Blackstone Alternative Multi-Strategy Fund (BXMIX)

Blackstone

As of November 30, 2018

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 non-traditional or "alternative" investment strategies. Blackstone allocates the Fund's assets among investment sub-advisers with experience managing alternative investment strategies and among Investment Funds and also manages a portion of the Fund's assets directly. In pursuing the Fund's investment objective, Blackstone focuses on the preservation of capital and seeks to maintain an investment portfolio with, on average, lower volatility relative to the broader equity markets.

Fund highlights

Fund assets [6]	$6,884.77 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 I)[7]

Management Fee	1.88%
Gross Expense Ratio	2.86%
Net Expense Ratio	2.20%

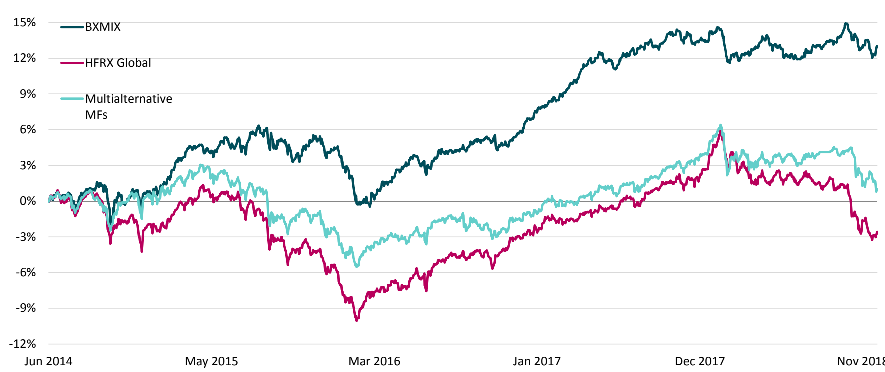
Portfolio managers

Name	**Years at Blackstone**
Gideon Berger	17 Years
Min Htoo	1 Year
Robert Jordan	7 Years
Ian Morris	9 Years
Alberto Santulin	16 Years
Stephen Sullens	18 Years

Fund net performance[1,2,3]

	As of 09/28/2018				*As of 11/30/2018*				*Inception to Date Statistics*			
	1 Yr	**ITD**	**QTD**	**YTD**	**1 Yr**	**ITD**	**QTD**	**YTD**	**St Dev.**	**Beta**	**Alpha**	**Sharpe**
BXMIX	1.35%	3.24%	2.46%	1.12%	(0.42%)	2.77%	(1.47%)	(0.37%)	3.12%	-	-	0.67
HFRX Glbl	0.25%	0.34%	(0.39%)	(1.23%)	(4.19%)	(0.51%)	(3.70%)	(4.89%)	3.56%	0.53	3.04%	(0.34)
Barclays Glbl	(1.32%)	0.06%	(0.92%)	(2.37%)	(2.82%)	(0.12%)	(0.81%)	(3.16%)	4.83%	(0.10)	2.79%	(0.17)
MSCI World	11.84%	8.27%	5.10%	5.89%	0.68%	6.40%	(6.22%)	(0.69%)	11.10%	0.17	1.64%	0.51

Alternative strategies cumulative net performance[1,2]



1. Performance is presented through November 30, 2018. 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. Additional information and performance data current to the most recent month-end is available at www.bxmix.com.

2. None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.

3. Inception to Date statistics are as of BXMIX's inception on June 16, 2014 through the most recent month end.
4. Measures beta of BXMIX to the respective index.
5. Measures alpha of BXMIX to the respective index.
6. As of November 30, 2018.

7. Gross expense ratio represents the expense ratio applicable to investors. Net expense ratio represents the Specified Expenses as of March 31, 2018. "Specified Expenses" is defined to include all expenses incurred in the business of the Fund with the exception of: (i) distribution or servicing fees, (ii) acquired fund fees and expenses, (iii) brokerage and trading costs, (iv) interest payments (including any interest expenses, commitment fees, or other expenses related to any line of credit of the Fund), (v) taxes, (vi) dividends and interest on short positions, and (vii) extraordinary expenses (in each case, as determined in the sole discretion of the Adviser). Please see the Fund's Prospectus at www.bxmix.com.

Sub-adviser allocations[1]

Manager	Strategy	Sub-strategy	Classification
Active Sub-Advisors			
HealthCor	Equity Hedge	Equity Long Short	Equity
Endeavour	Equity Hedge	Equity Market Neutral	Equity
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	Equity
Bayview	Relative Value	Fixed Income - Asset Backed	Credit
Good Hill	Relative Value	Fixed Income - Asset Backed	Credit
Sorin	Relative Value	Fixed Income - Asset Backed	Credit
Caspian	Event Driven	Distressed/Restructuring	Credit
Boussard & Gavaudan	Event Driven	Multi-Strategy	Multi-Asset
Magnetar(1)	Event Driven	Risk Arbitrage	Multi-Asset
Emso	Macro	Discretionary Thematic	Multi-Asset
NWI(1)	Macro	Discretionary Thematic	Multi-Asset
IPM	Macro	Systematic Diversified	Multi-Asset
D.E. Shaw	Multi-Strategy	N/A	Multi-Asset
BAIA-Direct(2)	Multi-Strategy	N/A	Multi-Asset
Inactive Sub-Advisors (3)			
Cerberus	Relative Value	Fixed Income - Asset Backed	Inactive
Waterfall	Relative Value	Fixed Income - Asset Backed	Inactive
Nephila	Event Driven	Reinsurance	Inactive
H2O	Macro	Discretionary Thematic	Inactive
GSA	Macro	Systematic Diversified	Inactive

1. Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliate benefits The Blackstone Group L.P. and any redemption or reduction of such allocation would be detrimental to The Blackstone Group L.P., creating potential conflicts of interest in allocation decisions. For a discussion of this and other conflicts, please see the Additional Disclosure section at the end of this document.
2. BAIA manages a portion of the Fund's assets directly. Such investments include allocations to BAIA's systematic risk premia trading strategy, funds managed by Glenview Capital Management LLC and EJF Capital LLC, opportunistic credit trades and hedging. BAIA allocations are subject to change and BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.
3. Inactive managers are not currently managing any Fund assets. Allocations may change at any time without notice.

Monthly net performance[4,5]

													YTD			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	BXMIX	HFRX Glbl	Barclays Glbl	MSCI World
2014	-	-	-	-	-	0.50%	(0.40%)	0.90%	0.30%	(0.59%)	0.30%	(0.19%)	**0.80%**	**(0.58%)**	**0.58%**	**5.50%**
2015	0.70%	1.88%	0.97%	(0.39%)	1.26%	(1.15%)	1.93%	(1.04%)	(0.67%)	0.29%	0.48%	(0.71%)	**3.55%**	**(3.64%)**	**(3.15%)**	**(0.32%)**
2016	(2.17%)	(2.22%)	1.45%	1.32%	0.90%	(0.50%)	1.10%	(0.00%)	0.89%	0.00%	(0.20%)	0.85%	**1.35%**	**2.50%**	**2.09%**	**8.15%**
2017	1.67%	0.77%	0.96%	1.52%	1.12%	(1.01%)	0.93%	0.92%	(0.09%)	0.92%	(0.64%)	(0.05%)	**7.20%**	**5.99%**	**7.39%**	**23.07%**
2018	0.28%	(1.30%)	0.38%	0.94%	(1.49%)	(0.09%)	0.94%	0.28%	1.21%	(1.57%)	0.09%		**(0.37%)**	**(4.89%)**	**(3.16%)**	**(0.69%)**

4. None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.

5. Performance is presented through November 30, 2018. 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. Additional information and performance data current to the most recent month-end is available at www.bxmix.com. BXMIX launched on June 16, 2014 and thus performance for June 2014 is limited to June 16 through June 30.

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

Glossary of Terms
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 90 day T-Bill – 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.

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, sub-adviser or security may be incorrect and this may have a negative impact upon performance. **Derivatives Risk –** the use of derivatives involves the risk that their value may not move as expected relative to the value of the relevant underlying assets, rates, or indices. Derivatives can be subject to counterparty credit risk and may entail investment exposure greater than their notional amount. **Distressed Securities Risk -** investments in securities of business enterprises involved in workouts, liquidations, reorganizations, bankruptcies and similar situations involve a high degree of risk of loss since there is typically substantial uncertainty concerning the outcome of such situations. **Event-Driven Trading Risk –** involves the risk that the specific event identified may not occur as anticipated and that this may have a negative impact upon the market price of the securities involved. **Foreign Investments/ Emerging Markets Risk -** involves special risks caused by foreign political, social and economic factors, including exposure to currency fluctuations, less liquidity, less developed and less efficient trading markets, political instability and less developed legal and auditing standards. **High Portfolio Turnover Risk -** active trading of securities can increase transaction costs (thus lowering performance) and taxable distributions. **Model and Technology Risk –** involves the risk that model-based strategies, data gathering systems, order execution and trade allocation systems and risk management systems may not be successful on an ongoing basis or could contains errors, omissions, imperfections or malfunctions. **Multi-Manager Risk -** managers may make investment decisions which conflict with each other and as a result, the Fund could incur transaction costs without accomplishing any net investment result. **Leverage Risk –** borrowing money or engaging in transactions that create investment leverage can produce volatility and may exaggerate changes in the net asset value of Fund shares.
The following information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice. If you are an individual retirement investor, contact your financial advisor or other fiduciary unrelated to BAIA about whether any given investment idea, strategy, product or service described herein may be appropriate for your circumstances.

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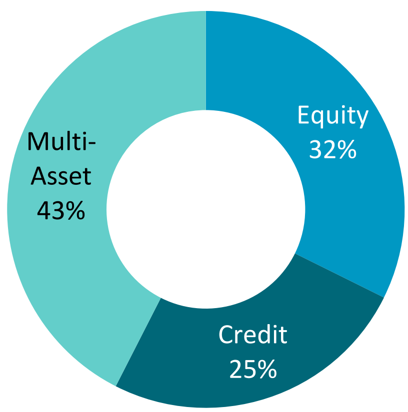
Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of November 30, 2018

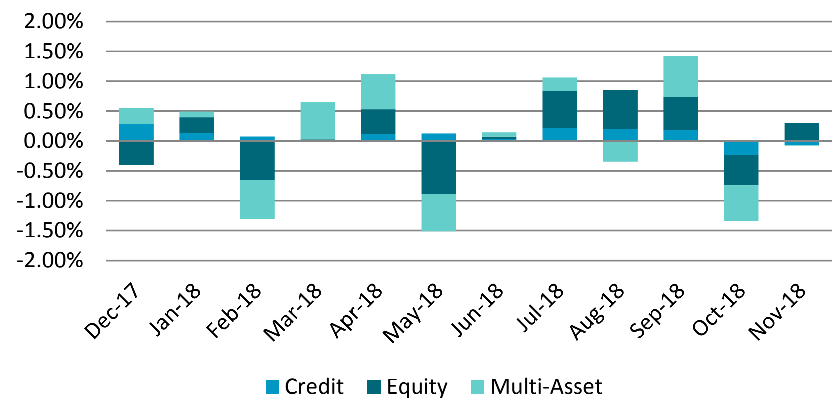
Performance summary[1,2,3]

Sub-Strategy Performance	Allocation at 11/30/2018	MTD Return	MTD Attribution	QTD Return	QTD Attribution	YTD Return	YTD Attribution	Trailing 12 Months Return	Trailing 12 Months Attribution	ITD Cumulative Performance Return	ITD Cumulative Performance Attribution
Equity	32.32%	0.74%	0.30%	(0.43%)	(0.21%)	1.65%	0.78%	0.70%	0.37%	26.38%	10.01%
Credit	25.17%	(0.25%)	(0.07%)	(1.00%)	(0.30%)	3.77%	0.79%	5.11%	1.07%	28.93%	8.26%
Multi-Asset	42.51%	(0.02%)	(0.02%)	(1.23%)	(0.62%)	0.11%	0.03%	0.67%	0.30%	14.51%	5.28%
Cash & Other			(0.12%)		(0.34%)		(1.96%)		(2.16%)		(10.57%)
Net Return			0.09%		(1.47%)		(0.37%)		(0.42%)		12.98%

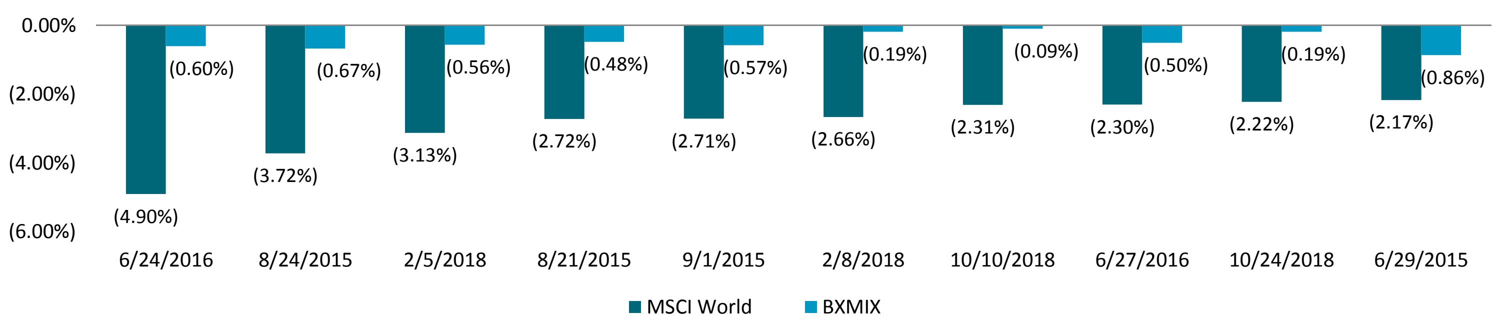
Portfolio Allocations[2]



Trailing 12 month sub-strategy attribution[1,2,3]



BXMIX performance on worst 10 trading days for MSCI World since inception[4]



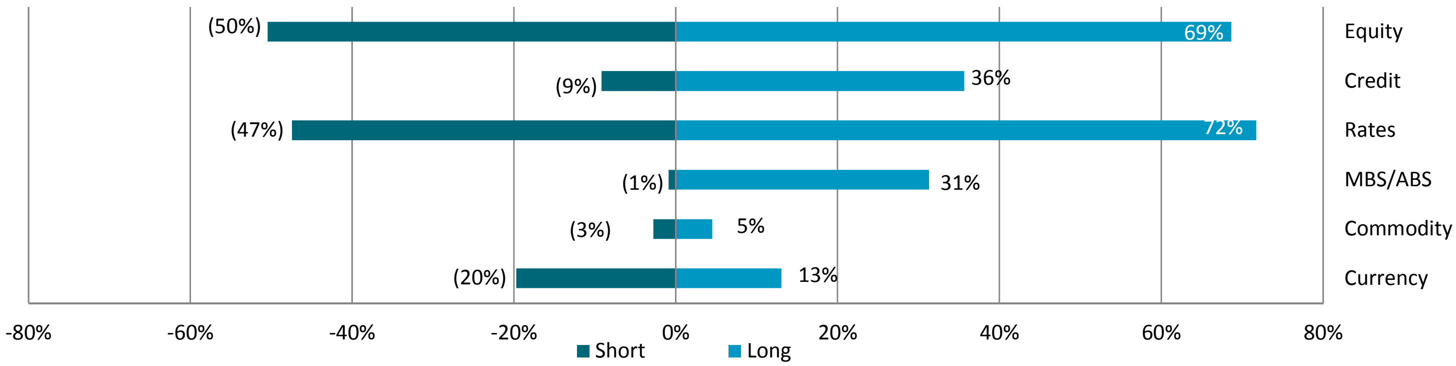
Because of the broadly diversified and low beta nature of the portfolio, BXMIX is not expected to participate in the full upside of broader equity markets. From 06/16/14 to 11/30/18, on the ten best MSCI World TR trading days, the average daily returns for the MSCI World TR and BXMIX were 2.07% and 0.39% respectively. The MSCI World TR is not a benchmark or target for the Fund. Please see important Disclosure Information at the end of this presentation.

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. ITD net return is cumulative not annualized. Information about BXMIX, including current month-end performance, is available on BXMIX's website at www.bxmix.com or by calling 855-890-7725. Data is from June 16, 2014 to October 31, 2018.

1. Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
2. Portfolio allocations include exposure to certain BAIA-Direct investments. Equity allocation includes Equity Long/Short and Equity Market Neutral sub-strategies, funds managed by Glenview Capital Management LLC and equity hedges. Credit allocation includes Fixed Income – Asset Backed, Fixed Income – Corporate and Distressed/Restructuring sub-strategies; a fund managed by EJF Capital LLC and opportunistic credit trades. Multi-Asset is comprised of Discretionary Thematic, Systematic Diversified, Risk Arbitrage and Multi-Strategy sub-strategies, and BAIA's systematic risk premia trading strategy.
3. Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.
4. *Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for the Fund, but rather are disclosed to allow for comparison of the Fund's performance to that of well-known and widely recognized indices. Indices are unmanaged and investors cannot invest in indices. Please see important Disclosure Information at the end of this presentation.*

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.

Asset class exposure[1]



Geographic exposure[1]

	Long	Short	Net
US/Canada	129.90%	(62.82%)	67.07%
Core Europe	67.09%	(47.61%)	19.48%
Peripheral Europe	3.32%	(0.51%)	2.81%
Lat. Am./Caribbean	7.70%	(1.25%)	6.46%
Middle East/Africa	2.37%	(1.68%)	0.69%
Japan	3.05%	(2.37%)	0.68%
Asia general	8.64%	(9.48%)	(0.84%)
China/HK/Taiwan	2.88%	(4.72%)	(1.84%)
Total	**224.95%**	**(130.44%)**	**94.50%**

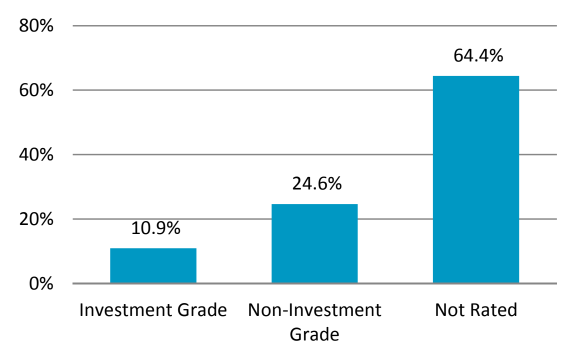
Currency exposure[1]

Region	Long	Short	Net
Asia general	1.63%	(0.37%)	1.26%
China/HK/Taiwan	0.00%	(0.24%)	(0.24%)
Core Europe	8.50%	(15.30%)	(6.79%)
Japan	1.07%	(1.91%)	(0.84%)
Latin America	0.38%	(0.25%)	0.14%
Middle East/Africa	0.00%	(0.54%)	(0.54%)
Peripheral Europe	0.18%	(0.14%)	0.03%
US/Canada	1.27%	(0.96%)	0.31%
Total	**13.04%**	**(19.71%)**	**(6.67%)**

Equity exposure – sector breakdown[1]

	Long	Short	Net
Energy	1.34%	(2.47%)	(1.13%)
Materials	1.57%	(1.24%)	0.33%
Industrials	4.60%	(1.97%)	2.63%
Consumer Discretionary	4.92%	(7.46%)	(2.54%)
Consumer Staples	2.03%	(1.24%)	0.79%
Health Care	11.90%	(6.06%)	5.84%
Financials	7.69%	(5.60%)	2.09%
Real Estate	0.88%	(1.74%)	(0.86%)
Information Technology	8.45%	(3.36%)	5.08%
Communication Services	3.24%	(2.15%)	1.08%
Utilities	1.79%	(0.72%)	1.07%
Index**	17.67%	(16.45%)	1.22%
Unclassified***	2.61%	-	2.61%
Total	**68.67%**	**(50.46%)**	**18.21%**

Fixed income ratings[1,2]



1. In the case of non-interest rate instruments, exposure data represents the delta adjusted market value. In the case of interest rate products, exposure data is represented by the 10-year equivalent instrument. Positions of unknown type (if any) are excluded from exposure data. The Fund does not guarantee the accuracy of such data.
2. Positions of unknown type (if any) are excluded from exposure data. Data is obtained from StateStreet, the administrator for the Fund. The Fund does not guarantee the accuracy of such data. Using the higher Standard & Poor's ("S&P's") and/or Moody's Investor Service ("Moody's") ratings. Investment grade is a rating of a bond that has a relatively low risk of default. Investment grade are bonds rated above BBB- for S&P and Baa3 for Moody's. Non-investment grade is below Investment grade to D.

**Comprised of index futures, options on index futures, ETFs, and ETF options

***Do not have a GICS sector assigned

November Market Commentary

Now that October's financial market turbulence and November's midterm elections are over, the Fed remains committed as ever to its core mission: navigate any unpleasant surprises, but don't take your eyes off the big picture of carefully weaning the U.S. economy off stimulative policies without heading straight into a recession. If successful, it could buy the economy another five years of growth, or so it is hoped.

Can it be done? There are four historical landings pertinent to how things may play out this time: two soft landings (the mid-1990s and the mid-1980s) that were then followed by five more years of prosperity, and two "boom bust" hard landings farther back, but only after two more years of strong growth. These are worth a closer look because they provide potential maps on what to expect in the next two to five years. But as we explain below, we find that the two soft landing episodes are quite different from today's situation. What Chairman Powell is attempting to do will be in a class of its own if he and his Fed colleagues manage to pull this off.

So how does the Fed plan to achieve this? Despite all the uncertainty that inevitably clouds all forecasts, the basic plan is to raise the Fed funds rate another 125bps to 3.25-3.5% over the next two years. As a result, real GDP growth should slow gradually from 3.1% this year, to 2.5% next year, to 2.0% in 2021, and then settle at 1.8% thereafter. Why would the Fed ideally like growth at 1.8%? Because, right or wrong, that is its best guess of U.S. potential growth—the real GDP growth rate which keeps the unemployment rate steady. Given unemployment is already so low at 3.7%, the Fed has to stop it from going much lower given wage inflation might soar otherwise.

Let's compare the Fed's upcoming soft landing challenge to the only other two U.S. soft landings from recent decades. In 1994, the economy boomed and so the Fed doubled interest rates from 3% to 6%. By early 1995, it was clear that the Fed had done enough and the question was whether it had *overdone* it. Perhaps later in 2019 or 2020, the economy might be in a similar place. Then-Fed Chair, Alan Greenspan, pulled off the coveted soft landing, arguably helped because from 1995:

1. The rise of the new economy and associated productivity gains came through more forcefully
2. Stock valuations were cheap and so equities could rise sharply
3. A few rate cuts were thrown in for good measure
4. The unemployment rate leveled out while it still had some cushion room at around 5.5%

That success bought the economy another five years of prosperity and further declines in unemployment before the next recession came along in the tech bust of 2001.

Perhaps history can be repeated if the Fed were to pause next year, but today's conditions are different. Cyclically-adjusted stock valuations are expensive, there's no sign of a productivity acceleration (it did perk up in the past couple of quarters, but remains weak) and there's little chance of rate cuts. Most glaringly, today's unemployment rate, which is nearly 2 percentage points lower versus the mid-1990s, obviously does not have the same cushion room. The Fed may be able to stabilize it at around 3.5%, but once the landing is achieved, it cannot allow the economy to lift off again the way it did in the second half of the 1990s.

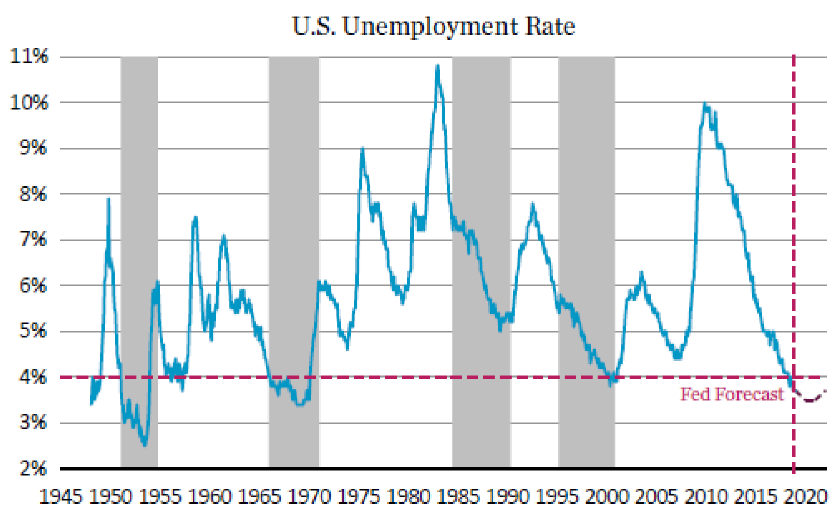
Looking at the mid-1980s, the Fed hiked rates from 8.5% to nearly 12% in the 1983/84 boom, which successfully generated a soft landing in 1985. The mid-1980s success also bought the economy an extra five years of good times until the 1990 recession hit. But again, the stock market was cheap, rates were cut substantially to ensure things didn't tip into recession, and the unemployment rate stabilized at around 7%, providing plenty of room to decline further to 5% before the recession hit. And significantly, the oil price collapsed from $30 per barrel to $10 in 1986, providing a large "equivalent tax cut" for U.S. consumers. Once again, conditions are different today—yes, the oil price has recently declined, but it would need to drop to $25 to be equivalent to the mid-1980s experience.

The hard landings of the early 1950s and late 1960s are also worth looking at because they are the only two times in the post-war period where the economy kept rocketing ahead for another 2-2.5 years after the unemployment rate declined below 4%, a situation we might be in today. Unemployment fell to a low of 2.5% in 1955—but then ran out of luck and recession hit. It caused a bout of deflation which forced the Fed to cut short rates to 1%.

In the mid-to-late 1960s, a similar thing happened: the economy kept booming for another two years after unemployment dipped below 4% in 1966 (eventually falling to a trough of 3.4% in 1968/69), and then recession hit. But this time the Great Inflation was unleashed and wreaked havoc, and it was not brought under control until fifteen years later under Paul Volker's hawkish Fed leadership.

If we apply the observations from the 1950s and 1960s to today, the implication is that trouble will arrive, but not yet. That keeps the good times rolling for maybe another couple of years, causing unemployment to decline further to 2-3%. It's natural to think the Fed would then get super-hawkish. Less certain is what happens to wages: will they spiral out of control like the late 1960s or stay low like in the early 1950s?

None of the four historical landings are a great comparison for what might happen to the U.S. economy in the next two to five years as conditions in these prior decades were very different. If the "boom/bust" story is the correct one for the next two years, it may rhyme with the general patterns of the 1950s/60s examples. Conversely, if Powell manages to soft land this economy and extend the cycle another five years, it will be very different from the 1980s/90s examples. Then, the economy was allowed to lift off again after a while. This time, there is no unemployment cushion to allow for that, so no reacceleration will last for long, unless a new productivity miracle arrives in the nick of time. Instead, the economy will have to be kept in a relatively slow mode. Enjoy the flight, but investors better keep their seatbelts on!



Gray shaded areas denote the hard (1950s/60s) and soft (1980s/90s) landing periods

Review of November Fund Performance

The investment objective of the Blackstone Alternative Multi-Strategy Fund (the "Fund" or "BXMIX") is to seek capital appreciation. The Fund aims to achieve its objective by allocating assets among a variety of investment sub-advisers, each with experience managing non-traditional or "alternative" investment strategies and by managing assets directly (via BAIA[1]). In November, the Fund's Class I share class returned 0.09%[2] net of fees and expenses versus -0.62% and 0.31% for

[1] BAIA manages a portion of the Fund's assets directly. Such investments include allocations to BAIA's systematic risk premia trading strategy, funds managed by Glenview Capital Management LLC and EJF Capital LLC, opportunistic trades and hedging. BAIA allocations are subject to change and BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.

[2] Performance is shown net of the Gross Expense Ratio less waived expenses for Class I shares. 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 above.

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the HFRX Global Hedge Fund and Barclays Global Aggregate Bond indices, respectively, and versus 2.04% and 1.19% for the S&P 500 and MSCI World indices, respectively[3].

Equity Strategies

Equity strategies (+0.74%)[4] were the largest contributor to Fund performance in November with quantitative Equity Market Neutral sub-strategies leading gains. This was due, in part, to the Fund's focus on U.S. exposures (which outperformed relative to European quantitative strategies) as well as a rebound in statistical arbitrage strategies more broadly during the month.

A large contributor to performance came from a stock that rallied on better than expected results when they reported Q3 earnings. Core sales improved sequentially and the company's earnings benefitted significantly from lower than expected taxes in 2018. Long exposure to a stock which sold off as a result of a disappointing Q2 earnings release wherein the company missed on revenue and slightly reduced its FY19 revenue guidance detracted from performance.

Across other parts of the book, exposure to the Health Care sector was positive. Long exposure to certain medical equipment companies generated gains in anticipation of positive 2019 guidance. These gains were partially offset by long exposure to a pharmaceutical company, which came under pressure due to the belief that rising interest rates tend to negatively impact growth-oriented companies that have a significant portion of their value tied to future cash flow. Equity index hedges detracted as stocks ended the month in positive territory.

The Fund's exposure to Financials detracted in November due to credit fears and continued economic uncertainty. Companies exhibiting high loan growth were hurt disproportionately as investors feared they will be the first impacted by an end to the current credit cycle and a subsequent decrease in overall lending. On a relative basis, savings and thrift institutions outperformed as their slow shifting loan and deposit book means they are less likely to be impacted during periods of volatility like the one we saw in November.

Effective as of November 27, 2018, Cerebellum GP, LLC ("Cerebellum") no longer serves as a sub-adviser to the Fund. Sub-adviser and strategy additions and terminations are normal events in Blackstone's hedge fund investment process and result from our dynamic evaluation of the top down assessment of the opportunity set for hedge fund strategies as well as the bottom up evaluation of a manager's ability to deliver alpha in a given environment.

Credit Strategies

Credit strategies (-0.25%)[4] detracted from November performance. The Fund's exposure to credit risk transfer bonds generated losses as spreads of new issues widened in sympathy with broader high yield markets. In corporate credit, exposure to the energy sector detracted amidst a challenging month for companies with ties to commodities. Lower-than expected Q3 earnings and revised forward-looking guidance for a financial services company also detracted as its senior bonds were negatively impacted.

Elsewhere in structured credit, exposure to CMBS and trust preferred securities ("TruPS") benefitted from positive carry. In fact, the Fund purchased additional CMBS during the month as spreads widened to attractive buying levels due to other investors needing to raise cash before year-end.

Information is estimated and unaudited. For a summary of Fund performance of other share classes, please refer to the Fund's website: www.bxmix.com.

[3] **Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks or targets for the Fund, but rather are disclosed to allow for comparison of the Fund's performance to that of well-known and widely recognized indices.** The indices may include holdings that are substantially different than investments held by the Fund and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from the Fund. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. Indices are unmanaged and investors cannot invest in indices.

[4] Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.

Multi-Asset Strategies

Multi-Asset strategies (-0.02%)[4] were relatively flat on the month. Systematic capital structure arbitrage strategies performed well against a backdrop of increased market volatility. The Fund's Multi-Strategy book also generated gains across nominal rates, FX carry strategies and mortgage-backed securities; however, this was partially offset by a quantitative equity trading strategy with a bias toward strong growth and mid-cap companies, particularly in the technology sector. Investor de-risking and concerns over growth negatively impacted that strategy.

Certain European market exposures faced headwinds related to European growth, a decline in auto production in Germany and concerns regarding Brexit. While certain European exposures have come under pressure, the sub-adviser maintains conviction in these positions due to perceived strength in underlying fundamentals. Additionally, the sub-adviser maintains a constructive view on Brazil and South Africa, which is expressed via certain quasi-sovereign credit exposures, which fared well during the month. Short exposure to U.S. Treasuries detracted. The portfolio also experienced losses from long exposure to Nigerian credit as weakness in oil prices led to fears about broader fiscal weakness in the country.

Additional Disclosures

Conflicts of Interest

Blackstone and the Sub-Advisers have conflicts of interest that could interfere with their management of the Fund. These conflicts, which are disclosed in the Fund's Statement of Additional Information, include, without limitation:

- **Selection of Sub-Advisers.** Blackstone compensates the Sub-Advisers out of the management fee it receives from the Fund. This could create an incentive for Blackstone to select Sub-Advisers with lower fee rates.
- **Financial Interests in Sub-Advisers and Service Providers**. Blackstone, the Sub-Advisers, and their affiliates have financial interests in asset managers and financial service providers. Allocating to an affiliate (or hiring such entity as a service provider) benefits The Blackstone Group L.P. or the relevant Sub-Adviser and redemptions from an affiliate (or terminating such entity as a service provider) would be detrimental to The Blackstone Group L.P. or the relevant Sub-Adviser. For example:
    - Blackstone Strategic Capital Advisors L.L.C. ("BSCA"), an affiliate of BAIA, manages certain funds (the "BSCA Funds") that acquire equity interests in established alternative asset managers (the "Strategic Capital Managers"). One of the Strategic Capital Managers in which the BSCA Funds have a minority interest is Magnetar Capital Partners L.P., a control affiliate of Magnetar Asset Management LLC, a sub-adviser for the Fund. The Fund will not participate in any of the economic arrangements between the BSCA Funds and any Strategic Capital Manager with which the Fund invests.
    - BAAM, an affiliate of BAIA, has entered into a joint venture with NWI to create Blackstone NWI Asset Management L.L.C. ("BNAM"), an emerging markets asset manager. BNAM, BAAM and NWI share certain personnel and infrastructure.
    - Blackstone utilizes technology offered by Arcesium LLC ("Arcesium") to provide certain middle- and back-office services and technology to the Fund. The parent company of a Sub-Adviser owns a controlling, majority interest in Arcesium and BAAM owns a non-controlling, minority interest in Arcesium.
- **Other Activities of Blackstone or the Sub-Advisers.** The activities in which Blackstone, the Sub-Advisers, or their affiliates are involved in on behalf of other accounts may create conflicts of interest or limit the flexibility that the Fund may otherwise have to participate in certain investments. For example, if Blackstone or a Sub-Adviser comes into possession of material non-public information with respect to a company, then Blackstone or the relevant Sub-Adviser generally will be restricted from investing in securities issued by that company. Further, Blackstone generally will be restricted from investing in portfolio companies of its affiliated private equity business.
- **Allocation of Investment Opportunities.** Blackstone and the Sub-Advisers (or their affiliates) manage other accounts and have other clients with investment objectives and strategies that are similar to, or overlap with, the investment objective and strategy of the fund, creating potential conflicts of interest in investment and allocation decisions. These conflicts of interest are exacerbated to the extent that the other clients are proprietary or pay higher fees or performance-based fees.

Glossary of Indices

Market indices obtained through Bloomberg. **Barclays Global Aggregate Bond Index:** provides a broad-based measure of the global investment grade fixed-rate debt markets. It is comprised of the U.S. Aggregate, Pan-European Aggregate, and the Asian-Pacific Aggregate Indexes. **HFRX Global Hedge Fund Index:** 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; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. **MSCI World TR 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 23 developed markets in the world. **Morningstar Multialternative Category Average:** Represents the average performance of mutual funds categorized as "multialternative" funds by Morningstar, Inc. These funds use a combination of alternative strategies such as taking long and short positions in equity and debt, trading futures, or using convertible arbitrage, among others. Funds in this category have a majority of their assets exposed to alternative strategies and include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. **The Standard & Poor's 500 Index** - S&P 500 is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value.

Indices are unmanaged and investors cannot invest in an index. Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for BXMIX, but rather are disclosed to allow for comparison of BXMIX's performance to that of well-known and widely recognized indices. The indices may include holdings that are substantially different than investments held by BXMIX and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from BXMIX. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

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