

# Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of October 31, 2016

## 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

<b>Fund assets<sup>6</sup></b>	\$4,498 million
<b>Inception date</b>	June 16, 2014
<b>Investment advisor</b>	Blackstone Alternative Investment Advisors, LLC
<b>Eligible investors</b>	US taxable & tax-exempt
<b>Liquidity</b>	Daily
<b>CUSIP</b>	09257V201

## Fund terms (Share Class I)<sup>7</sup>

<b>Management fee</b>	1.92%
<b>Gross expense ratio</b>	3.29%
<b>Net expense ratio</b>	2.40%

## Portfolio managers

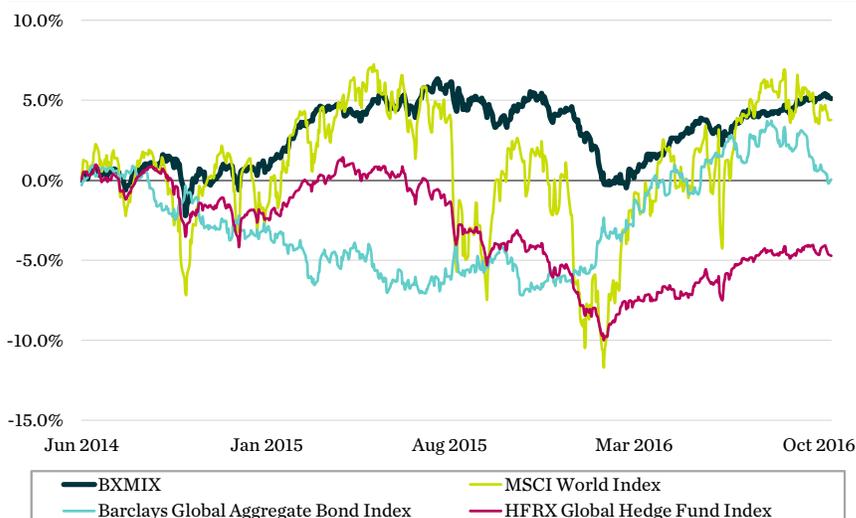
Name	Years at Blackstone
Gideon Berger	14 Years
Robert Jordan	5 Years
David Mehenny	6 Years
Ian Morris	6 Years
Alberto Santulin	13 Years
Stephen Sullens	15 Years

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

	As of 9/30/2016			As of 10/31/2016				ITD Statistics			
	YTD	1 Yr	ITD	Oct-16	YTD	1 Yr	ITD	St.Dev.	Beta <sup>4</sup>	Alpha <sup>5</sup>	Sharpe
BXMIX	0.69%	0.74%	2.19%	0.00%	0.69%	0.45%	2.11%	3.63%	-	-	0.56
HFRX Global	1.33%	0.72%	-1.87%	-0.57%	0.75%	-1.30%	-2.04%	3.86%	0.63	4.84%	-0.55
Barclays Gbl Agg	9.85%	8.83%	1.34%	-2.78%	6.80%	5.59%	0.10%	4.98%	-0.18	2.97%	0.00
MSCI World	6.06%	12.02%	2.48%	-1.91%	4.04%	1.79%	1.56%	12.34%	0.18	2.36%	0.12

1. Performance is presented through October 31, 2016. 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](http://www.blackstone.com/bxmix).

## Cumulative net performance<sup>1,2</sup>



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 October 31, 2016.

7. Net expense ratio consists of the total expense ratio, as reflected in the Fund's prospectus adjusted to reflect any fee waiver/expense reimbursement and excluding interest and dividends on securities sold short, acquired fund fees and expenses not subject to the expense cap. Through August 31, 2018, Blackstone Alternative Investment Advisors LLC has contractually agreed to waive its fees and/or reimburse expenses of the Fund so that certain of the Fund's expenses, together with the Fund's management fees, will not exceed 2.40% annualized for Class I shares.

## Sub-adviser allocations

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
Goldman Sachs	Equity Hedge	Equity Long Short	28%
HealthCor	Equity Hedge	Equity Long Short	
Rail-Splitter	Equity Hedge	Equity Long Short	
Wellington	Equity Hedge	Equity Long Short	
Senfina <sup>1</sup>	Equity Hedge	Equity Market Neutral	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	28%
Bayview	Relative Value	Fixed Income - Asset Backed	
Cerberus	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	11%
Chatham	Relative Value	Fixed Income - Corporate	
Caspian	Event Driven	Distressed/Restructuring	
Boussard & Gavaudan	Event Driven	Multi-Strategy	33%
Nephila <sup>2</sup>	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	
AlphaParity	Macro	Systematic Diversified	33%
IPM	Macro	Systematic Diversified	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct <sup>3</sup>	Multi-Strategy	N/A	

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%.

1. Blackstone Senfina Advisors L.L.C. ("Senfina") is an indirect wholly-owned subsidiary of The Blackstone Group L.P., a publicly traded master limited partnership that has units that trade on the New York Stock Exchange under the symbol "BX." Senfina is an affiliate of BAIA, the Fund's investment adviser, on the basis that it is under common control with BAIA. The investment by BXMLX with Senfina benefits Blackstone and a withdrawal from Senfina would be detrimental to Blackstone. Sub-adviser is not currently managing any Fund assets. Allocations may change at any time without notice.

2. Sub-adviser is not currently managing any Fund assets. Allocations may change at any time without notice.

3. BAIA manages a portion of the Fund's assets directly. Such assets ("BAIA-Direct") 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.

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

	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%			0.69%

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

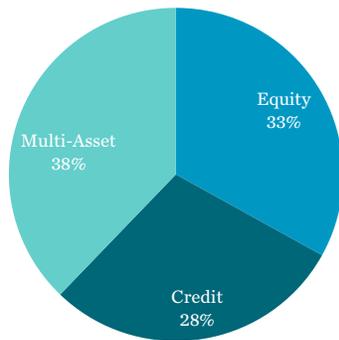
An investment in BXMLX, Class I should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other investments. BXMLX's investments involve special risks including, but not limited to, loss of all 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 BXMLX: **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.

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.

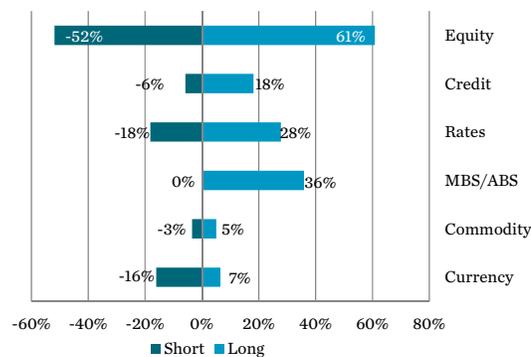
# Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of October 31, 2016

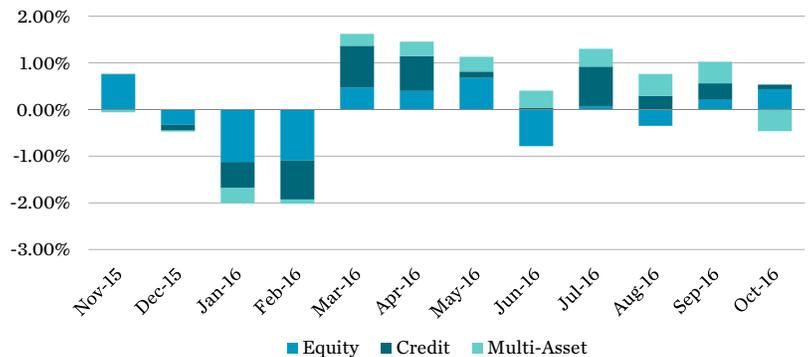
## Sub-strategy summary



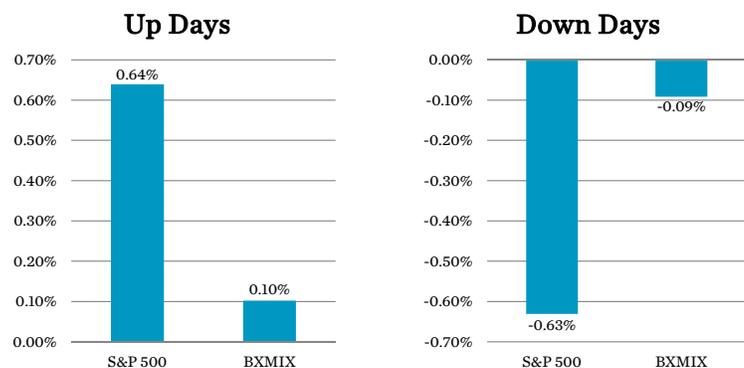
## Asset class exposure<sup>2</sup>



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



## Average daily return for days when S&P500 total return was positive/negative<sup>1</sup>



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

	Long	Short	Net
US/Canada	98.05%	52.80%	45.25%
Core Europe	33.35%	27.86%	5.49%
Peripheral Europe	6.29%	0.45%	5.84%
Lat. Am./Caribbean	9.08%	0.55%	8.53%
Middle East/Africa	1.03%	3.12%	-2.09%
Japan	2.31%	5.64%	-3.33%
Asia general	3.31%	2.32%	0.98%
China/HK/Taiwan	0.82%	2.66%	-1.85%
<b>Total</b>	<b>154.24%</b>	<b>95.41%</b>	<b>58.83%</b>

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

	Long	Short	Net
Energy	1.23%	1.34%	-0.11%
Materials	2.58%	0.76%	1.82%
Industrials	2.95%	2.20%	0.75%
Consumer Discretionary	7.06%	4.69%	2.37%
Consumer Staples	2.37%	1.13%	1.24%
Healthcare	10.85%	5.61%	5.25%
Financials	3.43%	3.40%	0.03%
Real Estate	0.75%	1.14%	-0.39%
Technology	7.33%	2.57%	4.76%
Telecom	2.13%	0.64%	1.48%
Utilities	0.31%	0.60%	-0.29%
Unclassified <sup>4</sup>	19.84%	27.77%	-7.93%
<b>Total</b>	<b>60.83%</b>	<b>51.85%</b>	<b>8.99%</b>

1. Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Strategy attribution is presented on a gross basis as Blackstone fees are applied at the Fund level and not at the strategy level. Information about BXMIX, including current month-end performance, is available on BXMIX's website at [www.blackstone.com/bxmix/](http://www.blackstone.com/bxmix/) or by calling 855-890-7725. Index performance is shown for illustrative purposes only. You cannot invest directly in an index. Data is from June 16, 2014 to September 30, 2016.

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

3. 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.

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

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

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

# Performance commentary

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## October Market Commentary

Global financial markets took a tumble in October with both the S&P 500 and MSCI World indices experiencing their worst months since January and the Barclays Global Aggregate Bond Index suffering its worst month in over two years. In the beginning of the month, concerns over U.K Prime Minister Theresa May moving forward with plans to implement Brexit and rumors that the European Central Bank might announce plans to trim its bond purchases before its quantitative easing program is scheduled to end, weighed on risk assets. Despite steady third quarter GDP growth and strong retail sales in China, surprisingly bleak trade data and somewhat disappointing industrial output data from the world's second-largest economy fueled further losses in global equity markets mid-month. And while the U.S. posted its strongest quarterly GDP growth rate in two years, some of the underlying data (namely consumer spending gains that slowed from the previous quarter and a housing sector that actually detracted from growth) may not have been as encouraging as the headline number initially appeared. Perhaps compounding the negative sentiment was the uncertainty surrounding the U.S. presidential election. As the race to the White House sped closer to finish line, investors grew increasingly skittish, as evidenced by the general "risk-off" sentiment we saw throughout the month of October.

While there may be some political and fiscal uncertainty in the near term, we practice the art of the long view and here's how we're thinking about the world right now. You have what we describe as the "four lows." You have fairly low growth around the world. You have low inflation, even though in some places like the U.S. it's starting to pick up. Still, no major central bank is achieving its inflation target. You also have low interest rates, and finally, low unemployment.

The low unemployment phenomenon is a bit peculiar compared to the first three lows. What we seem to have in most major economies, whether you look at the U.S., U.K., Japan or Germany, is this jobs-rich stagnation. You have a weak GDP/strong jobs environment, and when you have such low unemployment, you typically get accelerating wage growth. But that's just not happening. In fact, it seems that wage growth is stuck somewhere between zero to 2.5% in most places around the world.

As we think about the reality of this secular stagnation environment, it results in us allocating assets in the following ways. First, we are strategically reducing our Equity weighting. Second, we are increasing our Credit weighting. And finally, we are increasing our allocations to diversifying Multi-Asset strategies.

## Review of 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 Blackstone<sup>1</sup> and a variety of investment sub-advisers with experience managing non-traditional or "alternative" investment strategies. In October, the Fund's Class I share class<sup>2</sup> returned 0.00% net of fees and expenses<sup>3</sup> versus -1.82% and -1.91% for the S&P 500 and MSCI World Indices, respectively, and versus -2.78% for the Barclays Global Aggregate Bond Index<sup>4</sup>.

## Equity Strategies

Equity strategies were the largest contributor to performance in October with value-oriented strategies leading gains. Offsetting some of the factor-based strategies were fundamental exposures in healthcare and financials. Third quarter earnings have thus far been somewhat of a headwind for the portfolio, causing weakness in exposures to a medical device company, managed care companies and asset managers. Additionally financials sector hedges also detracted from performance.

Despite disappointing performance YTD in the fund's Equity strategies, we do not believe that hedge funds' ability to generate alpha in Equity Long/Short or Equity Market Neutral sub-strategies has structurally declined. While market volatility presents challenges, we believe that periods of depressed alpha offer the potential to provide future alpha generation opportunities because the uncoupling of prices from fundamentals can create attractive entry points for managers who are prudent stewards of capital through any dislocation.

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- 1. BAIA is the Fund's Investment Manager and manages a portion of the Fund's assets directly. Such assets include allocations to a risk premia trading strategy and may also include opportunistic trades. BAIA's fees on directly managed assets are not reduced by a payment to a sub-advisor.*
  - 2. For a summary of Fund performance of other share classes, please refer to the Fund's website: <http://www.blackstone.com/bxmix>*
  - 3. Performance is shown net of all fees and expenses for Share Class I (USD). Past performance is not necessarily indicative of future results. There can be no assurance that the Fund will achieve its objective or avoid significant losses. 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.*
  - 4. 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.*

# Performance commentary

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## Credit Strategies

Credit strategies also contributed to performance during the month with Fixed Income – Asset Backed sub-strategies leading gains. This was due, in part, to positive carry and cash flow generated by the portfolio's commercial mortgage-backed exposures as well as spread tightening in residential mortgage-backed exposures and other asset-backed exposures. We continue to seek to source attractive opportunities in GSE credit risk transfer bonds, where Fannie Mae and Freddie Mac are programmatically selling risk into the market. We added to this exposure in October; however, spreads in these bonds widened during the month leading to some weakness in the portfolio. Commercial mortgage-backed securities index hedges also detracted from performance. Corporate bond exposures in several media companies experienced gains, with one seeing a large positive move driven by the realization of a catalyst.

Our activity and research in the credit space has increased substantially over the last few months, and we maintain a positive outlook on structured credit and mortgage-backed securities.

## Multi-Asset Strategies

Multi-Asset strategies detracted from performance, offsetting gains in Equities and Credit. Mixed earnings results, significant geopolitical uncertainty and the general risk-off sentiment in the markets weighed on the Fund's Multi-Strategy exposures. Within emerging markets, performance was slightly positive in October as a result of continued positive developments in Brazil, Argentina and Greece. Greek credit performed well due to an increased probability that the IMF may be involved in the Greek bailout, and Argentine local rates performed well, primarily driven by the appreciation in the peso. Another winner this month was a Brazilian quasi-sovereign exposure, which we believe is still cheap at current levels and has a positive outlook as the company is expected to receive additional government funding. Systematic Diversified sub-strategies experienced losses in fixed income momentum and FX value strategies.

Across Macro strategies more broadly, we believe that divergence in monetary policies across major economies may create opportunities, particularly in rates and currencies. We believe this could play out during the end of 2016 and into 2017 as the European Central Bank and Bank of Japan maintain looser policies while the Federal Reserve perhaps moves in the other direction.

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*Opinions expressed reflect the current opinions of BAIA as of the date on the cover of this presentation 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. The information provided herein has been obtained from or derived from BAIA'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](http://www.blackstone.com/bxmix). All investors are urged to carefully read the prospectus and, if available, the summary prospectus in its entirety before investing. Additional information regarding BXMIX is available upon request.

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. **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.

## Important Risks

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

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

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

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

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

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

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

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

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

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