Blackstone Alternative Multi-Strategy Fund (BXMIX)

Blackstone

As of September 30, 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 assets[6]	$5,031 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

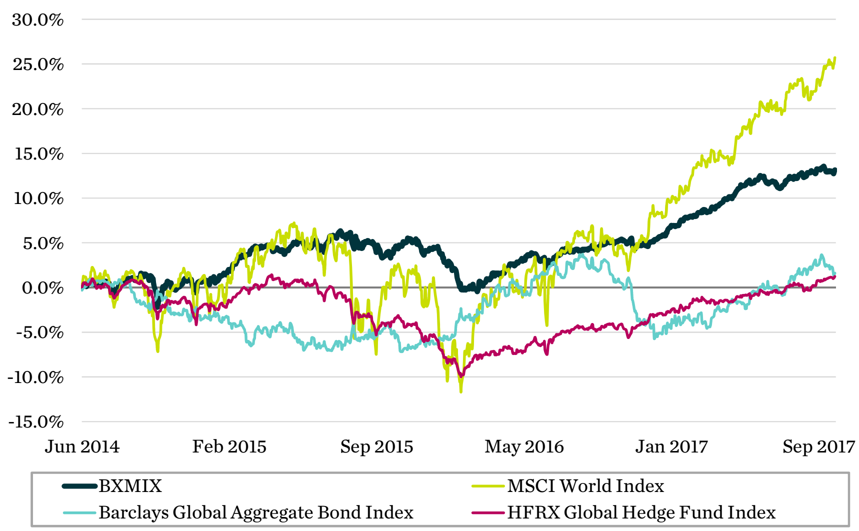
Name	Years at Blackstone
Gideon Berger	15 Years
Min Htoo	< 1 Year
Robert Jordan	6 Years
David Mehenny	7 Years
Ian Morris	7 Years
Alberto Santulin	14 Years
Stephen Sullens	16 Years

Fund net performance[1,2,3]

	As of 09/30/2017				ITD Statistics			
	Sep-17	YTD	1 Yr	ITD	St. Dev.	Beta[4]	Alpha[5]	Sharpe
BXMIX	-0.09%	6.95%	7.65%	3.82%	3.29%	-	-	1.08
HFRX Global	0.60%	4.43%	5.64%	0.35%	3.52%	0.60	4.93%	0.02
Barclays Glbl Agg	-0.90%	6.25%	-1.26%	0.55%	5.16%	-0.11	5.11%	0.05
MSCI World	2.28%	16.53%	18.83%	7.20%	11.01%	0.18	3.17%	0.63

1. Performance is presented through September 30, 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.bxmix.com.

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 September 30, 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, 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.bxmix.com.

Additional information and current performance data is available at **www.bxmix.com.**

Not FDIC Insured	May Lose Value	Not Bank Guaranteed

Sub-adviser allocations

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
GSIS	Equity Hedge	Equity Long Short	28%
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	12%
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Magnetar	Event Driven	Risk Arbitrage	
Nephila[1]	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	42%
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 performance[1]

	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%	-0.09%				6.95%

1. Performance is presented through September 30, 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. 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.

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 redisseminated 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 or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).

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.

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)

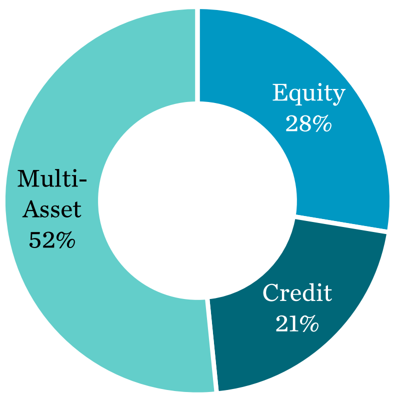
Blackstone

As of September 30, 2017

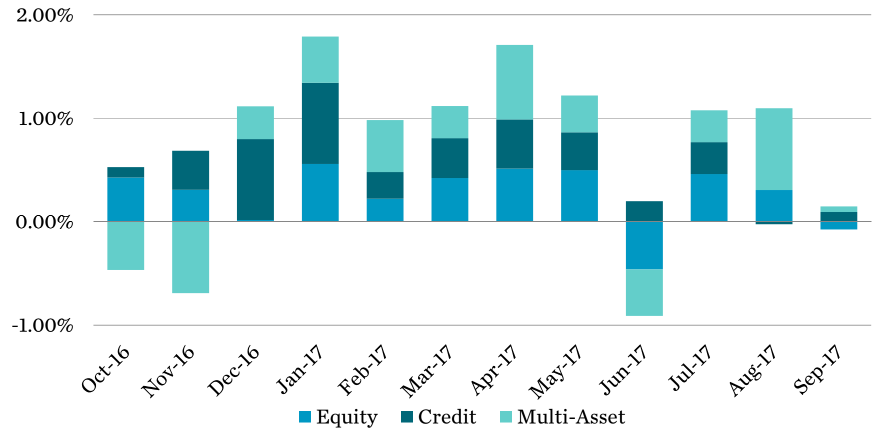
Performance summary[1,2,3,4]

Sub-Strategy Performance	Allocation at 9/29/2017	MTD		QTD		YTD		Trailing 12 Months		ITD Cumulative Performance	
		Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution
Equity	27.60%	-0.30%	-0.08%	2.38%	0.69%	8.17%	2.51%	10.68%	3.19%	25.06%	8.79%
Credit	20.81%	0.41%	0.09%	1.34%	0.37%	9.06%	2.91%	13.13%	4.09%	20.51%	6.59%
Multi-Asset	51.58%	0.10%	0.05%	2.03%	1.16%	5.96%	3.14%	4.18%	2.20%	13.73%	5.46%
Cash & Other			-0.16%		-0.46%		-1.61%		-1.84%		-7.70%
Net Return			-0.09%		1.77%		6.95%		7.65%		13.15%

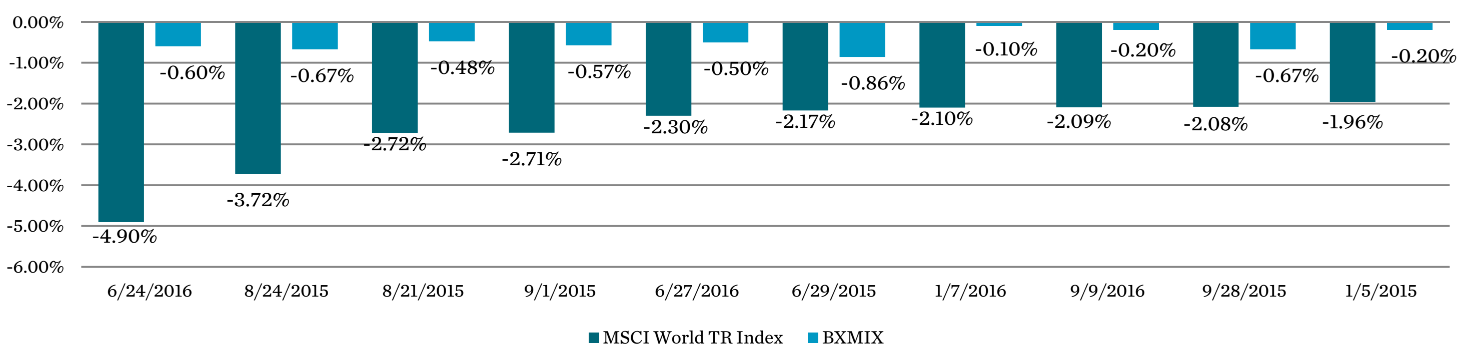
Sub-strategy summary[3]



Trailing 12 month sub-strategy attribution[1,3,4]



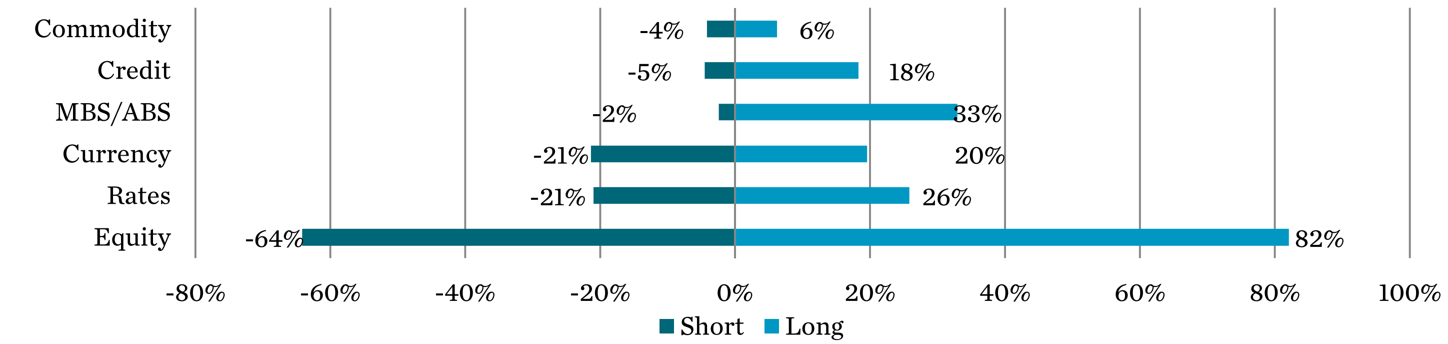
BXMIX performance on worst 10 trading days for MSCI World since inception[5]



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, Risk Arbitrage, 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.bxmix.com 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 September 30, 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 exposure[1]



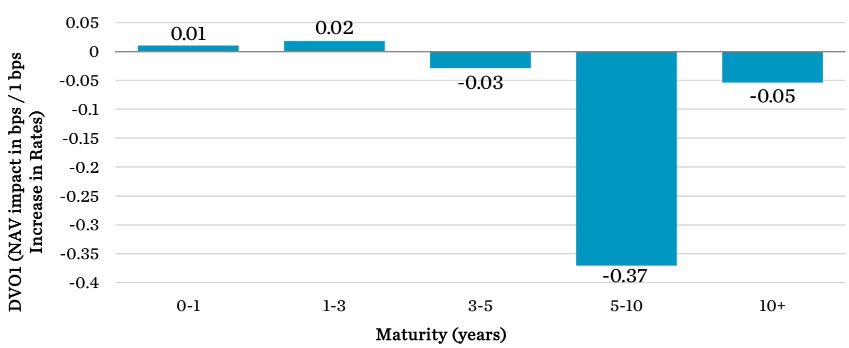
Geographic exposure[1]

	Long	Short	Net
US/Canada	105.07%	62.97%	42.10%
Core Europe	44.52%	28.72%	15.80%
Peripheral Europe	3.13%	1.04%	2.09%
Lat. Am./Caribbean	6.82%	1.24%	5.58%
Middle East/Africa	1.19%	1.24%	-0.05%
Japan	8.40%	11.80%	-3.40%
Asia general	10.98%	5.57%	5.40%
China/HK/Taiwan	4.80%	5.04%	-0.25%
Total	**184.91%**	**117.63%**	**67.29%**

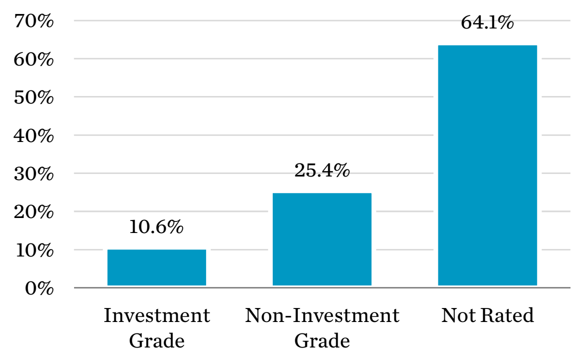
Currency exposure[1]

Region	Long	Short	Net
Asia general	7.25%	1.14%	6.11%
China/HK/Taiwan	0.30%	1.32%	-1.01%
Core Europe	4.68%	10.19%	-5.52%
Japan	3.42%	2.75%	0.67%
Latin America	1.15%	0.93%	0.23%
Middle East/Africa	0.78%	0.24%	0.54%
Peripheral Europe	0.34%	0.12%	0.21%
US/Canada	1.65%	4.68%	-3.03%
Total	**19.56%**	**21.36%**	**-1.80%**

Fixed income interest rate sensitivity[3]



Fixed income ratings[1,2]



Equity exposure – sector breakdown[1]

	Long	Short	Net
Energy	1.40%	3.37%	-1.98%
Materials	2.91%	1.24%	1.67%
Industrials	5.36%	3.45%	1.91%
Consumer Discretionary	8.65%	7.92%	0.73%
Consumer Staples	2.56%	2.89%	-0.33%
Health Care	11.99%	7.36%	4.63%
Financials	5.41%	4.12%	1.30%
Real Estate	0.72%	1.97%	-1.25%
Information Technology	10.23%	8.71%	1.52%
Telecommunication Services	1.68%	0.97%	0.71%
Utilities	1.03%	0.63%	0.41%
Index**	26.71%	21.37%	5.34%
Unclassified***	3.42%	0.16%	3.25%
Total	**82.07%**	**64.16%**	**17.91%**

VaR analysis[4]

Date	VaR
9/30/17	1.52%

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.
3. 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.
4. 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

September Market Commentary

Stocks had a strong run in September with both the S&P 500 and NASDAQ Composite indices ending the month and the third quarter at record highs. The MSCI World index and the Dow Jones Industrial Average also peaked mid-month. Equities got a boost in the last week of the month after the Trump administration and Republican congressional leaders proposed a plan to lower the corporate tax rate. The prospect of companies paying less in taxes translating to a meaningful boost to their bottom lines appeared to lift investors' hopes about the U.S. economy. Couple this optimism with the U.S. dollar hitting a two-month high, unemployment in the U.S. near a decade low and upward revisions to Q2 GDP growth and it's no surprise that some investors are still propagating bullish sentiment.

We believe recent market dynamics may have lulled some investors into complacency, however, as the ever-rising tide of global equities erases memories of the pain associated with market drawdowns. While we are not explicitly calling the top of the market, we are concerned about increasing risks to the downside. We are also not suggesting a recession is imminent, but we are mindful of a few evolving warning signs that could spook investors. Recessions typically strike when investors least expect them, and hindsight is often 20/20. If we were to slip into a recession, there would inevitably be some indicators that we will have wished we had paid more attention to in 2017. And if history is any indication of what may come, a period like the one we are in, marked by high equity market valuations, conflicting economic data, and sustained low volatility, may be followed by a market correction.

The last few years have been a pleasant run for equity markets, with investors pushing asset prices ever-higher. There are numerous metrics employed to value equity markets, but we have yet to find one that is either perfect or complete. Still, one we have been watching is the Cyclically Adjusted Price-to-Earnings ("CAPE") Ratio. This ratio attempts to value stocks by measuring current prices against average earnings over the last ten years (adjusted for inflation). The output helps investors determine how valuations within the S&P 500 Index compare to historical levels given the earnings generated by the underlying companies. The current CAPE Ratio of approximately 30.7x represents a nearly 16-year high[1]. The only two peaks higher than this occurred in 1929 and 1999, and the market events immediately following those time periods (namely the Great Depression and the burst of the Dot-Com Bubble) are well documented. While we cannot predict what's to come and we acknowledge that equity markets may very well continue to grind higher for the foreseeable future, we believe that historical precedent is a reason to be cautious.

Another worrisome phenomenon is that U.S. equity markets have hit all-time highs this year despite conflicting "soft" and "hard" data. We discussed this briefly in our April market commentary but it's worth another mention. Soft data comprises survey-based economic gauges, such as confidence, which attempt to measure sentiment. Hard data reflects information from definitive and measurable events that have already happened. In a perfect world, these data would correspond to and support one another. However, the persistent divergence between soft and hard data reveals a gap between expectations and reality. Some soft data measures, such as consumer confidence, some Fed officials indicating optimism about further monetary policy tightening, CEO confidence and homebuilder sentiment have largely been positive. However, some hard data measures, such as GDP growth, inflation, small business earnings and construction spending have recently underwhelmed. One could reasonably expect these differing data sets to converge, and such a convergence could manifest itself in one of two ways. Either a tempering of soft data may occur (a potentially negative outcome for markets) or an improvement in hard data may occur (a positive outcome for markets). The longer a divergence persists, the higher the probability of a convergence. The difficulty for investors lies in accurately forecasting which set of data will prevail in reflecting current economic conditions.

Adding to our reservations about the current market environment are extremely low levels of volatility, which suggest that we may be experiencing the calm before the storm. When we examine volatility levels over the past 30 years, we notice a trend: meaningful upticks and spikes in volatility were preceded by sustained periods of sub-10% volatility. Much of the recovery from the 2008 Financial Crisis through today has also been marked by exceptionally low levels of volatility, and there is a risk that investors misconstrue these low readings as signs that market conditions are benign, when, in fact, they may not be.

As you think about your own portfolio and how it's currently positioned, we encourage you to consider how exposed you may be to equity markets. High equity market valuations, conflicting economic data, and sustained low volatility could be contributory catalysts leading to a market decline. Notwithstanding these factors, there are also serious geopolitical tensions that are threatening global financial markets today. While we do not presume to make dire forecasts and sound alarm bells, it is worth considering such scenarios as reminders of the importance of diversified and hedged investment strategies to help protect capital in the event of market volatility. If you are concerned about future market volatility just as we are, consider BXMIX as a potential solution for your portfolio. BXMIX seeks to preserve capital with lower volatility relative to broader equity markets. We take an active approach to portfolio management, and have remained vigilant in positioning our portfolio to seek to maximize risk-adjusted returns with a focus on capital preservation.

1. Source: Prof. Robert Shiller (http://www.econ.yale.edu/~shiller/data.htm). As of September 2017.

Review of September Fund Performance

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 BAIA[2]). In September, the Fund's Class I share class[3] returned -0.09%[4] net of fees and expenses versus 2.06% and 2.28% for the S&P 500 and MSCI World indices, respectively, and versus -0.48% for the Barclays Global Aggregate Bond Index[5].

Equity Strategies

Equity strategies detracted from performance in September. Losses were largely attributable to negative long alpha, although the portfolio did benefit from positive short alpha. Exposures to technology declined due to lower than expected mobile phone sales, which had a negative impact on certain manufacturers and parts suppliers. Long exposures to pharmaceutical companies also detracted. These losses were partially offset by strength in short medtech exposures, which benefited from an apparent overestimation of products in a company's R&D pipeline resulting in analyst downgrades and a corresponding drop in the stock price. Certain U.S. bank exposures also contributed to performance.

Credit Strategies

Credit strategies contributed modest gains during the month. Spreads in credit risk transfer ("CRT") bonds initially widened early in the month, causing mark-to-market losses as investors speculated that a temporary increase in delinquencies in the underlying mortgages might result from the damage inflicted by Hurricanes Harvey and Irma in Texas and Florida. Our portfolio has limited exposure to the CRT reference mortgage pools in these areas, and after Fitch Ratings estimated that only about 5% of these pools are in FEMA-declared disaster areas, spreads reversed and compressed further later in the month. While we ultimately saw strength in these residential mortgage-backed exposures, certain commercial mortgage-backed exposures detracted on fears that the continued growth of e-commerce may shrink the physical footprint of brick-and-mortar retailers, leading to large numbers of defaults on mortgage loans to malls.

Multi-Asset Strategies

Multi-Asset strategies were marginally positive on the month. Within Discretionary Thematic sub-strategies, divergent central bank policies revealed relative value opportunities. Short exposure to certain sovereign investment grade credit produced gains, as did long exposures to Brazilian quasi-sovereign credit. Long exposure to sovereign high yield credit in Argentina was boosted by tailwinds from Senate primary wins in August as elected officials have expressed an interest in welcoming foreign investment. Additionally, Egyptian T-bill exposures benefited from positive carry and currency appreciation. Within Systematic Diversified sub-strategies, longer-term quantitative strategies suffered. The portfolio benefited from strength in the U.S. dollar versus several other currencies. Long exposure to U.K rates and short exposure to Japanese and Canadian rates also led gains. However, exposure to commodities, specifically base metals and grains, declined. Multi-Strategy exposures were mixed in September. Losses were driven by long exposure to insurance stocks on concerns related to hurricane claims and long exposure to online gambling after a report was released requesting increased regulation. Gains were largely from rental car exposures, which benefited from seasonal summer demand and demand driven by hurricane damage. Additionally, a merger in the materials sector led to broad upgrades and upward price target revisions to the newly combined company's stock.

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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.
3. For a summary of Fund performance of other share classes, please refer to the Fund's website: http://www.bxmix.com
4. 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.
5. 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.

Review of Fund Performance – Third Quarter 2017

In the third quarter of 2017, the Fund's Class I share class returned 1.77%[6] net of fees and expenses versus 4.48% for the S&P 500 Index, 4.96% for the MSCI World Index, and 0.85% for the Barclays Global Aggregate Bond Index[7].

Equity strategies produced gains on the quarter as increased dispersion among sectors and individual equities created 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. Amidst Congress' failure to pass the 'skinny repeal' of the Affordable Care Act, healthcare proved to be a relatively weak sector during the quarter. Despite this backdrop, certain of the Fund's healthcare exposures generated gains, as did certain telecom and U.S. bank exposures. While technology exposures contributed gains early in the quarter, they detracted later on. As market support from central banks lessens and market volatility begins to normalize, we anticipate that alpha generation, not market beta, may drive investor returns. The Fund is currently positioned to neutralize beta across Equity Long/Short strategies, and its hedged positions seek to provide investors access to equity exposure without the volatility associated with traditional equity beta.

Credit strategies also contributed positively for the quarter. The Fund continued to benefit from meaningful exposure to government-sponsored enterprise credit risk transfer bonds. Additional gains came from real estate exposures via positions in agency and commercial mortgage-backed securities. Smaller exposures to senior secured and senior unsecured corporate bonds also contributed to performance. Certain commercial mortgage-backed exposures detracted on fears that the continued growth of e-commerce may shrink the physical footprint of brick-and-mortar retailers, leading to large numbers of defaults on mortgage loans to malls. Over the past few months, we have been trimming corporate credit exposures. We believe that certain pockets of structured credit remain attractive, but we are mindful of spreads and may decrease exposure there as well.

Finally, Multi-Asset strategies were the biggest driver of performance for the last three months through September with Multi-Strategy exposures leading the pack. As fears of a nuclear threat from North Korea intensified over the course of the quarter, 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, rental car exposures benefited from seasonal summer demand and demand driven by hurricane damage. 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. Within Discretionary Thematic sub-strategies, divergent central bank policies revealed relative value opportunities. Positive developments in Brazil, Egypt and Mexico helped emerging markets focused sub-advisers, with long quasi-sovereign debt and local rates exposures in Brazil rallying. Exposure to Egyptian T-bills continued to perform well, driven by carry and currency appreciation. Performance across Systematic Diversified sub-strategies was driven by long fixed income positioning across UK, Euro, French and Canadian government bonds. Gains were partially offset late in the quarter by losses in commodities exposures, specifically base metals and grains. Within the Multi-Asset sleeve of the book, we have increased exposure to Macro strategies in an attempt to capture relative value across global economies and continue to favor diversifying, uncorrelated strategies.

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.
7. 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.

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.

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 redisseminated 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 or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).