

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of August 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 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 assets⁶	\$4,920 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%
Div. & Interest Expense on Sec. Sold Short	0.63%
Other Expenses	0.64%
Gross Expense Ratio	3.15%

Portfolio managers

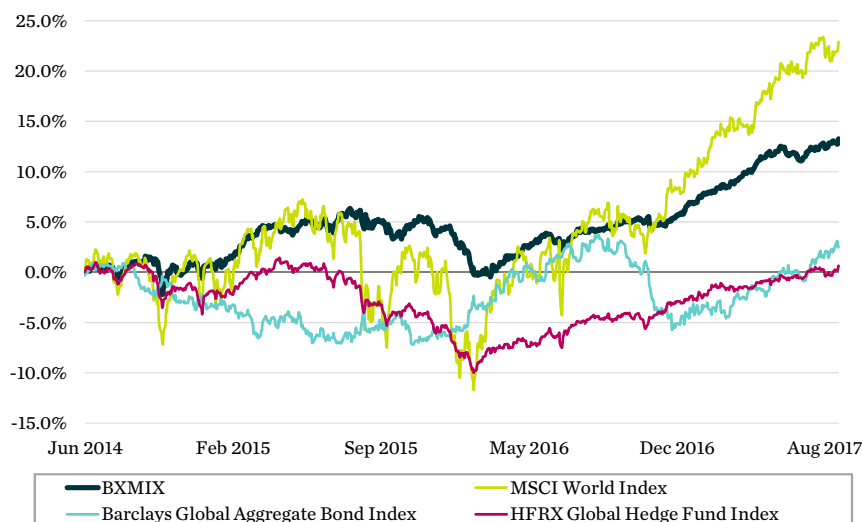
Name	Years at Blackstone
Gideon Berger	15 Years
Min Htoo	<1 Year
Robert Jordan	6 Years
David Mehenny	6 Years
Ian Morris	7 Years
Alberto Santulin	14 Years
Stephen Sullens	16 Years

Fund net performance^{1,2,3}

	06/30/2017			As of 08/31/2017				ITD Statistics			
	YTD	1Yr	ITD	Aug-17	YTD	1Yr	ITD	St.Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	5.09%	7.90%	3.55%	0.92%	7.05%	8.71%	3.95%	3.31%	-	-	1.11
HFRX Global	2.56%	6.00%	-0.21%	0.29%	3.81%	5.76%	0.18%	3.55%	0.60	5.27%	-0.03
Barclays Gbl Agg	4.41%	-2.18%	0.01%	0.99%	7.22%	-0.30%	0.84%	5.18%	-0.12	5.37%	0.11
MSCI World	11.02%	18.86%	6.10%	0.19%	13.93%	17.00%	6.63%	11.11%	0.18	3.49%	0.57

1. Performance is presented through August 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. Additional information and performance data current to the most recent month-end is available at www.blackstone.com/bxmix.

Cumulative net performance^{1,2}



- Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.
- Inception to Date (ITD) statistics are as of BXMIX's inception on June 16, 2014 through the most recent month end.
- Measures beta of BXMIX to the respective index.
- Measures alpha of BXMIX to the respective index.
- As of August 31, 2017.
- 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, 2019 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	25%
HealthCor	Equity Hedge	Equity Long Short	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	19%
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	10%
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Magnetar	Event Driven	Risk Arbitrage	
Nephila ¹	Event Driven	Reinsurance	45%
Emso	Macro	Discretionary Thematic	
H2O	Macro	Discretionary Thematic	
GSA	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 investments presently include allocations to BAIA's systematic risk premia trading strategy, a short-only fundamental equity strategy (advised by Gracian Capital on a non-discretionary basis), and funds managed by Glenview Capital Management LLC, and may include other opportunistic trades in the future. 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%	1.52%	1.12%	-1.01%	0.93%	0.92%					7.05%

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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.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 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 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. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in

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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 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.

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.

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.

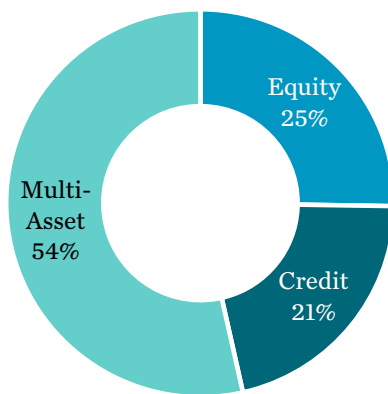
Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of August 31, 2017

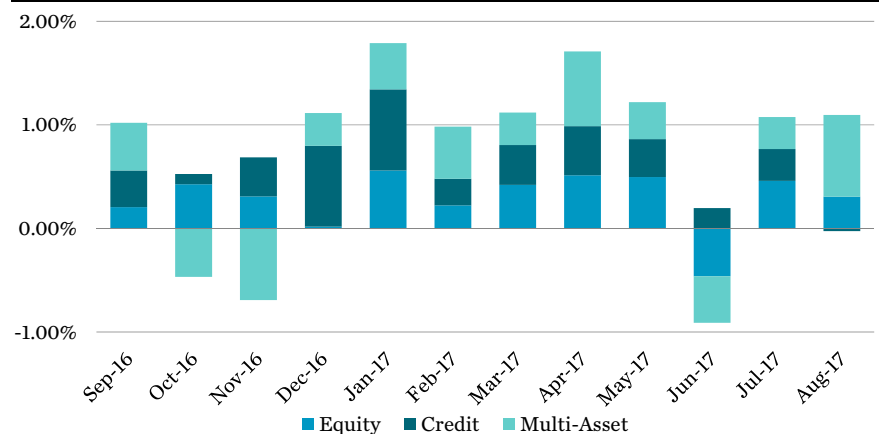
Performance summary^{1,2,3,4}

Sub-Strategy Performance	Allocation at 8/31/2017	MTD		QTD		YTD		Trailing 12 Months		ITD Cumulative Performance	
		Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution
Equity	25.25%	1.08%	0.31%	2.69%	0.77%	8.50%	2.59%	8.40%	3.78%	25.45%	8.87%
Credit	21.25%	-0.13%	-0.03%	0.93%	0.28%	8.62%	2.81%	20.48%	4.71%	20.02%	6.49%
Multi-Asset	53.50%	1.37%	0.79%	1.93%	1.11%	5.86%	3.09%	6.71%	2.27%	13.62%	5.40%
Cash & Other			-0.15%		-0.29%		-1.43%		-2.05%		-7.51%
Net Return			0.92%		1.86%		7.05%		8.71%		13.25%

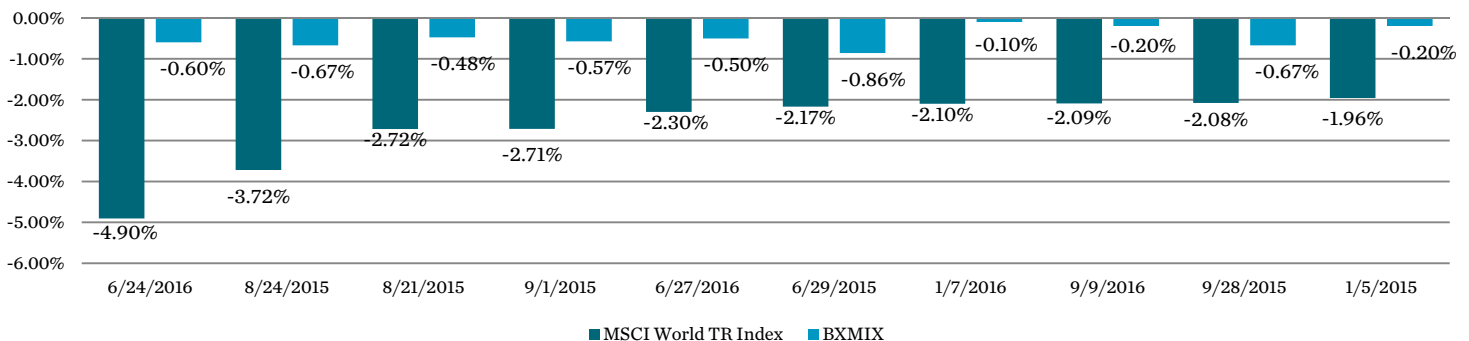
Sub-strategy summary³



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



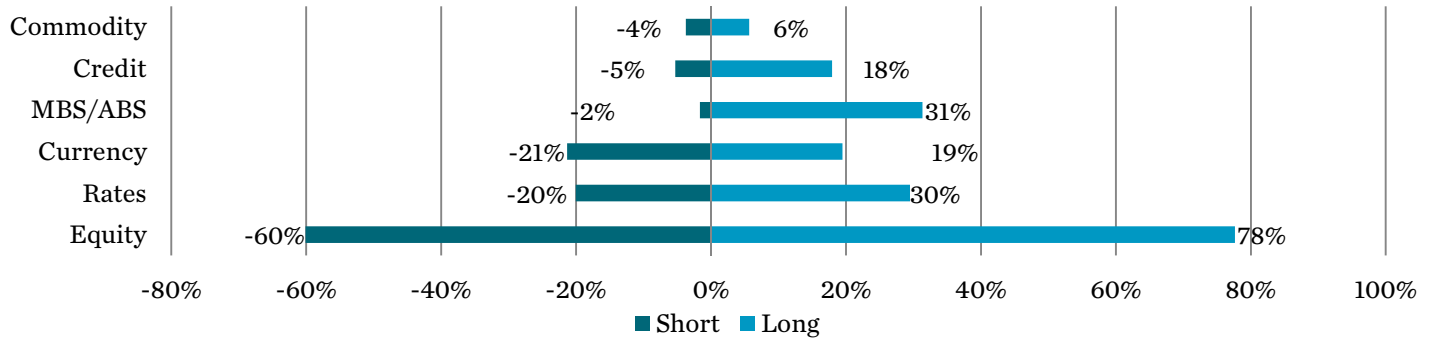
BXMIX performance on worst 10 trading days for MSCI World since inception⁵



- Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
- 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
- Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.
- 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 May 31, 2017.
- 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



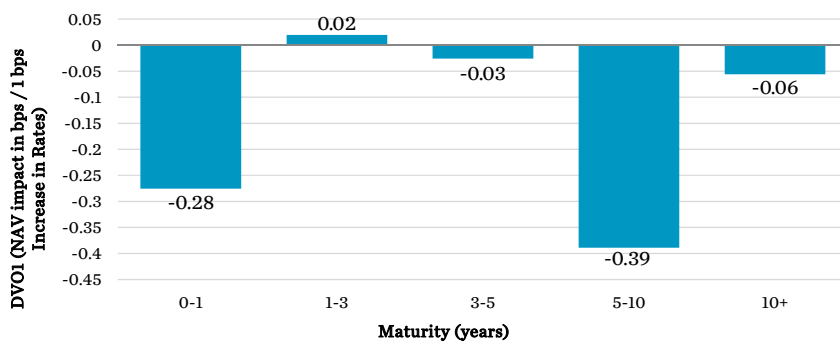
Geographic exposure¹

	Long	Short	Net
US/Canada	106.00%	60.32%	45.68%
Core Europe	38.80%	31.20%	7.60%
Peripheral Europe	3.71%	1.32%	2.40%
Lat. Am./Caribbean	7.61%	1.04%	6.58%
Middle East/Africa	1.34%	1.26%	0.08%
Japan	8.52%	7.77%	0.74%
Asia general	11.26%	4.92%	6.35%
China/HK/Taiwan	4.33%	4.37%	-0.04%
Total	181.58%	112.19%	69.38%

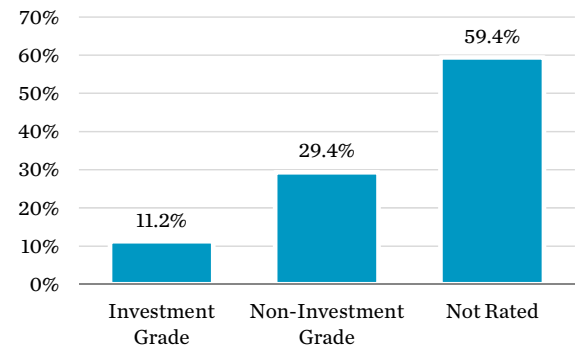
Currency exposure¹

Region	Long	Short	Net
Asia general	7.52%	1.26%	6.26%
China/HK/Taiwan	0.34%	1.25%	-0.91%
Core Europe	4.20%	12.13%	-7.93%
Japan	2.90%	1.17%	1.73%
Latin America	1.86%	0.73%	1.13%
Middle East/Africa	0.77%	0.26%	0.51%
Peripheral Europe	0.39%	0.12%	0.26%
US/Canada	1.49%	4.41%	-2.93%
Total	19.46%	21.33%	-1.88%

Fixed income interest rate sensitivity³



Fixed income ratings^{1,2}



Equity exposure – sector breakdown¹

	Long	Short	Net
Energy	1.13%	2.88%	-1.75%
Materials	2.82%	1.08%	1.74%
Industrials	4.08%	2.88%	1.20%
Consumer Discretionary	8.40%	6.52%	1.88%
Consumer Staples	2.56%	3.34%	-0.78%
Health Care	12.86%	7.21%	5.65%
Financials	4.94%	3.64%	1.30%
Real Estate	0.76%	2.14%	-1.37%
Information Technology	10.18%	8.36%	1.83%
Telecommunication Services	1.68%	1.13%	0.56%
Utilities	1.06%	0.43%	0.63%
Index*	24.49%	20.50%	3.99%
Unclassified**	2.71%	0.01%	2.70%
Total	77.66%	60.10%	17.56%

VaR analysis⁴

Date	VaR
8/31/17	1.89%

- 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

August Market Commentary

August proved to be a busy month with a number of events layering questions onto already uncertain markets. While second quarter GDP was revised higher to 3% from 2.6%¹, August job growth came in soft with 156,000 jobs added in August, anchoring unemployment within the range it has occupied since April². This data suggests a continuation of the “low and slow” growth environment experienced throughout the current economic recovery, potentially leaving markets vulnerable to external factors.

As central bank influence on asset prices has grown in recent years, so, too, has the attention given to the Federal Reserve Bank of Kansas City’s annual economic policy symposium. With central bankers and leading economists convening in Jackson Hole in August, markets were eager for clues from Federal Reserve (“Fed”) Chairwoman Janet Yellen and European Central Bank (“ECB”) President Mario Draghi on when and at what pace their respective central banks may tighten monetary policy. Expectations have been that the Fed will discontinue reinvesting bond maturity proceeds and the ECB will discontinue monthly bond purchases relatively soon, despite inflation levels in both regions below the targeted 2%. Currently, \$344 billion of US Treasury holdings on the Fed’s balance sheet are due to mature within one year³, and the ECB purchases bonds at a pace of €60 billion per month⁴. A termination or reduction of these programs could remove significant support from credit markets; however, Yellen and Draghi offered little information regarding future policy actions in their comments from Jackson Hole.

Adding to market uncertainty, U.S. politicians commenced their August recess with a host of unresolved issues facing them. Among the agenda items were unsettled healthcare reform plans, vague tax reform plans, and the prospect of a government shutdown if the debt limit is not increased by September 29th⁵. Some congressional Republicans have indicated a desire to make an increase in the debt ceiling conditional upon broader tax reform. We are watching this closely as such a provision could delay any resolution of the looming crisis, and history teaches us that delays in addressing government funding may prove costly. A similar scenario in 2011 resulted in the loss of the U.S.’s AAA rating from Standard & Poor’s.

Congress’s impending fiscal battle is compounded by the added stresses of Hurricane Harvey. The devastating damage inflicted throughout southern Texas and Louisiana raises questions about the impending expiry of the National Flood Insurance Program on September 30th, which is currently estimated to only have \$1.7 billion available to pay claims⁶. The more recent damage incurred in Florida from Hurricane Irma is set to exacerbate these funding issues, with the extent of the damage still to be determined. Investors and consumers may experience wide-ranging impacts related to the storms’ destructive paths. We may not be able to quantify these impacts any time soon, but the early indications suggest material financial impairment to municipalities, insurers, and energy providers, among others.

Such events offer a reminder to investors of the importance of discipline and diversification. External factors, whether they be political impasse or natural disasters, have the ability to disrupt markets. These exogenous shocks, and the impossibility to predict them, lay bare the potential benefits of hedged investments and diversifying exposures. Actively managed vehicles such as BXMIX aim to dampen volatility and can act as ballasts to higher beta strategies within an investor’s portfolio.

Review of August Fund Performance⁷

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, each with experience managing non-traditional or “alternative” investment strategies or by managing assets directly (via BAIA⁸). In August, the Fund’s Class I share class⁹ returned 0.92%¹⁰ net of fees and expenses versus 0.31% and 0.19% for the S&P 500 and MSCI World indices, respectively, and versus 0.99% for the Barclays Global Aggregate Bond Index.

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1. Source: Bureau of Economic Analysis, August 30, 2017.
 2. Source: Bureau of Labor Statistics, September 1, 2017.
 3. Source: Federal Reserve statistical release dated August 24, 2017.
 4. Source: The Financial Times, “How the ECB’s purchases have changed European bond markets,” February 8, 2017.
 5. Source: Secretary of the Treasury, Letter to The Honorable Paul D. Ryan, dated July 28, 2017.
 6. Source: The Wall Street Journal, “Tropical Storm Harvey Leaves Congress With a Pair of Financial Challenges,” August 28, 2017.
 7. 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.
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 9. For a summary of Fund performance of other share classes, please refer to the Fund’s website: <http://www.blackstone.com/bxmix>
 10. 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. Information is estimated and unaudited.

Equity Strategies

Equity strategies contributed to positive performance in August. Increased dispersion among sectors and individual equities offered a favorable environment for stock pickers. Equity sub-advisers demonstrated proficiencies in delivering alpha without significant exposure to prevailing market beta, particularly sub-advisers employing quantitative strategies. Conversely, healthcare exposures adversely impacted the Fund's returns despite positive performance for the broader sector¹¹. Reduced revenue guidance and personnel moves hurt certain biotech exposures. As discussed in the above market commentary, as artificial market support lessens and market volatility begins to normalize, we anticipate that alpha generation, not market beta, may drive investor returns. The Fund's hedged positions seek to provide investors access to equity exposure without the volatility associated with traditional equity beta.

Credit Strategies

Credit strategies were marginally negative in August, as weakness in credit risk transfer bonds ("CRTs") outweighed relative strength across Fixed Income - Asset Backed strategies. The Fund's exposure to CRTs gave back some of the strong gains we have seen in recent months. The market's perceived increase in the likelihood of international conflict drove investors to seek shelter in safe haven assets, withdrawing funds from CRTs, particularly less-seasoned issuances. These losses were balanced by a tailwind from other asset-backed and mortgage-backed exposures with positive carry.

Multi-Asset Strategies

Multi-Asset strategies led gains and provided support to the portfolio across several sub-strategies. As fears of a nuclear threat from North Korea intensified, Multi-Strategy sub-advisers' exposures to gold and other safe haven assets rallied. Certain long equity exposures also performed well with managers continuing a thematic rotation out of healthcare and increasing exposure to materials. Additionally, short positioning was accretive, as sub-advisers targeted specific retail sector exposures. The continued evolution of this sector has created few winners and many losers, as traditional retail companies have struggled to keep pace with consumers' massive shift to e-commerce. Exposures to certain emerging markets such as Argentina rallied on the back of political catalysts, boosting Discretionary Thematic strategies. These gains were tempered, however, by losses resulting from portfolio positioning in anticipation of the Federal Reserve's normalization of monetary policy. Such exposures included long U.S. Dollar and short U.S. equities relative to other markets.

11. Source: S&P 500 Health Care TR Index.

Opinions expressed reflect the current opinions of BAIA 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 BAIA's underlying managers or other third party sources. BAIA 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/bxmixon. 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.

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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.

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