

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of May 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 subadvisers with experience managing alternative investment strategies and among investment funds. It may also manage a portion of the Fund's assets directly.

Fund highlights

Fund assets ⁶	\$4,642 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)

Management fee	1.95%
Gross expense ratio	3.44%
Net expense ratio	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^{1,2,3}

	As of 03/31/2016			As of 05/31/2016				ITD Statistics			
	YTD	1 Yr	ITD	May-16	YTD	1 Yr	ITD	St.Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	-2.96%	-3.01%	0.71%	0.90%	-0.79%	-1.69%	1.78%	3.82%	-	-	0.45
HFRX Global	-1.87%	-7.36%	-4.09%	0.46%	-1.02%	-6.99%	-3.32%	3.96%	0.65	3.91%	-0.85
Barclays Agg Bond	3.03%	1.96%	3.42%	0.03%	3.45%	2.99%	3.33%	3.30%	-0.29	2.66%	0.99

1. Performance is presented through May 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 current performance data is available at www.blackstone.com/bxmix.

The firm

Blackstone is a large and diversified alternative asset manager, with

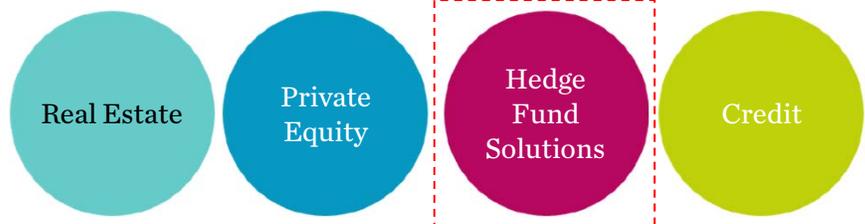
\$334B

in assets under management.⁹

Blackstone is the largest discretionary allocator to hedge funds in the world, with over

\$68B

in assets under management.^{8,9}



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 May 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, 2016, 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.

8. Source: InvestHedge Billion Dollar Club (as of June 2015) based on AUM.

9. As of March 31, 2016.

Sub-adviser allocations

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
Goldman Sachs	Equity Hedge	Equity Long Short	39%
HealthCor	Equity Hedge	Equity Long Short	
Rail-Splitter	Equity Hedge	Equity Long Short	
Wellington	Equity Hedge	Equity Long Short	
Senfina	Equity Hedge	Equity Market Neutral	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	26%
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	
Chatham	Relative Value	Fixed Income - Corporate	
Caspian	Event Driven	Distressed/Restructuring	10%
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Nephila	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	25%
AlphaParity	Macro	Systematic Diversified	
IPM	Macro	Systematic Diversified	
D.E. Shaw	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%.

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 BAlA, the Fund's investment adviser, on the basis that it is under common control with BAlA. The investment by BXMLX with Senfina benefits Blackstone and a withdrawal from Senfina would be detrimental to Blackstone.

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%								-0.79%

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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 Aggregate Bond Index:** covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes government securities, mortgage-backed securities, asset-backed securities and corporate securities all with a maturity of greater than one year. **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.

Important Risks

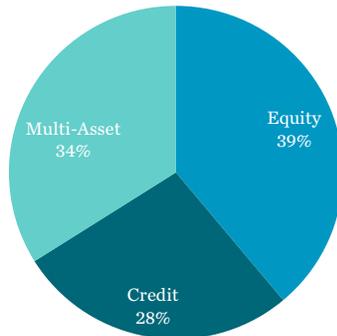
An investment in BXMIX, Class I should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other investments. BXMIX's investments involve special risks including, but not limited to, loss of all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

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.

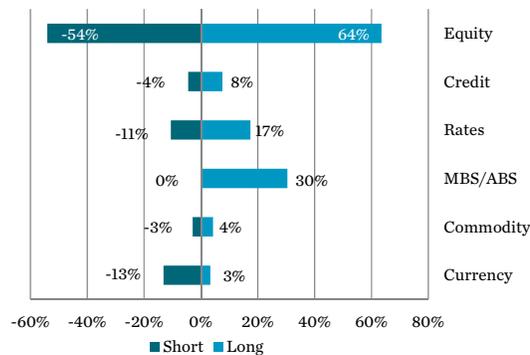
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As of May 31, 2016

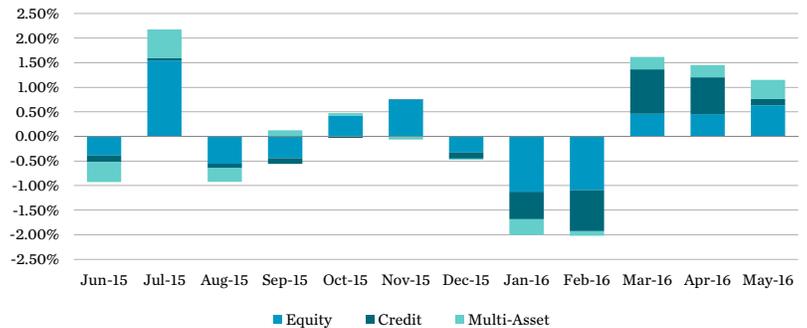
Sub-strategy summary



Asset class exposure²

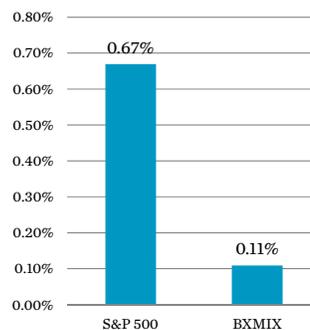


Trailing 12 month gross strategy attribution^{1,5}

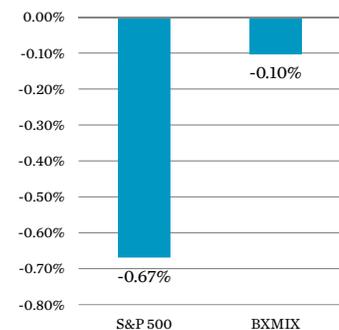


Average daily return for days when S&P500 total return was positive/negative¹

Up Days



Down Days



Geographic exposure^{2,3}

	Long	Short	Net
US/Canada	83.09%	47.79%	35.29%
Core Europe	25.27%	23.51%	1.76%
Peripheral Europe	4.11%	0.56%	3.54%
Lat. Am./Caribbean	6.50%	0.80%	5.71%
Middle East/Africa	1.61%	0.90%	0.71%
Japan	3.17%	4.84%	-1.67%
Asia general	1.48%	4.18%	-2.70%
China/HK/Taiwan	1.22%	1.66%	-0.44%
Total	126.45%	84.24%	42.21%

Equity exposure – sector breakdown³

	Long	Short	Net
Energy	1.45%	1.55%	-0.10%
Materials	2.32%	2.36%	-0.03%
Industrials	3.83%	2.23%	1.59%
Consumer Discretionary	9.57%	5.52%	4.05%
Consumer Staples	1.48%	2.75%	-1.27%
Healthcare	11.85%	5.35%	6.50%
Financials	7.26%	3.64%	3.62%
Technology	8.62%	4.24%	4.39%
Telecom	2.25%	0.93%	1.32%
Utilities	0.31%	0.57%	-0.27%
Unclassified ⁴	14.60%	24.88%	-10.28%
Total	63.54%	54.01%	9.53%

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/ 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, 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

May Market Commentary

In equities, the month of May saw divergence in performance across developed markets, which generally moved higher, and emerging markets (“EM”), where stocks came under pressure. The slowing growth in Chinese and Brazilian economies coupled with mixed commodity performance weighed on EM sentiment, while relatively hawkish comments from various members of the U.S. Federal Reserve (“Fed”) fueled dollar strength and positive equity performance in developed markets.

In fixed income, the rally in oil prices contributed to strong performance in U.S. high yield markets. European high yield also performed well, as improving economic conditions and monetary stimulus helped buoy investor sentiment. U.S. treasuries posted modest losses in May as the market priced in an increased probability of the Fed raising interest rates; an event which we now know is less likely given the uninspiring June payroll data. Finally, commodity markets showed divergence in May, with oil generating gains as metal prices declined.

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 a variety of investment sub-advisers with experience managing non-traditional or “alternative” investment strategies. In May, the Fund’s Class I shares returned 0.90% net of fees and expenses versus 1.80% and 0.65% for the S&P 500 and MSCI World Indices, respectively, and versus 0.03% for the Barclays U.S. Aggregate Bond Index.

Equity Strategies

Equity strategies were the largest contributor to performance in May, with gains generated from both equity long/short and equity market neutral sub-strategies. Equity strategy contributions were helped by two broader themes. First, alpha capture by the equity sub-advisers was robust for the second consecutive month, a development that mirrored similar success across the industry (Morgan Stanley reports that May was the third best month for stock picking alpha across equity long/short strategies in the past 6.5 years¹). The second theme that helped boost performance by equity strategies was a reversal in return dispersion across certain sectors in which the Fund has significant exposures. Specifically, the Fund’s exposures to information technology, financials, and health care, which had suffered losses during the first four months of 2016, rebounded strongly in May and provided a significant tailwind during the month.

Positive returns for equity long/short sub-strategies were driven primarily by exposures to health care, technology and financials sectors, which were the beneficiaries of the aforementioned sector rotation. Short exposures to certain health care sub-sectors detracted on the month, along with long retail exposures that retraced gains in response to lower than expected earnings guidance. Within health care, a core holding appreciated materially upon news of an upcoming acquisition, helping drive positive performance. In financials, the market’s expectation of a June rate hike had a beneficial impact as higher rates are viewed to have positive implications for financial services companies. We continue to view the health care and financials sectors as attractive for potential alpha generation, given regulatory dynamics and the opportunity to capitalize on dispersion between winners and losers.

Equity market neutral sub-strategies also benefitted from strong fundamental stock picking alpha, with gains coming from the long side of the portfolio, concentrated in consumer discretionary, materials, and health care sectors primarily. Select information technology, telecommunications, and consumer staples exposures detracted from performance.

Credit Strategies

Credit strategies contributed positively in May, with gains from both corporate credit and asset-backed sub-strategies. Within corporate credit, idiosyncratic developments drove strong performance across a number of top exposures. Additionally, exposures with ties to potential M&A activity experienced a boost on the month, helping drive returns. Within asset-backed sub-strategies, returns were driven by a combination of income generated from coupons and mark-to-market gains, with the exception of certain GSE credit risk transfer exposures, which experienced mark-to-market losses as spreads widened following a multi-month period of gains. Given corporate credit’s stronger retracement off of recent lows relative to structured credit markets, we are relatively more constructive on structured credit in the near to medium term.

(1) Morgan Stanley Prime Brokerage May 2016 Hedge Fund Recap

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For a summary of Fund performance of other share classes, please refer to the Fund’s website: <http://www.blackstone.com/bxmix>

Performance commentary

Multi-Asset Strategies

Multi-Asset strategies also ended the month in positive territory with macro and systematic sub-strategies providing gains. Despite emerging market debt weakness in May, continued positive developments in Argentina and Greece benefited the Fund's exposures to sovereign high yield bonds in these two regions. Local rates and FX exposures also contributed positively, while fixed income hedges experienced small losses. Systematic sub-strategies experienced gains in value and carry factor models, with asset class attribution distributed across equities, commodities, and fixed income. Additional contribution came from European financials exposures, concentrated in France and Benelux regions. Commodity momentum, fixed income value and FX momentum exposures detracted from performance.

Changes to the Portfolio

Against the market backdrop described above, we maintain a cautious view of global equity markets, seeing more downside risk than upside potential. Consistent with this view, the net equity exposure of the Fund has been reduced considerably in recent months to below 10%, and allocations to directional equity exposure are likely to see further reductions over the coming months. In the current environment, it is important to be judicious in choosing where to put capital to work. While we seek to maintain a low beta at the Fund level, we are constantly evaluating opportunistic trades with asymmetric risk/reward profiles and low correlation to broader markets.

As a part of our ongoing management of the Fund, we continually evaluate opportunities to provide access to opportunistic exposures that have the potential to enhance the diversification and return profile of the Fund for our investors. In May, we added an allocation within the Adviser managed portion of the Fund to a strategy that seeks to capture various risk premia across asset classes. This strategy was added effective May 5, 2016.

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Disclosure information

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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.

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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

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