Manager in respect of any Performance Period shall be the aggregate of (i) the percentage indicated in the table above of New Net Appreciation and (ii) any Performance Fee paid in respect of the redemption of Shares during the Performance Period.

If the Investment Management Agreement is terminated other than at the end of a Performance Period, the date of termination will be deemed to be the end of the Performance Period and the above provisions shall apply. Any Performance Fee payable to the Investment Manager shall be paid within 45 calendar days of the date of termination.

Performance Fee – No Equalisation

The methodology used in calculating the Performance Fees may result in inequalities between investors in relation to the payment of Performance Fees (with some investors paying disproportionately higher

Performance Fees in certain circumstances) and may also result in certain investors having more of their capital at risk at any time than others (as no equalisation methodology is employed in respect of the Performance Fee calculation).

Sub-Adviser Fees:

Under the sub-advisory agreements between the Investment Manager and each Sub-Adviser, the Investment Manager will pay to the Sub-Adviser management sub-advisory fee and/or a performance fee (“Sub-Adviser Performance Fee”). In the limited circumstance described below, a Sub-Adviser Performance Fee due to a Sub-Adviser may be payable by the Fund to the Investment Manager which shall in turn, be remitted to the Sub-Adviser.

Each Sub-Adviser Performance Fee is payable to the relevant Sub-Adviser only with respect to the value added for that part of the Fund (the “Portfolio”) for which that Sub-Adviser is responsible from the time the Investment Manager appoints that Sub-Adviser to manage or advise in respect of the Portfolio until such time, if ever, that the Sub-Adviser ceases to manage or advise in respect of the Portfolio (the “Term of Appointment”). The value added is measured as the value in money weighted terms above the Sub-Adviser’s performance benchmark and/or a hurdle rate during a Performance Period, in each case, to the extent applicable. (The hurdle rate is the U.S. Federal Funds Rate or other hurdle rate that is agreed by the Investment Manager and the Sub-Adviser from time to time and the performance benchmark is an index that is agreed by the Investment Manager and the Sub-Adviser from time to time, provided that at all times the index is relevant to the investment policy of the Fund.) In no event will a Sub-Adviser be paid a performance fee for any Performance Period in which the value added by the Sub-Adviser to the Portfolio is negative. Any negative performance must be clawed back before the Sub-Adviser can accrue a Sub-Adviser Performance Fee for future value added.

The Sub-Adviser Performance Fee will be calculated and accrued daily during the Term of Appointment and for each Performance Period. Where a Sub-Adviser is entitled to receive a Performance Fee in a Performance Period, all or part of that Sub-Adviser Performance Fee, depending upon the arrangements with that Sub-Adviser, will be paid to the Sub-Adviser for that Performance Period. Upon the termination of a Sub-Adviser’s appointment, any Performance Fees owed will be paid in full. In no event will a Sub-Adviser Performance Fee calculated and accrued in respect of a Portfolio exceed 20% of the value added during a Performance Period.

The calculation of any Sub-Adviser Performance Fee must be verified by the Depositary.

If, as of the end of any Performance Period, the sum of all Sub-Advisers’ performance fees payable in respect of a Performance Period exceeds the performance fee payable to the Investment Manager, the Fund will pay an additional amount (“Additional Performance Fee”) to the Investment Manager which shall, in turn, remit the Additional Performance Fee to the relevant Sub-Adviser to cover the shortfall. This may occur where, for example, during a Performance Period one or more Sub-Advisers add value in respect of their Portfolio, while other Sub-Advisers add negative value with respect to their respective Portfolios. Any such Additional Performance Fee paid by the Fund will be deducted from the Investment Manager’s performance fee before payment to the Investment Manager in subsequent Performance Periods; provided that upon a redemption, the amount of the Additional Performance Fee to be deducted from the Investment Manager’s performance fee in subsequent Performance Periods shall be decreased by an amount proportionate to the percentage of outstanding Shares redeemed in the relevant Class. Shares redeemed other than at the end of a Performance Period will be treated as if the date of redemption was the end of the Performance Period for purposes of the calculation of any applicable Additional Performance Fee. For the avoidance of doubt, if the Fund or the Investment Management Agreement is terminated following the payment of an Additional Performance Fee, or an Additional Performance Fee is paid in respect of a redemption of Shares but at the end of the relevant Performance Period, no such Additional Performance Fee is required to pay the Sub-Advisers their respective performance fees, the Investment Manager shall not be required to reimburse the Fund such Additional Performance Fee.

Expenses – Voluntary Waiver:

The Investment Management Agreement provides that the Investment Manager may voluntarily undertake to reduce or waive its investment management fee or to make other arrangements to reduce the expenses of a Fund to the extent that such expenses exceed such lower expense limitation as the Investment Manager may, by notice to the Shareholders, voluntarily declare to be effective.

The Investment Manager has currently undertaken to reimburse the Fund so that “Specified Expenses” (as described below) of each Class in the Fund’s financial year do not exceed the following percentage of the average daily Net Asset Value of such Class:

Share Class	Specified Expenses as a percentage of the average daily Net Asset Value of the relevant Class
Class A	0.45%
Class B	0.45%
Class C	0.45%
Class I	0.45%
Class K	0.45%
Class Z	0.45%

“Specified Expenses” is defined to include all expenses incurred in the business of the Fund, which include offering costs, administration fees, investor servicing fees and custody fees. “Specified Expenses” does not include the following: (i) establishment expenses relating to the Fund; (ii) investment management fees; (iii) Performance Fees or Additional Performance Fees; (iv) distributor fees; (v) Eligible Collective Investment Scheme fees and expenses; (vi) brokerage and trading costs; (vii) interest payments; (viii) taxes; or (ix) extraordinary expenses. The Investment Manager may terminate or modify this arrangement at any time at its sole discretion upon 30 days’ notice in writing to the Fund’s Shareholders.

Initial Charge:

On subscription for Class B Shares, Shareholders may be required to pay an initial charge of up to 2% of the Net Asset Value per Class B Share to Distributors or other intermediaries appointed to distribute the Fund.

SCHEDULE I

Share Classes offered by the Blackstone Diversified Multi-Strategy Fund

The Initial Offer Period for all new Classes of Shares identified in the column of the table in this Schedule I headed “Initial Offer Period Status” as “New” began at 9 a.m. Irish time on 15 December 2017 and ends at 3 p.m. (Irish time) on the date that is the six month anniversary of this Supplement (unless shortened or extended by the Directors and, where required, notified in advance to the Central Bank. The Initial Offer Period for all Classes identified in the column headed “Initial Offer Period Status” as “Open”, will continue until 3 p.m. (Irish time) on the date that is the six month anniversary of this Supplement (unless shortened or extended by the Directors and, where required, notified in advance to the Central Bank).

Share Class	ISIN	Share Class Base Currency	Initial Offer Price	Minimum Initial Investment*	Minimum Subsequent Investment*	Minimum Holding*	Initial Offer Period Status
Class A (USD) Accumulating**	IE00BYXDVH76	USD	U.S.\$10	U.S.\$1,000	U.S.\$100	U.S.\$1,000	Closed
Class A (USD) Distributing**	IE00BYXDVJ90	USD	U.S.\$10	U.S.\$1,000	U.S.\$100	U.S.\$1,000	Open
Class A (EUR) Accumulating**	IE00BYXDW303	EUR	€10	€1,000	€100	€1,000	Closed
Class A (EUR) Distributing**	IE00BYXDW410	EUR	€10	€1,000	€100	€1,000	Closed
Class A (GBP) Accumulating**	IE00BYXDW527	GBP	£10	£1,000	£100	£1,000	Open
Class A (GBP) Distributing**	IE00BYXDV883	GBP	£10	£1,000	£100	£1,000	Open
Class A (DKK) Accumulating**	IE00BYXDW188	DKK	DKK100	DKK5,000	DKK500	DKK5,000	Open
Class A (DKK) Distributing**	IE00BYXDW295	DKK	DKK100	DKK5,000	DKK500	DKK5,000	Open
Class A (NOK) Accumulating**	IE00BYXDVC22	NOK	NOK100	NOK7,500	NOK750	NOK7,500	Open
Class A (NOK) Distributing**	IE00BYXDVD39	NOK	NOK100	NOK7,500	NOK750	NOK7,500	Open
Class A (SEK) Accumulating**	IE00BYXDVF52	SEK	SEK100	SEK7,500	SEK750	SEK7,500	Closed
Class A (SEK) Distributing**	IE00BYXDVG69	SEK	SEK100	SEK7,500	SEK750	SEK7,500	Open
Class A (CHF) Accumulating**	IE00BYXDVZ58	CHF	CHF10	CHF1,000	CHF100	CHF1,000	Open
Class A (CHF) Distributing**	IE00BYXDW071	CHF	CHF10	CHF1,000	CHF100	CHF1,000	Open
Class A (AUD) Accumulating**	IE00BYXDVX35	AUD	AUD10	AUD1,000	AUD100	AUD1,000	Open
Class A (AUD) Distributing**	IE00BYXDVY42	AUD	AUD10	AUD1,000	AUD100	AUD1,000	Open
Class A (JPY) Accumulating**	IE00BYXDV990	JPY	JPY1,000	JPY100,000	JPY10,000	JPY100,000	Open
Class A (JPY) Distributing**	IE00BYXDVB15	JPY	JPY1,000	JPY100,000	JPY10,000	JPY100,000	Open
Class A (CAD) Accumulating	IE00BGHH1F71	CAD	CAD10	CAD1,000	CAD100	CAD1,000	Open
Class A (CAD) Distributing	IE00BGHH1G88	CAD	CAD10	CAD1,000	CAD100	CAD1,000	Open
Class B (USD) Accumulating	IE00BYV3R829	USD	U.S.\$10	U.S.\$1,000	U.S.\$100	U.S.\$1,000	Open
Class C (USD) Accumulating***	IE00BYNJFF17	USD	U.S.\$10	U.S.\$1,000	U.S.\$100	U.S.\$1,000	Closed
Class C (USD) Distributing***	IE00BDCJD407	USD	U.S.\$10	U.S.\$1,000	U.S.\$100	U.S.\$1,000	Open
Class C (EUR) Accumulating***	IE00BYNJFG24	EUR	€10	€1,000	€100	€1,000	Open
Class C (EUR) Distributing***	IE00BDCJD514	EUR	€10	€1,000	€100	€1,000	Open
Class C (CHF) Accumulating***	IE00BDCK0T78	CHF	CHF10	CHF1,000	CHF100	CHF1,000	Open
Class C (CHF) Distributing***	IE00BDCK0V90	CHF	CHF10	CHF1,000	CHF100	CHF1,000	Open
Class I (USD)	IE00BN8SY379	USD	U.S.\$10	U.S.\$5,000,000	U.S.\$100,000	U.S.\$5,000,000	Closed

Share Class	ISIN	Share Class Base Currency	Initial Offer Price	Minimum Initial Investment*	Minimum Subsequent Investment*	Minimum Holding*	Initial Offer Period Status
Accumulating							
Class I (USD) Distributing	IE00BN8SYB58	USD	U.S.\$10	U.S.\$5,000,000	U.S.\$100,000	U.S.\$5,000,000	Closed
Class I (EUR) Accumulating	IE00BN8SY486	EUR	€10	€5,000,000	€100,000	€5,000,000	Closed
Class I (EUR) Distributing	IE00BN8SYC65	EUR	€10	€5,000,000	€100,000	€5,000,000	Open
Class I (GBP) Accumulating	IE00BN8SY593	GBP	£10	£5,000,000	£100,000	£5,000,000	Closed
Class I (GBP) Distributing	IE00BN8SYD72	GBP	£10	£5,000,000	£100,000	£5,000,000	Closed
Class I (DKK) Accumulating	IE00BN8SY601	DKK	DKK100	DKK25,000,000	DKK1,000,000	DKK25,000,000	Open
Class I (DKK) Distributing	IE00BN8SYF96	DKK	DKK100	DKK25,000,000	DKK1,000,000	DKK25,000,000	Open
Class I (NOK) Accumulating	IE00BN8SY718	NOK	NOK100	NOK35,000,000	NOK1,000,000	NOK35,000,000	Closed
Class I (NOK) Distributing	IE00BN8SYG04	NOK	NOK100	NOK35,000,000	NOK1,000,000	NOK35,000,000	Open
Class I (SEK) Accumulating	IE00BN8SY825	SEK	SEK100	SEK35,000,000	SEK1,000,000	SEK35,000,000	Open
Class I (SEK) Distributing	IE00BN8SYH11	SEK	SEK100	SEK35,000,000	SEK1,000,000	SEK35,000,000	Open
Class I (CHF) Accumulating	IE00BN8SY932	CHF	CHF10	CHF5,000,000	CHF100,000	CHF5,000,000	Closed
Class I (CHF) Distributing	IE00BN8SYJ35	CHF	CHF10	CHF5,000,000	CHF100,000	CHF5,000,000	Open
Class I (AUD) Accumulating	IE00BTFR4T52	AUD	AUD10	AUD5,000,000	AUD100,000	AUD5,000,000	Closed
Class I (AUD) Distributing	IE00BTFR4W81	AUD	AUD10	AUD5,000,000	AUD100,000	AUD5,000,000	Open
Class I (JPY) Accumulating	IE00BTFR4S46	JPY	JPY1,000	JPY500,000,000	JPY10,000,000	JPY500,000,000	Closed
Class I (JPY) Distributing	IE00BTFR4V74	JPY	JPY1,000	JPY500,000,000	JPY10,000,000	JPY500,000,000	Open
Class I (CAD) Accumulating	IE00BGHH1H95	CAD	CAD10	CAD5,000,000	CAD100,000	CAD5,000,000	New
Class I (CAD) Distributing	IE00BGHH1J10	CAD	CAD10	CAD5,000,000	CAD100,000	CAD5,000,000	New
Class K (EUR) Accumulating***	IE00BN8SYL56	EUR	€10	€125,000,000	€1,000,000	€125,000,000	Closed
Class Z (USD) Accumulating*****	IE00BYXF3J95	USD	U.S.\$10	U.S.\$1,000	U.S.\$100	U.S.\$1,000	Open
Class Z (USD) Distributing*****	IE00BYXF3K01	USD	U.S.\$10	U.S.\$1,000	U.S.\$100	U.S.\$1,000	Open

*The Company and/or Investment Manager reserve(s) the right to waive such minimums in whole or in part for certain types of Shareholders.

**Class A Shares and Class C Shares may be available in certain countries to Distributors or other intermediaries who, as a result of applicable laws and regulations in those jurisdictions, are eligible to, and wish to receive commissions or retrocessions.

***As of the date of this supplement to the prospectus, Class K (EUR) Accumulating Shares are closed to new investors and it is expected that Class C Shares will be closed to new investors with effect from 1 January 2018.

****Class I Shares are available to: (a) financial intermediaries which, according to regulatory requirements are not allowed to accept and keep trail commissions (in the European Union this will include financial intermediaries providing discretionary portfolio management or investment advice on an independent basis); (b) financial intermediaries rendering non-independent advice and which according to individual fee arrangements with their clients are not allowed to accept and keep trail commissions; or (c) institutional investors investing on their own account.¹

*****Investment in Class Z requires the approval of the Investment Manager, which will be limited to employees of the Investment Manager or its affiliates and funds managed by the Investment Manager or its affiliates.

¹ With respect to investors that are incorporated in the European Union, “institutional investor” means: (i) an “Eligible Counterparty” as defined in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended from time to time (“MiFID”); (ii) a “Professional Investor” under Part I of Annex II of MiFID; or (iii) a local public authority.

SCHEDULE II

Calculation Standards applicable to the use of Absolute VaR

For the purposes of compliance with the UCITS Regulations, the market risk of the Funds is measured using the value-at-risk (“VaR”) methodology.

“Absolute VaR” is the VaR of a Fund capped as a percentage of the Fund’s Net Asset Value. In accordance with the requirements of the Central Bank, the Fund is subject to an absolute VaR limit of 20% of the Fund’s Net Asset Value as set out in more detail below. However, the Fund may from time to time experience a change in Net Asset Value over a 20 Business Day holding period greater than 20% of Net Asset Value. See also the section in the Prospectus entitled “Risk Factors - Measurement of Market Risk and Leverage using the Commitment Approach and VaR”.

In summary, the following calculation standards currently apply to the VaR model employed. However, these calculation standards are dealt with in more detail in the risk management process of the Fund and may change from time to time at the discretion of the Investment Manager and in accordance with the requirements of the Central Bank:

- (i) one-tailed confidence interval of 99%;
- (ii) holding period equivalent to one month (20 Business Days);
- (iii) effective observation period (history) of risk factors is at least one year (250 Business Days) unless a shorter observation period is justified by a significant increase in price volatility (for instance, extreme market conditions);
- (iv) quarterly data set updates, or more frequent when market prices are subject to material changes; and
- (v) at least daily calculation.

The Investment Manager conducts back-testing in respect of the VaR model. This compares realised trading results with model generated risk measures in order to monitor the accuracy and performance of the VaR model (i.e., prediction capacity of risk estimates). Back-testing seeks to allow for improvement in the application of the VaR model and helps to prevent imperfect performance of the model against real market parameters that may not have been considered. In addition, the Investment Manager conducts stress tests in respect of the VaR approach. The stress testing programme is designed to measure any potential major depreciation of the Fund’s value as a result of unexpected changes in the relevant market parameters and correlation factors.

The following are illustrative examples of the calculation of leverage as the sum of the notionals of the derivatives used by the Fund. However, they are not intended to be indicative in any way of the profile of a Fund’s portfolio at any particular point in time:

- (i) The Fund purchases:
 - German government bonds with a face value of €20 million; and
 - a credit default swap referencing those bonds with a notional of €20 million.

The leverage produced by these positions, calculated as the sum of the notionals of the derivatives used, is €20 million.

From a portfolio management perspective, the Investment Manager or Sub-Adviser, as the case may be, views this as an example of a hedged position, with the credit default swap providing insurance against a default in payments on the bonds. In that sense, the position is not entered into to generate any economic leverage.

(ii) The Fund enters into:

- a long position on a two-year interest rate swap with a notional of US\$15 million; and
- a short position on a ten-year interest rate swap with a notional of US\$10 million.

The leverage produced by these positions, calculated as the sum of the notionals of the derivatives used, is US\$25 million.

The combination of these positions represents the Investment Manager's or Sub-Adviser's, as the case may be, view on the shape of the yield curve (i.e., the relationship between the interest rate (or cost of borrowing) and the time to maturity of the debt for a given borrower) and, in its view, may be approximately neutral in duration terms (i.e., neutral in terms of sensitivity to parallel shifts in the yield curve whereby interest rates move the same amount across all maturities). The Investment Manager believes that for fixed income instruments, the potential loss or risk is more accurately measured by the duration (sensitivity to interest rates) than by leverage. Therefore, leverage may not be the most appropriate measure of the risk associated with a position of this nature.

(iii) The Fund enters into:

- a long position through a total return swap over a basket of high quality European equity securities with a notional of €50 million; and
- a synthetic short position through a total return swap over a basket of low quality European equities with a notional of €25 million.

The leverage produced by these positions, calculated as the sum of the notionals of the derivatives used, is €75 million.

As part of the Investment Manager's or Sub-Adviser's, as the case may be, risk management methodology, this is an example of a trade that would likely be structured in the portfolio of the Fund to be approximately beta neutral (i.e., neutral in its exposure to the volatility of the market but seeking to exploit investment opportunities unique to the specific group of stocks referred to).

(iv) The Fund enters into:

- a long position in Euro Dollar futures contracts with a notional of US\$136 million;
- a synthetic short position in Euribor futures contracts with a notional of €100 million (or approximately US\$136 million); and
- a synthetic short position in EUR/USD futures contracts with a notional amount of €25 million (or approximately US\$34 million).

The leverage produced by these positions, calculated as the sum of the notionals of the derivatives used, is approximately US\$306 million.

The combination of these positions represents the Investment Manager's or Sub-Adviser's, as the case may be, view on the difference (also known as the "spread") between U.S. Dollar and euro short term interest rates. Although the notional amount of the contracts may appear large, the positions shown would result in a gain of US\$370,000 (i.e., 0.12% on the notional exposure) if the difference between U.S. Dollar three month Libor rate (the reference interest rate for Euro Dollar futures) and Euribor three month interest rates (the reference interest rate for the Euribor futures) increases by 1.0% (for example if the U.S. Dollar three month Libor effective rate increases from 0.28% to 2.28%, while the Euribor three month effective rate increases from 0.16% to 1.16%). The EUR/USD futures contract seeks to provide a hedge against the EUR currency exposure of the Euribor futures contract which is denominated in EUR, such that moves in the EUR/USD foreign exchange rate should have a limited impact on the profit or loss of the overall positions.