

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 5565 / August 25, 2020

_____ :
In the Matter of :
 :
Blackstone Alternative Investment Funds :
Blackstone Alternative Investment Advisors LLC :
345 Park Avenue, 28th Floor :
New York, NY 10154 :
 :
(803-00250) :
_____ :

ORDER UNDER SECTION 206A OF THE INVESTMENT ADVISERS ACT OF 1940
GRANTING AN EXEMPTION FROM SECTION 205 OF THE ACT AND RULE 205-1
THEREUNDER

Blackstone Alternative Investment Funds (the “Trust”) and Blackstone Alternative Investment Advisors LLC (the “Adviser”) (together, the “Applicants”) filed an application on June 24, 2019, and amendments thereto on April 28, 2020, and July 21, 2020 for an order under section 206A of the Investment Advisers Act of 1940 (“Act”). The order would grant an exemption from section 205 of the Act and from rule 205-1 under the Act to permit the Adviser to enter into or amend an investment sub-advisory agreement with a sub-adviser (each, a “Sub-Adviser”) under which the Sub-Adviser would receive an investment sub-advisory fee from the Adviser where such fee would (i) be calculated based on the performance of the portion of a Fund’s (as defined in the application) assets allocated to the Sub-Adviser (an “Allocated Portion”) measured by the change in the Allocated Portion’s gross asset value, rather than the change in net asset value of the Allocated Portion and (ii) apply only to the Allocated Portion and not to a Fund as a whole.

On July 28, 2020, a notice of the filing of the application was issued (Investment Advisers Act Release No. IA-5552). The notice gave interested persons an opportunity to request a hearing and stated that an order granting the application would be issued unless a hearing was ordered. No request for a hearing has been filed, and the Commission has not ordered a hearing.

The matter has been considered and it is found, on the basis of the information set forth in the application and the amendments thereto, that the proposed fee arrangement is appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act. Accordingly,

IT IS ORDERED, under section 206A of the Act, that the requested exemption by the Applicants (File No. 803-00250) is hereby granted, effective immediately, subject to the conditions in the application, as amended.

For the Commission, by the Division of Investment Management, under delegated authority.

Jill M. Peterson
Assistant Secretary