

# Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of June 30, 2015

## Investment approach

Blackstone Alternative Multi-Strategy Fund's ("Fund") investment objective is to seek capital appreciation. The Fund seeks this objective by allocating its assets among a variety of nontraditional or "alternative" investment strategies. Blackstone will allocate the Fund's assets among investment subadvisers with experience managing alternative investment strategies and among investment funds. It may also manage a portion of the Fund's assets directly.

## Fund highlights

Fund assets <sup>6</sup>	\$1,870 million
Inception date	June 16, 2014
Investment advisor	Blackstone Alternative Investment Advisors, LLC
Eligible investors	US taxable & tax-exempt
Liquidity	Daily
CUSIP	09257V201

## Fund terms (Share Class D)

Minimum investment	\$1,000,000
Omnibus/Bank investment minimum	\$0*
Management fee	1.95%
Gross expense ratio	3.32%
Net expense ratio <sup>7</sup>	2.40%

\* The investment minimum is waived for clients of a financial intermediary, broker-dealer, financial institution, or registered investment advisor that invest in the Fund through an omnibus account.

## Portfolio managers

Name	Experience
Stephen Sullens	25 years
Alberto Santulin	19 years
Rich Scarinci	12 years

## Fund net performance<sup>1, 2, 3</sup>

	As of 6/30/2015				ITD STATISTICS			
	1 year	ITD	QTD	YTD	St Dev.	Beta <sup>4</sup>	Alpha <sup>5</sup>	Sharpe
BXMIX	3.61%	3.93%	-0.29%	3.29%	3.62%	-	-	1.08
HFRX Global	-1.06%	-0.61%	-0.78%	1.27%	3.69%	0.72	4.24%	-0.16
Barclays Agg Bond	1.85%	2.36%	-1.68%	-0.10%	3.23%	-0.31	4.56%	0.67

1. Performance is presented through June 30, 2015. Net performance is net of the Gross Expense Ratio less waived expenses. Performance data quoted represents past performance and does not guarantee future results. All ITD statistics above are calculated using daily performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. BXMIX launched on June 16, 2014 and has a limited performance record. Additional information and current performance data is available at [www.blackstone.com/bxmix](http://www.blackstone.com/bxmix).

## The firm

Blackstone is a large and diversified alternative asset manager, with

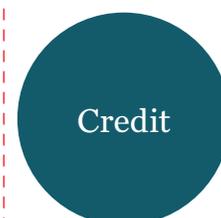
**\$311B**

in assets under management.<sup>8,9</sup>

Blackstone is the largest discretionary allocator to hedge funds in the world, with over

**\$67B**

in assets under management.<sup>8,9</sup>



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2. Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.

3. Inception to Date (ITD) statistics are as of BXMIX's inception on June 16, 2014.

4. Measures beta of BXMIX to the respective index.

5. Measures alpha of BXMIX to the respective index.

6. As of June 30, 2015.

7. Net expense ratio consists of the total expense ratio, as reflected in the Fund's prospectus adjusted to reflect any fee waiver/expense reimbursement and excluding interest and dividends on securities sold short, acquired fund fees and expenses not subject to the expense cap. Through May 31, 2016, Blackstone Alternative Investment Advisors LLC has contractually agreed to waive its fees and/or reimburse expenses of the Fund so that certain of the Fund's expenses, together with the Fund's management fees, will not exceed 2.40% annualized for Class I shares.

8. Source: InvestHedge Billion Dollar Club (as of December 2014) based on AUM.

9. As of April 1, 2015.

# Sub-adviser allocations

MANAGER*	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
Blackstone Senfina Advisors Goldman Sachs HealthCor Rail-Splitter Union Point Wellington	Fundamental Fundamental Fundamental Fundamental Fundamental Fundamental	Equity market neutral Equity long short Equity long short Equity long short Equity long short Equity long short	32%
Emso Bayview Good Hill Sorin Waterfall	Fundamental Fundamental Fundamental Fundamental Fundamental	EM-Credit MBS / ABS MBS / ABS MBS / ABS MBS / ABS	29%
Cerberus Caspian Chatham Nephila	Opportunistic trading Opportunistic trading Opportunistic trading Opportunistic trading	MBS/ABS Credit Credit Reinsurance	6%
BTG Pactual Verde Boussard & Gavaudan	Global macro Global macro Multi-strategy	Global macro Global macro Multi-strategy	8%
AlphaParity Two Sigma Advisers	Quantitative Quantitative	Systematic macro Equity market neutral	25%

\*Manager name may be a short form name of the legal name of each sub-adviser: The list of sub-advisers and target allocations above is subject to change. Please check the prospectus for the most up-to-date list of sub-advisers. Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.

Blackstone Senfina Advisors L.L.C. Senfina is an indirect wholly-owned subsidiary of The Blackstone Group L.P., a publicly traded master limited partnership that has units that trade on the New York Stock Exchange under the symbol "BX." Senfina is an affiliate of BAlA, the Fund's investment adviser, on the basis that it is under common control with BAlA. The investment by BXMIX with Senfina benefits Blackstone and a withdrawal from Senfina would be detrimental to Blackstone.

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	—	—	—	—	—	0.50%	-0.40%	0.90%	0.30%	-0.59%	0.30%	-0.19%	0.80%
2015	0.70%	1.88%	0.97%	-0.39%	1.26%	-1.15%							3.29%

1. Performance is presented through June 30, 2015. Net performance is net of the Gross Expense Ratio less waived expenses. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. BXMIX launched on June 16, 2014 and thus performance for June is limited to June 16 through June 30, 2014.

All investors should consider the investment objectives, risks, charges and expenses of BXMIX, Class I carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about BXMIX and are available on BXMIX's website at [www.blackstone.com/bxmix](http://www.blackstone.com/bxmix). All investors are urged to carefully read the prospectus and, if available, the summary prospectus in its entirety before investing.

**Beta:** A measure of the volatility, or systemic risk, of a security or a portfolio in comparison to the market as a whole. **Volatility/Standard Deviation:** A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance. **Sharpe Ratio:** A ratio to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate – such as that of the 10-year U.S. Treasury bond – from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been. **Alpha:** A risk-adjusted performance measure that represents the average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return.

### Glossary of Indices

Market indices obtained through Bloomberg. Indices are unmanaged and investors cannot invest in an index. The volatility of the indices presented may be materially different from that of the performance of BXMIX. In addition, the indices employ different investment guidelines and criteria than BXMIX; as a result, the holdings in BXMIX may differ significantly from the securities that comprise the indices. The performance of the indices has not been selected to represent an appropriate benchmark to compare to the performance of BXMIX, but rather is disclosed to allow for comparison of BXMIX's performance to that of well-known and widely recognized indices. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. **Barclays Aggregate Bond Index:** covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes government securities, mortgage-backed securities, asset-backed securities and corporate securities all with a maturity of greater than one year. **HFRX Global Hedge Fund Index:** designed to be representative of the overall composition of the hedge fund universe. It is comprised of all eligible hedge fund strategies; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, even driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry.

### Important Risks

An investment in BXMIX, Class I should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other

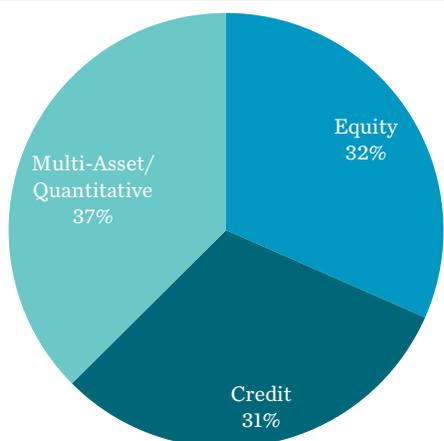
investments. BXMIX's investments involve special risks including, but not limited to, loss of all or a significant portion of the investment due to leveraging, short-selling, or other speculative practices, lack of liquidity and volatility of returns. The following is a summary description of certain additional principal risks of investing in BXMIX: **Allocation Risk** – Blackstone's judgment about the attractiveness, value or market trends affecting a particular asset class, investment style, subadviser or security may be incorrect and this may have a negative impact upon performance. **Derivatives Risk** – the use of derivatives involves the risk that their value may not move as expected relative to the value of the relevant underlying assets, rates, or indices. Derivatives can be subject to counterparty credit risk and may entail investment exposure greater than their notional amount. **Distressed Securities Risk:** investments in securities of business enterprises involved in workouts, liquidations, reorganizations, bankruptcies and similar situations involve a high degree of risk of loss since there is typically substantial uncertainty concerning the outcome of such situations. **Event-Driven Trading Risk** – involves the risk that the specific event identified may not occur as anticipated and that this may have a negative impact upon the market price of the securities involved. **Foreign Investments/ Emerging Markets Risk:** involves special risks caused by foreign political, social and economic factors, including exposure to currency fluctuations, less liquidity, less developed and less efficient trading markets, political instability and less developed legal and auditing standards. **High Portfolio Turnover Risk:** active trading of securities can increase transaction costs (thus lowering performance) and taxable distributions. **Model and Technology Risk** – involves the risk that model-based strategies, data gathering systems, order execution and trade allocation systems and risk management systems may not be successful on an ongoing basis or could contain errors, omissions, imperfections or malfunctions. **Multi-Manager Risk:** managers may make investment decisions which conflict with each other and as a result, the Fund could incur transaction costs without accomplishing any net investment result.

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

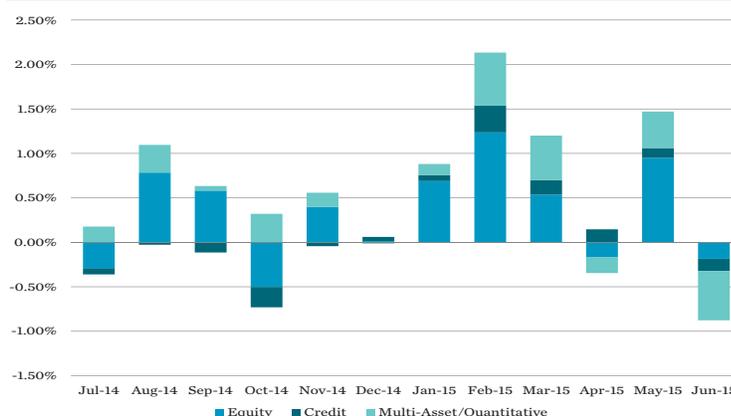
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As of June 30, 2015

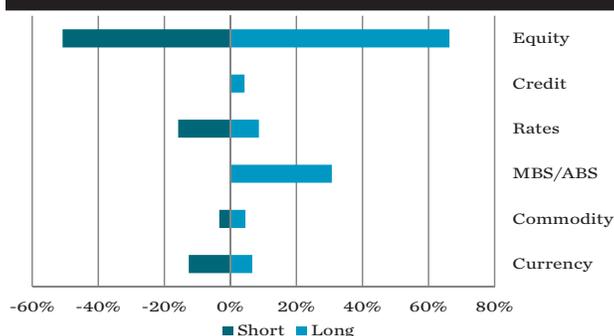
## Sub-strategy summary



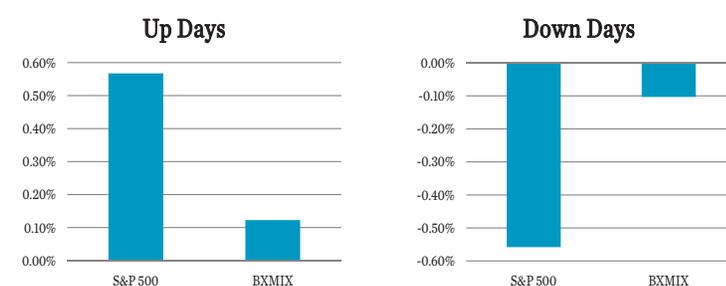
## Trailing 12 month gross strategy attribution<sup>1,5</sup>



## Asset class exposure<sup>2</sup>



## Average Daily Return for Days When S&P500 Total Return Index was Positive/Negative<sup>1</sup>



## Geographic exposure<sup>2,3</sup>

	Long	Short	Net
US/Canada	70.39%	42.41%	27.98%
Core Europe	28.15%	22.58%	5.57%
Peripheral Europe	5.35%	0.16%	5.19%
Lat. Am./Caribbean	10.04%	0.74%	9.30%
Middle East/Africa	2.38%	2.27%	0.11%
Japan	3.19%	10.19%	-7.00%
Asia general	2.09%	3.67%	-1.58%
China/HK/Taiwan	0.98%	0.73%	0.25%
<b>Total</b>	<b>122.56%</b>	<b>82.74%</b>	<b>39.82%</b>

## Equity exposure - sector breakdown<sup>3</sup>

	Long	Short	Net
Energy	1.53%	1.00%	0.53%
Materials	0.89%	1.00%	-0.11%
Industrials	3.25%	1.52%	1.73%
Consumer Discretionary	7.53%	1.09%	6.45%
Consumer Staples	1.37%	1.03%	0.34%
Healthcare	12.40%	2.47%	9.92%
Financials	12.07%	0.69%	11.38%
Technology	3.01%	0.29%	2.72%
Telecom	1.25%	0.36%	0.89%
Utilities	0.52%	0.00%	0.52%
Unclassified <sup>4</sup>	7.18%	25.82%	-18.65%
<b>Total</b>	<b>51.00%</b>	<b>35.27%</b>	<b>15.73%</b>

1. Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Strategy attribution is presented on a gross basis as Blackstone fees are applied at the Fund level and not at the strategy level. Information about BXMIX, including current month-end performance, is available on BXMIX's website at [www.blackstone.com/bxmix/](http://www.blackstone.com/bxmix/) or by calling 855-890-7725. Index performance is shown for illustrative purposes only. You cannot invest directly in an index. Data is from June 17, 2014 to June 30, 2015.

2. Interest rate exposure information is represented by the 10 year equivalent

3. Compared to the overall NAV of the fund. Takes into consideration delta adjustments for options

4. Comprised of index futures, options on index futures, ETFs, and ETF options

5. Equity is comprised of Equity Long/Short; Credit is comprised of Fundamental Credit and Opportunistic Trading Credit; Multi-Asset/Quantitative is comprised of Quantitative and Global Macro/Multi-Strategy

The definitions and disclosures appearing at the end of this document are an integral part of this presentation and should be read in their entirety for a complete understanding of the information contained herein.

Additional information and current performance data is available at [www.blackstone.com/bxmix](http://www.blackstone.com/bxmix).

# Performance commentary

The investment objective of Blackstone Alternative Multi-Strategy Fund (the “Fund”) is to seek capital appreciation. The Fund aims to achieve its objective by allocating assets among a variety of investment sub-advisers with experience managing non-traditional or “alternative” investment strategies. In June, the Fund’s Class I share class returned -1.15% net of fees and expenses versus -1.94% and -2.28% for the S&P 500 and MSCI World, respectively, and versus -1.09% for the Barclays U.S. Aggregate Bond Index.

June was a month that had no shortage of headlines across global capital markets. One major story centered on the Greek crisis, which reached a tipping point. On Saturday June 27th, Alexis Tsipras, Prime Minister of Greece, announced a referendum for July 5th on whether Greece should accept the terms of a program with the International Monetary Fund, European Commission and European Central Bank (“ECB”). Shortly following this decision, the ECB announced that it was capping the Euro liquidity provided to Greek banks, and Greek banks instituted capital controls and bans on most foreign transfers. Following this news, the S&P 500 experienced its worst drop of the year, falling 2.1% on Monday June 29th. Despite this drop and declines of various magnitudes in equity and other risk assets across the world, as of the end of June the impact on financial markets outside of Greece appears contained. The impact on the Fund has so far been consistent with our expectations. The Fund has minimal direct exposure to Greece (0.39% of NAV) and modest exposure to European financials (approximately, 4.48% net of NAV)<sup>1</sup>, which have sold off on concerns of contagion risk. The situation in Greece remains fluid. We continue to monitor developments and any knock-on impacts of broader contagion on the global economy.

Two other headline stories in June were the selloff in Chinese equity markets and the potential Puerto Rican sovereign default. In the second half of June, the Shanghai Composite lost over 20%, falling officially into bear market territory. Chinese policy responses have been swift and decisive in an attempt to stem losses. The response has included moves such as suspending trading in certain stocks, prohibitions on short sales, pledges by sovereign wealth funds and insiders to not sell stocks, and outright purchases of stocks in a quantitative easing initiative. In Puerto Rico, Governor Alejandro Garcia Padilla declared that the territory’s \$72 billion of debt was unpayable, leaving it up to the US Congress to decide whether Puerto Rico will gain access to the nation’s bankruptcy courts. As in the case of Greece, the Fund has very little direct exposure to Puerto Rico and China (net exposure to Puerto Rico and China is 0.00% and 0.51%, respectively), but we continue to monitor the risks and opportunities presented by these various situations.<sup>1</sup>

The good news for the month is that the US continued to experience a decrease in unemployment, with the unemployment rate hitting a 7-year low in June at 5.3%.<sup>2</sup> However, this coincided with a drop in the participation rate and flat hourly wage growth, leaving some uncertainty about whether the Fed will consider the market strong enough to institute a preliminary rate hike in September. Looking at the global market environment, a key theme appears to be one of divergence, with different markets in very different states of recovery. For example, some markets, such as the United States, are years into a sustained recovery, whereas others, such as those in Europe and Asia, are further behind in terms of health or recovery. With their economies being in different stages, the central banks across these regions have taken very different actions.

## Equities:

Equity strategies were negative in June. Losses were driven by long positions in pharmaceuticals and technology, but slightly offset by gains in social media investments and several US financial companies. There was alpha generation on the short side that helped offset some losses on the long side.

During the month, we fully redeemed the Fund’s allocation to Union Point Advisors, LLC, a long/short equity manager focused on the TMT (technology, media, telecom) space. Manager terminations and redemptions are normal events in Blackstone’s investment process and result from a dynamic evaluation of our top down assessment of the opportunity set for investment strategies as well as the bottoms up evaluation of a manager’s ability to deliver alpha in a given environment.

## Credit:

Credit strategies were down in June, as many of the Fund’s largest credit positions traded down along with broader leveraged credit markets. Performance suffered as spreads widened on a number of structured credit asset classes and as asset-backed securities and government sponsored entity credit risk transfer securities suffered mark-to-market losses. Some of the losses were offset by alpha generative trading, positive carry, and a short position in commercial real estate related securities. The Fund’s credit sub-advisers remain encouraged by the fundamental collateral outlook and retain conviction in current positions.

## Multi-Asset/Quantitative:

Multi-Asset/Quantitative strategies were the largest detractors for the month. The majority of these losses stemmed from exposure to emerging markets and the global risk-off sentiment that caused drawdowns across global equity markets. While the Fund has limited direct exposure to Greece (as noted above), peripheral European and emerging market sovereign credit have fallen with the tide over the course of the month and negatively affected performance. Furthermore, the US Dollar depreciated over the course of the month relative to major currencies such as the Euro and Japanese Yen, taking an additional toll on emerging market focused sub-advisers who hold US dollar denominated emerging market sovereign debt. On the multi-strategy and quantitative side, losses stemmed from exposure to equities and fixed income, as well as exposure to special situations trades.

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*For a summary of Fund performance of other share classes, please refer to the Fund’s website: <http://www.blackstone.com/bxmix>*

# Performance commentary

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## 2<sup>nd</sup> Quarter Review:

During the second quarter, the Fund's Class I share class returned -0.29%, versus 0.28% for the S&P 500 and 0.49% for the MSCI World. The Barclays U.S. Aggregate Bond Index returned -1.68% over this period. Equity long/short strategies contributed meaningful positive performance for the quarter, driven by a healthy alpha capture environment. A significant portion of this alpha was driven by performance on the short side of the book, a testament to our managers' ability to pick shorts in a bull market. Credit strategies' performance was mixed on the quarter, although as a group they contributed positively to performance. Within credit, we saw strength in corporate high yield trading and in some ABS and RMBS. On the flip side, we saw weakness in CMBS and pockets of structured credit. Multi-asset and Quantitative strategies were the biggest detractors from performance with global market volatility dragging on returns and offsetting gains in Equity and Credit.

From a top down perspective, Blackstone continues to allocate to diversifying managers with the aim of reducing equity beta and identify compelling valuation opportunities uncorrelated to broader markets. Looking holistically at the portfolio, what's clear is that no single approach works at all times – different strategies perform well in different environments, and it is the combination of top-down asset allocation decisions with talented sub-advisers that offers the potential to generate attractive returns and reduce market risk.

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*For a summary of Fund performance of other share classes, please refer to the Fund's website: <http://www.blackstone.com/bxmix>*

*(1) Exposure data shown as of June 29, 2015 and is based on data provided by the Fund's Administrator. Fund positions are actively managed and are subject to change.*

*•References to "direct exposure" refer to the Fund's net exposure to investments in securities and other assets whose "country of risk" has been defined to be Greece, Puerto Rico or China, respectively. In the case of China, direct exposure would include securities and other assets whose "country of risk" includes any of China, Hong Kong or Taiwan.*

*•Reference to "European financials exposure" refers to the Fund's net exposure to (a) investments in equity and credit securities issued by financial companies whose "country of risk" has been defined as a core or peripheral European country and (b) sovereign debt securities issued by core and peripheral European countries.*

*(2) According to the Bureau of Labor Statistics, United States Department of Labor.*

# Disclosure information

All investors should consider the investment objectives, risks, charges and expenses of BXMIX carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about BXMIX and are available on BXMIX's website at [www.blackstone.com/bxmix](http://www.blackstone.com/bxmix). All investors are urged to carefully read the prospectus and, if available, the summary prospectus in its entirety before investing. Additional information regarding BXMIX is available upon request.

## Important Disclosures Regarding Exposure

Exposure data presented herein does not consider the impact of delta on option positions (unless noted otherwise). Instead, exposures represent the market value of each underlying instrument. Positions of unknown type (if any) are excluded from exposure data.

There is no attempt in this report to differentiate between or adjust for shorter versus longer duration rates trades. Instead, they are shown only by market value of exposure. Given that exposure data is based on fund holdings, it excludes unsettled trades. Position level data is obtained from State Street Bank and Trust Company, the administrator for BXMIX. Blackstone does not guarantee the accuracy of such data.

## Glossary of Terms:

**Gross Exposure:** Reflects the aggregate of long and short investment positions in relation to the net asset value. For example, if BXMIX has 60% long exposure and 50% short exposure to a particular asset class, then BXMIX has 110% gross exposure to that asset class. The gross exposure is one indication of the level of leverage in a portfolio. **Net Exposure:** This is the difference between long and short investment positions in relation to the net asset value. For example, if BXMIX has 60% long exposure and 50% short exposure to a particular asset class, then BXMIX is 10% net exposure to that asset class. **Long:** A long position occurs when an individual owns securities. **Short:** Short selling a security not actually owned at the time of sale. Short positions can also generate returns when the price of a security declines. **Var:** A statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame. **Value at risk** is used by risk managers in order to measure and control the level of risk which the firm undertakes. The risk manager's job is to ensure that risks are not taken beyond the level at which the firm can absorb the losses of a probable worst outcome. **DV01:** A bond valuation calculation showing the dollar value of a one basis point change in interest rates or yield. **Alpha:** A risk-adjusted performance measure that represents the average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return.

## Glossary of Indices

Market indices obtained through Bloomberg. Indices are unmanaged and investors cannot invest in an index. The volatility of the indices presented may be materially different from that of the performance of BXMIX. In addition, the indices employ different investment guidelines and criteria than BXMIX; as a result, the holdings in BXMIX may differ significantly from the securities that comprise the indices. The performance of the indices has not been selected to represent an appropriate benchmark to compare to the performance of BXMIX, but rather is disclosed to allow for comparison of BXMIX's performance to that of well-known and widely recognized indices. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

**S&P 500 Total Return Index:** market capitalization-weighted index that includes 500 stocks representing all major industries. Returns are denominated in U.S. dollars and include dividends. The index is a proxy of the performance of the broad U.S. economy through changes in aggregate market value.

**MSCI World Index:** A market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI World is maintained by Morgan Stanley Capital International, and is comprised of stocks from all the developed markets in the world.

**Barclays Aggregate Bond Index:** covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes government securities, mortgage-backed securities, asset-backed securities and corporate securities all with a maturity of greater than one year.

## Important Risks

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

following is a summary description of certain additional principal risks of investing in BXMIX:

**Allocation Risk** – Blackstone's judgment about the attractiveness, value or market trends affecting a particular asset class, investment style, subadviser or security may be incorrect and this may have a negative impact upon performance.

**Derivatives Risk** – the use of derivatives involves the risk that their value may not move as expected relative to the value of the relevant underlying assets, rates, or indices. Derivatives can be subject to counterparty credit risk and may entail investment exposure greater than their notional amount.

**Distressed Securities Risk** – investments in securities of business enterprises involved in workouts, liquidations, reorganizations, bankruptcies and similar situations involve a high degree of risk of loss since there is typically substantial uncertainty concerning the outcome of such situations.

**Event-Driven Trading Risk** – involves the risk that the specific event identified may not occur as anticipated and that this may have a negative impact upon the market price of the securities involved.

**Foreign Investments/ Emerging Markets Risk** – involves special risks caused by foreign political, social and economic factors, including exposure to currency fluctuations, less liquidity, less developed and less efficient trading markets, political instability and less developed legal and auditing standards.

**High Portfolio Turnover Risk** – active trading of securities can increase transaction costs (thus lowering performance) and taxable distributions.

**Model and Technology Risk** – involves the risk that model-based strategies, data gathering systems, order execution and trade allocation systems and risk management systems may not be successful on an ongoing basis or could contain errors, omissions, imperfections or malfunctions.

**Multi-Manager Risk** – managers may make investment decisions which conflict with each other and as a result, the Fund could incur transaction costs without accomplishing any net investment result.

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