

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of March 31, 2017

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 sub-advisers 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 assets⁶	\$4,346 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	1.92%
Div. & Interest Expense on Sec. Sold Short	0.82%
Other Expenses	0.55%
Gross Expense Ratio	3.29%

Portfolio managers

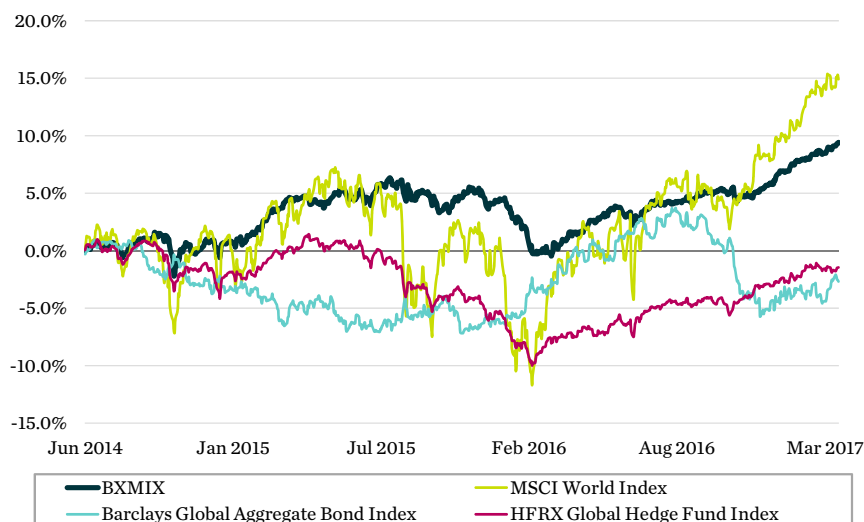
Name	Years at Blackstone
Gideon Berger	14 Years
Robert Jordan	5 Years
David Mehenny	6 Years
Ian Morris	6 Years
Alberto Santulin	13 Years
Stephen Sullens	15 Years

Fund net performance^{1,2,3}

	As of 03/31/2017				ITD Statistics			
	Mar-17	YTD	1 Yr	ITD	St. Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	0.96%	3.43%	8.03%	3.28%	3.44%	-	-	0.91
HFRX Global	0.03%	1.66%	6.19%	-0.55%	3.71%	0.60	5.04%	-0.18
Barclays Gbl Agg	0.15%	1.76%	-1.90%	-0.90%	5.31%	-0.13	4.32%	-0.20
MSCI World	1.14%	6.53%	15.43%	5.10%	11.66%	0.18	3.07%	0.43

1. Performance is presented through March 31, 2017. 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 performance data current to the most recent month-end is available at www.blackstone.com/bxmix.

Cumulative net performance^{1,2}



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 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 March 31, 2017.

7. Gross expense ratio represents the expense ratio applicable to investors. Other Expenses includes remainder of other expenses, acquired fund fees & expenses, and fees waived and/or expenses reimbursed/recouped. Through August 31, 2018 Blackstone Alternative Investment Advisors LLC has 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. Please find the Fund's Prospectus at www.blackstone.com/bxmix.

Sub-adviser allocations

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
Goldman Sachs	Equity Hedge	Equity Long Short	27%
HealthCor	Equity Hedge	Equity Long Short	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	27%
Cerberus ¹	Relative Value	Fixed Income - Asset Backed	
Good Hill	Relative Value	Fixed Income - Asset Backed	
Sorin	Relative Value	Fixed Income - Asset Backed	
Waterfall	Relative Value	Fixed Income - Asset Backed	
Chatham	Relative Value	Fixed Income - Corporate	
Caspian	Event Driven	Distressed/Restructuring	11%
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Nephila ¹	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	34%
FT AlphaParity	Macro	Systematic Diversified	
IPM	Macro	Systematic Diversified	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct ²	Multi-Strategy	N/A	

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%. Sub-adviser allocations do not represent investment exposure. For details of investment exposure, including leverage, please see the Monthly Exposure Report and Commentary, which is available at blackstone.com/bamsf.

1. Sub-adviser is not currently managing any Fund assets. Allocations may change at any time without notice.
2. BAIA manages a portion of the Fund's assets directly. Such assets include allocations to a risk premia trading strategy and investment funds and may also include opportunistic trades, including an allocation to funds managed by Glenview Capital Management LLC. BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.

Monthly net performance¹

	Jan	Feb	Mar	Apr	May	June	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%	1.93%	-1.04%	-0.67%	0.29%	0.48%	-0.71%	3.55%
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%
2017	1.67%	0.77%	0.96%										3.43%

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All investors should consider the investment objectives, risks, charges and expenses of BXMX, Class I carefully before investing. The prospectus and the summary prospectus contain this and other information about BXMX and are available on BXMX's website at www.blackstone.com/bxmix. All investors are urged to carefully read the prospectus and 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 BXMX. In addition, the indices employ different investment guidelines and criteria than BXMX; as a result, the holdings in BXMX 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 BXMX, but rather is disclosed to allow for comparison of BXMX'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 Global 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 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.

Important Risks

An investment in BXMX, 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. BXMX'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 BXMX: **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 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. **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.

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.

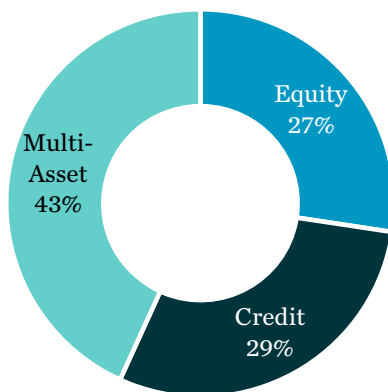
Blackstone Alternative Multi-Strategy Fund (BXMIX)

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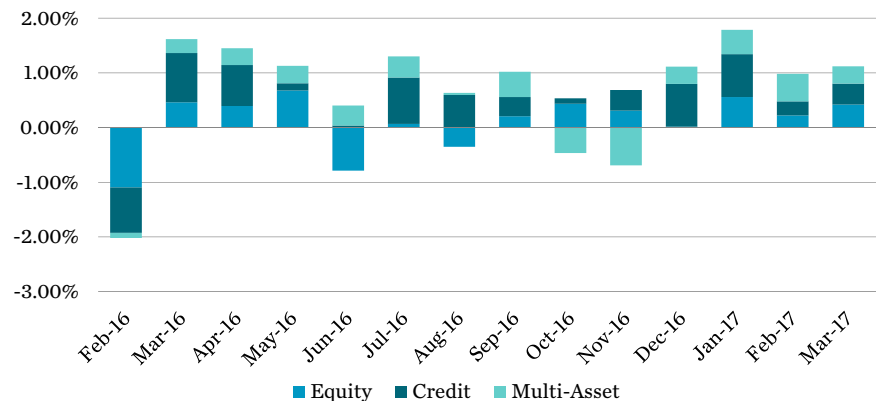
Performance summary^{1,2,3,4}

Sub-Strategy Performance	Allocation at 3/31/2017		MTD		QTD		YTD		ITD Cumulative Performance	
	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution
Equity	27.38%	1.35%	0.42%	3.90%	1.22%	3.90%	1.22%	20.16%	7.43%	
Credit	29.42%	1.14%	0.38%	4.13%	1.44%	4.13%	1.44%	15.06%	5.03%	
Multi-Asset	43.20%	0.63%	0.31%	2.55%	1.28%	2.55%	1.28%	10.06%	3.49%	
Cash & Other			-0.16%		-0.51%		-0.51%		-6.54%	
Net Return			0.96%		3.43%		3.43%		9.41%	

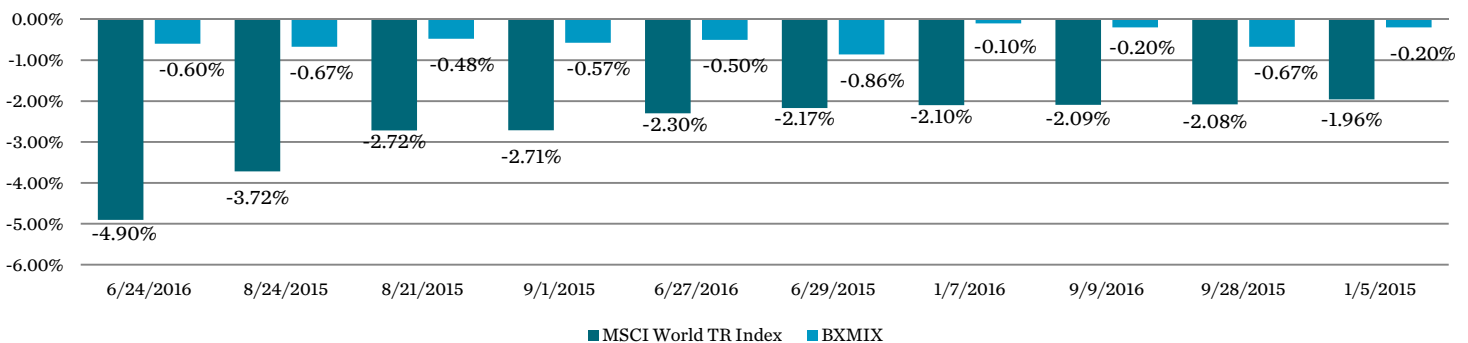
Sub-strategy summary³



Trailing 12 month sub-strategy attribution^{1,3,4}



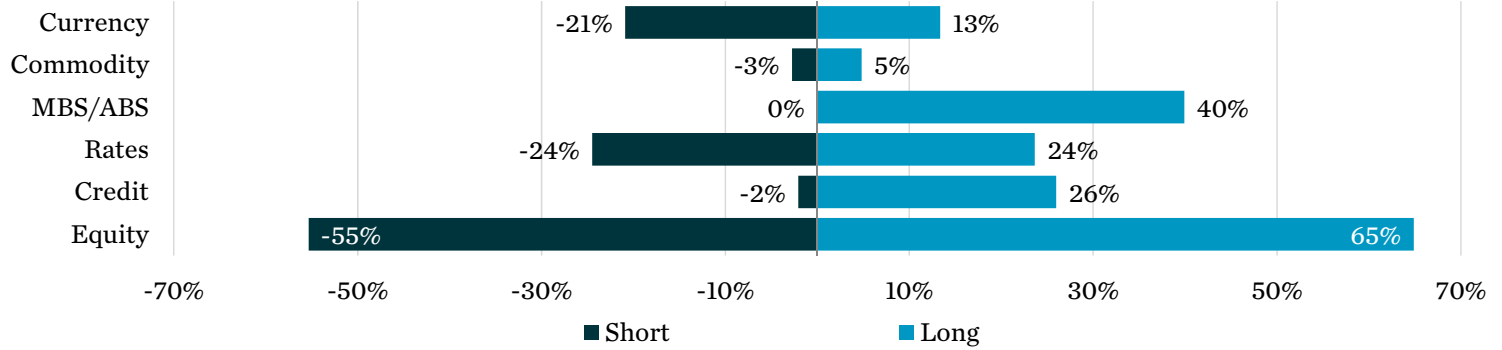
BXMIX performance on worst 10 trading days for MSCI World since inception⁵



1. Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
 2. Equity is comprised of Equity Long/Short, Equity Market Neutral; Credit is comprised of Fixed Income - Asset Backed, Fixed Income - Corporate, Distressed/Restructuring; Multi-Asset is comprised of Discretionary Thematic, Systematic Diversified, Multi-Strategy
 3. Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.
 4. 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.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 16, 2014 to March 31, 2017.
 5. The indices presented are indicative and for illustrative purposes only. The volatility of the index presented may be materially different from that of the performance of the Fund. In addition, the index employs different investment guidelines and criteria than the Fund; as a result, the holdings in the Fund may differ significantly from the securities that comprise the index. The performance of the index 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 recognized index. A summary of the investment guidelines for the index presented is available upon request. Performance of the index reflects the reinvestment of dividends. Please see glossary of terms at the end of this presentation for index definitions. The average daily return for BXMIX for the 10 best MSCI World TR days is 0.36%, while the average return of MSCI World TR for the 10 best MSCI World TR days was 2.07%.

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 exposure¹



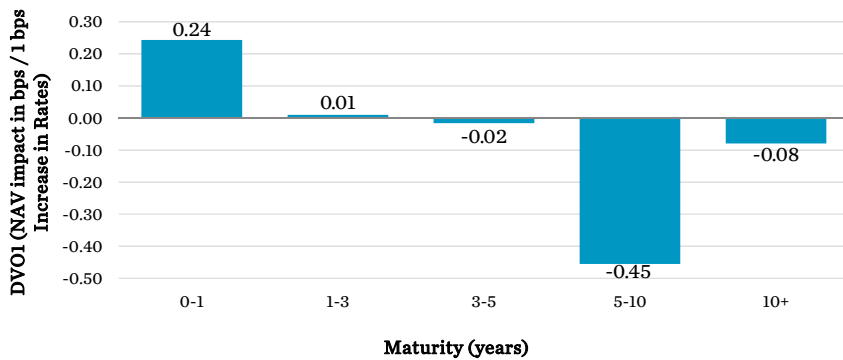
Geographic exposure¹

	Long	Short	Net
US/Canada	108.01%	50.18%	57.84%
Core Europe	37.28%	37.86%	-0.58%
Peripheral Europe	4.38%	2.68%	1.70%
Lat. Am./Caribbean	7.32%	0.85%	6.47%
Middle East/Africa	0.93%	2.07%	-1.14%
Japan	7.36%	6.45%	0.91%
Asia general	5.99%	3.81%	2.18%
China/HK/Taiwan	1.27%	1.69%	-0.42%
Total	172.54%	105.59%	66.95%

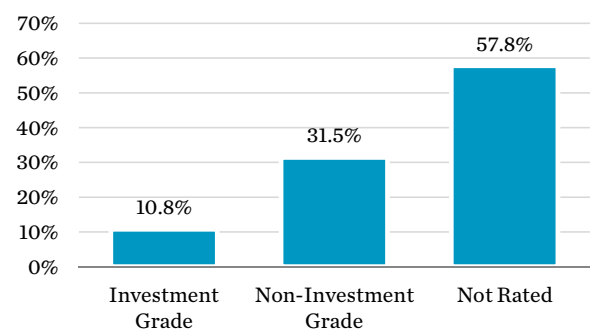
Currency exposure¹

Region	Long	Short	Net
Asia general	0.94%	2.11%	-1.17%
China/HK/Taiwan	0.00%	0.46%	-0.46%
Core Europe	4.91%	11.54%	-6.63%
Japan	5.56%	1.33%	4.23%
Latin America	0.48%	0.47%	0.01%
Middle East/Africa	0.34%	0.89%	-0.55%
Peripheral Europe	0.39%	0.29%	0.10%
US/Canada	0.72%	3.83%	-3.11%
Total	13.35%	20.92%	-7.57%

Fixed income interest rate sensitivity³



Fixed income ratings^{1,2}



Equity exposure – sector breakdown¹

	Long	Short	Net
Energy	0.75%	1.24%	-0.49%
Materials	3.57%	0.96%	2.61%
Industrials	3.25%	1.62%	1.63%
Consumer Discretionary	6.94%	4.05%	2.88%
Consumer Staples	1.85%	2.38%	-0.53%
Health Care	11.85%	7.55%	4.30%
Financials	2.87%	3.37%	-0.50%
Real Estate	0.40%	1.69%	-1.28%
Information Technology	8.19%	3.06%	5.13%
Telecommunication Services	0.93%	0.54%	0.39%
Utilities	0.45%	0.32%	0.12%
Index*	23.22%	28.56%	-5.34%
Unclassified**	0.60%	0.00%	0.60%
Total	64.86%	55.35%	9.52%

VaR analysis⁴

Date	VaR
3/31/17	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.
- 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.
- Dv01 represents the estimated change in NAV for the fund, expressed in basis points, for a 1 basis point increase in interest rates across each of the maturity ranges shown. Fixed income instruments are typically held across a number of different currencies.
- Value at Risk ("VaR") seeks to estimate, using historical data, the loss the Fund could suffer. VaR is calculated at a 99% confidence level for a one month holding period (20 business days) using a model based on historical Fund data. Please see the Glossary of Terms for a further explanation of VaR.

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

**Do not have a GICS sector assigned

March Market Commentary

U.S. equity markets sputtered in March as the “Trump bump” lost steam upon news that the GOP was defeated in their attempt to repeal President Obama’s landmark healthcare legislation. House Republicans’ failure to repeal and replace the Affordable Care Act was a stunning political debacle that could portend difficulty for other Trump administration priorities, notably tax reform. Having priced in a high likelihood of favorable deregulatory and legislative initiatives since November, equity markets readjusted in March to reflect what may prove a more challenging outlook for the Trump agenda.

Despite broader equity market tepidness, the tech sector rallied. Although tech stocks have been beleaguered in recent months by concerns as to how the new administration’s trade and immigration policies would affect the industry, indications that change may not be as swift as initially thought helped the sector rebound in March. On the other hand, some popular “Trump trades” showed signs of reversal – S&P 500 Financials, for instance, dropped 2.9% and industrials also pulled back.

Leery of rich valuations in U.S. equities, investors flocked to emerging markets (“EM”) in search of more favorable valuations. As Brazil, Russia, and China continued to emerge from economic downturns, and as the dollar weakened on doubts that President Trump would be able to enact significant protectionist measures, March witnessed the largest inflows into EM since January 2015. Notably, the Mexican peso appreciated over 7% against the dollar during the month.

Meanwhile, the Conference Board Consumer Confidence Index and the University of Michigan’s measure of consumer sentiment spiked, hitting their highest levels in sixteen and seventeen years, respectively. The Federal Reserve (“Fed”) raised rates, albeit dovishly, for the first time in 2017, as the labor market strengthened and economic activity expanded at a moderate pace. The Fed nudged the federal-funds rate a quarter percentage point higher and intimated that this year may hold two additional hikes, contingent on the economy’s continued clean bill of health.

At the tail end of the month, the U.K. ambassador to the European Union (“E.U.”) delivered the Article 50 letter, a formal notification of Britain’s intent to exit the E.U. Despite the letter’s conciliatory tone indicating firm resolution to reach mutually beneficial trade deals with the remaining E.U. nations, the initiation of divorce proceedings had businesses and investors wondering how the next two years will pan out. Nevertheless, pound sterling had a strong month, outperforming all other G-10 currencies despite investor skittishness driving the GBP to a two-month low earlier in March.

Review of Fund Performance¹

The investment objective of Blackstone Alternative Multi-Strategy Fund (the “Fund”) is to seek capital appreciation. The Fund aims to achieve its objective by managing assets directly (via BAIA) or by allocating assets among a variety of investment sub-advisors, each with experience managing non-traditional or “alternative” investment strategies. In March, the Fund’s Class I share class returned 0.96% net of fees and expenses versus 0.12% and 1.14% for the S&P 500 and MSCI World Indices, respectively, and versus 0.15% for the Barclays Global Aggregate Bond Index.

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- 1. The volatility of the indices presented may be materially different from that of the performance of the fund. 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 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 the Fund, but rather is disclosed to allow for comparison of the Fund’s performance to that of well-known and widely recognized indices. A summary of the investment guidelines for the indices presented are available upon request. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.*
 - 2. Blackstone Alternative Investment Advisors (“BAIA”), the Fund’s investment advisor, manages a portion of the Fund’s assets directly. Such assets include allocations to a risk premia trading strategy and investment funds and may also include opportunistic trades. BAIA’s fees on directly managed assets are not reduced by a payment to a sub-advisor.*
 - 3. For a summary of Fund performance of other share classes, please refer to the Fund’s website: <http://www.blackstone.com/bxmix>*
 - 4. Performance is shown net of all fees and expenses for Share Class I. Past performance may not be a reliable guide to future performance. The value of shares may go down as well as up and there can be no assurance that the Fund will achieve its investment objectives or avoid significant losses. Performance is estimated and unaudited. Information is estimated and unaudited.*

Performance commentary

Equity Strategies

Equity strategies contributed most to performance in March, driven, in large part, by quantitative strategies. Within Equity Long/Short fundamental strategies, certain long and short pair trades in financials further bolstered the Fund's performance. These gains, however, were partially offset by positions in managed care and other healthcare sub-sectors that traded down on the heels of the GOP's legislative failure to repeal and replace the ACA.

Credit Strategies

Credit strategies also continued to post positive performance, with gains coming from all sub-strategies despite the sell-off in credit markets through March. Fixed-Income – Asset Backed sub-strategies were particularly robust, led by continued gains from credit risk transfer (CRT) securities. Financial names notably contributed to performance, benefitting from expectations of a positive U.S. regulatory tailwind and distributions from a distressed firm that is in liquidation. The bonds of one financial firm, in particular, rose on speculation of a corporate divestiture. Certain short positions also proved fruitful with the widening of broader high yield spreads. Short exposure to a manufacturer in the agricultural space was a top performer following a poor earnings release.

Multi-Asset Strategies

March proved another positive month for Multi-Asset strategies. With protectionist rhetoric having subsided to some degree, growth pockets in certain emerging markets were attractive. Greek credit exposures rallied as the market grew increasingly assured that the second review of the country's bailout would be completed in the near-term. With the Macri administration focusing on structural reforms, Argentinian sovereigns continued to perform well. Long exposure to South African local bonds, quasi-sovereign Mexican and Brazilian bonds, and several currencies (rupee, yen, and euro) also proved accretive to performance, as did short positions in the krona and Australian dollar. In terms of factors, value and carry were drivers of performance, with equities proving the best-performing asset class. Long exposure to Egypt detracted, however, as the country's currency slipped back to all-time lows, and a quantitative trading strategy with negative beta to European equities also partially offset gains.

Review of Fund Performance – First Quarter 2017⁵

Amidst the Trump administration's first ups and downs in Washington over the first quarter of 2017, the Fund's Class I share class returned 3.43%⁶ net of fees and expenses versus 6.07% for the S&P 500 Index, 6.53% for the MSCI World Index, and 1.76% for the Barclays Global Aggregate Bond Index.

Equity strategies contributed positively on the quarter, driven primarily by strong performance of quantitative strategies. Throughout the quarter, market attention to Capitol Hill and the White House contributed to dispersion and volatility among equities, which generated opportunities for equity strategies to perform well. In addition, speculation surrounding the direction of healthcare policy in the first few months of the year proved beneficial for managed care exposures in the portfolio, while these same exposures trimmed initial gains following the GOP's failure to repeal and replace the ACA. Equity strategies also experienced some gains over the quarter in the Software, Biotech, and Internet sub-sectors, while some short exposures to Financials detracted.

5. *The indices presented are indicative and for illustrative purposes only. The volatility of the indices presented may be materially different from that of the performance of the Fund. In addition, these indices employ different investment guidelines and criteria than the Fund; as a result, the holdings in the Fund may differ significantly from the securities that comprise the indices. The performance of these 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 Fund performance to that of well-known and widely recognized indices. A summary of the investment guidelines for these indices is available upon request. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. Source: Bloomberg, as of 1 Apr. 2017.*

6. *Performance is shown net of all fees and expenses for the Fund's Class I share class. Past performance may not be a reliable guide to future performance. The value of shares may go down as well as up and there can be no assurance that the Fund will achieve its investment objectives or avoid significant losses. Performance is estimated and unaudited.*

Performance commentary

Credit strategies were the Fund's biggest performance driver for the first three months of 2017, with all sub-strategies well in the black. Corporate and structured credit exposures benefitted from positive carry and anticipated implications of a possible change to interest deductibility. Collateralized loan obligation (CLO) tranches appreciated due to rising interest rates, which has been driving a broader demand for floating rate credit instruments. Additionally, commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS) generated positive cash flow on the quarter, and an ongoing rally in credit risk transfer (CRT) bonds contributed additional gains to the credit book.

Finally, Multi-Asset strategies also added to the first quarter's performance, with Multi-Strategy sub-strategies notching the largest gains. Early in the quarter, factor-based strategies proved especially strong, led by performance in fixed income and FX value strategies. Argentine bonds were winners on the quarter, rallying as President Macri changed up his cabinet and focused on reform. Further, the multi-asset book benefitted from the Mexican peso's huge – almost 11% – rally over the first quarter. Exposures to Brazilian and Mexican quasi-sovereign entity bonds also posted gains. On the other hand, the dollars' slippage due to mounting investor worries about the Trump administration's ability to enact reforms contributed to some offsetting losses over the first quarter, as did fixed income momentum and carry strategies.

Opinions expressed reflect the current opinions of BALA as of the date of this material only and should not be the basis of any investment decisions. Past performance is not necessarily indicative of future results. There can be no assurance that the Fund or its underlying managers will achieve their investment objectives or avoid significant losses. The Fund is actively managed and allocations are subject to ongoing revision. Certain of the information provided herein has been obtained from or derived from BALA's underlying managers. BAAM does not guarantee the accuracy or completeness of such information.

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. 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.

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

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. A VaR model has certain inherent limitations and it cannot be relied upon to predict or guarantee that the size or frequency of losses incurred by a Fund will be limited to any extent. As the VaR model relies on historical market data as one of its key inputs, if current market conditions differ from those during the historical observation period, the effectiveness of the VaR model in predicting the VaR of a Fund may be materially impaired. **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.