

Blackstone Alternative Multi-Strategy Fund (BXMIX)

Blackstone

As of June 30, 2022
unless otherwise indicated

Upcoming BXMIX Webinar: Tuesday, July 19th at 12:00 PM ET

Please join us on July 19th at 12:00 PM ET for the second installment of our manager-focused webinar series. We will review the opportunity set within commodities and provide key insights on the current macroeconomic landscape.

Please register [here](#) or contact your client representative for additional information.

Fund Net Performance^{1,2,3}

	As of June 30, 2022						Inception to Date Statistics			
	MTD	QTD	YTD	1 Yr	5 Yr	ITD	St. Dev.	Beta	Alpha	Sharpe
BXMIX	(2.24%)	(4.20%)	(5.29%)	(5.89%)	1.13%	2.03%	4.26%			0.30
HFRX Global HF Index	(1.80%)	(3.75%)	(5.05%)	(5.12%)	1.94%	1.12%	3.53%	0.77	1.00%	0.10
Morningstar Category Avg.	(1.84%)	(2.43%)	(3.47%)	(2.32%)	2.17%	1.79%	4.18%	0.75	0.50%	0.25
Barclays Global Agg Index	(3.21%)	(8.26%)	(13.91%)	(15.25%)	(0.55%)	(0.34%)	4.78%	0.03	1.34%	(0.23)
MSCI World Index	(8.63%)	(16.05%)	(20.29%)	(13.94%)	8.23%	7.41%	15.36%	0.18	(0.03%)	0.43

¹ Performance is presented through June 30, 2022, for the Fund's Class I share class (BXMIX). Returns are shown net of all fees and expenses less waived expenses (see Fund Terms). **Performance data quoted represents past performance and does not guarantee future results.** Statistics above are calculated using daily performance and are annualized. 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.bxmixon.com.

² Inception to Date statistics are as of BXMIX inception on June 16, 2014. Measures of beta or alpha of BXMIX are to the respective index. Please see the end of this document for additional disclosures regarding indices presented.

³ None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.

Q2 2022 Market Commentary⁴

Global macroeconomic uncertainty continued into the second quarter of 2022. Major equity indices have now moved into bear market territory with the S&P 500 and MSCI World indices returning -16.10% and -16.05% on the quarter, bringing year to date returns to -19.96% and -20.29%, respectively.⁵ The impacts of rising inflation, lingering effects of geopolitical events, and a more aggressive tone to monetary policy likely weighed on asset prices entering the second quarter as fears of a potential recession crept into the news cycle.

Reverberations from the ongoing Russia-Ukraine conflict, along with supply chain disruptions in China, exacerbated inflationary pressures. In fact, the US CPI rose 9.1% YoY in June—the highest reading since November 1981.⁶ While there is a potential for some of the supply-driven issues related to inflation to fade throughout the remainder of 2022, these inflationary pressures have had major implications on monetary policy. At the same time, the labor market remains tight, demonstrated by the 3.6% unemployment rate posted in May (just above its 50-year low in 2019).⁷ While the current

⁴ Opinions and views expressed reflect the current opinions and views of BAIA as of the date of this material only.

⁵ Source: Bloomberg as of June 30, 2022.

⁶ Source: Bureau of Labor Statistics: Consumer Price Index as of June 10, 2022.

⁷ Source: United States Bureau of Labor Statistics as of June 3, 2022.

labor market is a boon to the labor force, the excess demand for workers may lead to continued gains in wages. A trend of sustained wage growth could limit the possibility of inflation receding to a more manageable level in the near-term, likely contributing to a more aggressive leaning Federal Reserve (the “Fed”).

The Fed reaffirmed its hawkish stance in the second quarter amongst a strong labor market and persistent inflation, increasing the federal funds rate by 50bps in May, the largest increase to the target rate in 22 years.⁸ In the subsequent June FOMC meeting, the federal funds rate was raised 75bps and the Fed announced its intention to increase the pace of quantitative tightening to up to \$95 billion/month by September.⁹ On the back of this monetary policy development, bond yields continued to climb in the second quarter, resulting in negative returns across fixed income markets.¹⁰ Combine that with the poor performance of equity markets, and the result is the worst YTD performance for the 60/40 portfolio since the 1960s.¹¹

With the uncertain global macroeconomic environment, the general outlook for the US economy has begun to teeter. In gauging the risk of a recession, we are focusing on several indicators, one of which being the signal from the yield curve.¹² The 10s/2s¹² portion of the curve briefly inverted in June 2022 for the second time in 3 months. Over the past 50 years, this portion of the curve has inverted six times, and six recessions followed, implying that this may be a signal markets are pricing in economic turmoil.¹³ While the inversion of the yield curve may suggest an impending economic downturn, there is a potential case for continued near-term momentum in the economy due to the cushion provided by household and corporate balance sheets. Liquid financial assets on household and nonfinancial corporate balances were \$5.8 trillion and \$1.1 trillion higher in 1Q’22 vs. the same period in 2019.¹⁴ While this strong cash buffer may exist, the personal savings rate has fallen in recent months, implying that households are feeling the effects of higher inflation and lower real wages.¹⁵

Against this macroeconomic uncertainty, the global market has pivoted to a recession narrative, with a slowing growth outlook and persisting inflation.¹³ Taking these factors into consideration, BXMIX is positioning to be underweight strategies with directional market exposure and overweight relative value and direct trading strategies across macro rates, credit, and commodities.¹⁶

Review of Q2 2022 Fund Performance

The investment objective of the Blackstone Alternative Multi-Strategy 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 and by managing assets directly (via BAIA¹⁶). In Q2, the Fund’s Class I share class returned -4.2%¹ net of fees and expenses versus -3.8% for the HFRX Global Hedge Fund Index, -8.3% for the Barclays Global Aggregate Bond Index, and -16.1% for the MSCI World Index.^{1,3}

Equity Strategies¹⁷

Equity strategies (-1.77%) were the greatest detractor to Fund performance for the quarter. Equity Long/Short sub-strategies saw mostly negative performance in Q2, taking on losses from long positions in healthcare. Additional losses

⁸ Federal Open Market Committee as of May 4, 2022.

⁹ Federal Open Market Committee as of June 15, 2022

¹⁰ Source: J.P. Morgan: “Economic & Market Update” as of June 30, 2022.

¹¹ Deutsche Bank, as of July 4, 2022.

¹² The yield curve refers to the curve in which the yield of fixed-interest securities is plotted against the length of time they have to run to maturity. The 10s/2s portion of the yield curve refers to the portion of the curve that plots the 10-year treasury rate and the 2-year treasury rate. An inversion of the 10s/2s portion of the curve occurs when the yield of the shorter duration 2-year treasuries is at a higher level than the longer duration 10-year treasuries, creating a negative spread.

¹³ Source: Joe Zidle, “The Optimist Plays the Long Game” as of July 4, 2022.

¹⁴ Source: Joe Zidle, “The Optimist Plays the Long Game” as of July 4, 2022.

¹⁵ Source: Blackstone Investment Strategy, Federal Reserve and Haver Analytics, as of 3/31/2022.

¹⁶ BAIA manages a portion of the Fund’s assets directly. Such investments include allocations to funds managed by Asgard Asset Management, Aeolus Capital Management Ltd., PIMCO Investment Management, Islet Management, L.P., Atreides Management, L.P., Rokos Capital Management LP and opportunistic trades.

¹⁷ **Past performance may not be a reliable guide to future performance.** Sub-strategy performance is shown gross of all fees and expenses and is calculated using daily performance. Performance attribution represents the contribution of each sub-strategy to the Fund’s total return. Additional information and performance data current to the most recent month-end is available at www.bxmixon.com.

were generated from the Fund's equity exposure to multiple sectors (Media, Software, Biotech, etc.), all of which declined with the broader market. Exposure to Chinese equities was additive to overall Fund performance as Chinese equity markets rallied in the second quarter, driven by government stimulus announcements and the prospect of reduced Covid-related restrictions on economic activity.

Equity Market Neutral sub-strategies had mixed performance on the quarter with losses concentrated in the Fund's exposure to equity positions in the payments sector, which likely suffered as the market continued to rotate out of growth. Gains were attributed to a Quantitative sub-strategy that benefited from elevated market volatility in the second quarter.

Credit Strategies¹⁷

Credit strategies (-0.93%) posted negative performance for the quarter, amidst a general decline in credit prices. A sub-strategy focused on Agency mortgage spreads over US Treasuries (the "MBS Basis" spread) was the largest positive contributor to Credit performance, gaining as the Mortgage Basis spread widened throughout the quarter. A Fixed Income - Sovereign Debt sub-strategy detracted from performance as rising yields in emerging market debt led to weak price performance.

Distressed/Restructuring sub-strategies detracted from Fund performance in the second quarter, generating losses from exposure to bonds of a health services company that traded down after it missed earnings estimates for Q1. Bonds of a fitness company added to losses in this portion of the book as investor confidence dipped. Losses in this position were slightly offset by the company posting positive earnings in April.

Multi-Asset Strategies¹⁷

Multi-Asset strategies (-0.90%) generated losses for the quarter. The largest detractor was a sub-strategy focused emerging market credit, rates, and currencies, which generated losses along with weak price performance in emerging market debt. Additional losses emanated from the Fund's positions in Scandinavian fixed income relative value strategies, due to negative performance from the widening of covered bond spreads. Commodity Energy sub-strategies were slightly accretive to performance as price volatility in the energy sector remained elevated.

A sub-strategy focused on Carbon Credit Allowances ("CCAs") was a contributor to the overall Fund performance for the quarter, likely benefiting from demand for inflation exposure, as CCAs provide direct exposure to the Consumer Price Index.

Sub-Advisers and Strategies Added/Removed

At Blackstone, we believe that managing the optimal mix of strategies across the portfolio and adjusting it over time are key generating returns in different market environments. Over the course of the second quarter, there were no new sub-advisers added and no sub-advisers removed.

Additions and terminations are normal events in our investment process and result from our dynamic evaluation of the top-down assessment of the opportunity set for specific investment strategies as well as the bottom-up evaluation of a sub-adviser's ability to deliver alpha in a given environment.

Opinions expressed reflect the current opinions of BAIA as of the date of this material only and are based on BAIA's opinions of the current market environment, which is subject to change. Certain information contained in the Materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. Certain of the information provided herein has been obtained from or derived from sources outside Blackstone. BAIA does not guarantee the accuracy or completeness of such information.

Fund Terms (Class I)¹

As of Date: 3/31/2022

Expense Ratio: 2.93%

Adjusted Expense Ratio: 2.33%

1. Through August 31, 2024 Blackstone Alternative Investment Advisers 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. Expense Ratio represents the expense ratio applicable to investors and is comprised of BAIA's management fee, sub-adviser fees and underlying manager fees in the case of investments in third-party managed funds and other expenses as noted in the Fund's Prospectus. BAIA is paid an asset-based management fee of 1.87% per annum; all sub-adviser fees are paid by BAIA out of its management fee. Fees for third-party fund investments are paid by the Fund (in addition to BAIA's management fee) and typically include a management fee, ranging from 0% - 2%, and a performance fee, ranging from 10% - 20%. The Adjusted Expense ratio represents the Expense Ratio net of Excluded Expenses. "Excluded Expenses" are expenses excluded from reimbursement by the Investment Adviser which include: (i) distribution or servicing fees, (ii) acquired fund fees and expenses (E.g the fees associated with third-party investments), (iii) brokerage and trading costs, (iv) interest payments (including any interest expenses, commitment fees, or other expenses related to any line of credit of the Fund), (v) taxes, (vi) dividends and interest on short positions, and (vii) extraordinary expenses (in each case, as determined in the sole discretion of the Adviser). Please see the Fund's Prospectus at www.bxmixon.com.

Important Disclosure Information

This material is not an offer to sell the Fund's securities and is not soliciting an offer to buy the Fund's securities. 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.bxmixon.com. All investors are urged to carefully read the prospectus and the summary prospectus in its entirety before investing.

Please note that additional details concerning the Fund's performance, liquidity and asset class exposures are available upon request. Please contact your BAAM representative for further information.

No Assurance of Investment Return. 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. All returns include dividend and capital gain distributions. Information about the Fund, including current month-end performance, is available on the Fund's website at www.bxmixon.com or by calling 855-890-7725.

There can be no assurance that the Fund will achieve its goals or avoid losses. Diversification does not assure a profit nor protect against loss.

Allocations: The Fund may shift allocations among sub-advisers, strategies and sub-strategies at any time. Further, Blackstone, on behalf of the Fund, may determine to not employ one or more of the above-referenced, strategies or sub-strategies. Blackstone may also add new strategies or sub-strategies. Accordingly, the allocations are presented for illustrative purposes only and should not be viewed as predictive of the ongoing composition of the Fund's portfolio (and its sub-advisers), which may change at any time without notice.

ERISA Fiduciary Disclosure: The foregoing 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.

Exposure: Exposure figures are shown as a percentage of Fund Net Asset Value. Explanatory notes regarding calculation of exposure: (a) exposure data represents market value except in the case of derivative instruments; (b) for options, exposure data represents the delta adjusted notional; (c) for interest-rate instruments, exposure data represents the notional of the 10-year equivalent instrument; and (d) for all other derivatives, exposure data represents notional value. Positions of unknown type (if any) are excluded from exposure data. Exposure data reflects fund holdings as of the relevant trade date and includes unsettled trades.

Index Comparisons: Indices are unmanaged and investors cannot invest in an index. Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for BXMIX, but rather are disclosed to allow for comparison of BXMIX's performance to that of well known and widely recognized indices. The indices may include holdings that are substantially different than investments held by BXMIX and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from BXMIX. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. Index data is obtained from unaffiliated third parties and is subject to subsequent adjustments. Blackstone makes no assurances as to the accuracy or completeness thereof.

Opinions and Trends. Opinions expressed reflect the current opinions of Blackstone as of the date appearing in the Materials only and are based on Blackstone's opinions of the current market environment, which are subject to change. Certain information contained in the Materials discusses general market activity, industry or sector trends, or other broad-based economic, market or political conditions and should not be construed as research or investment advice. There can be no assurances that any of the trends described herein will continue or will not reverse. Past events and trends do not imply, predict or guarantee, and are not necessarily indicative of, future events or results.

Important Risks: An investment in the Fund 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. The Fund'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 the Fund:

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. **Market Risk and Selection Risk** – One or more markets may go down in value, possibly sharply and unpredictably, affecting the values of individual securities held by the Fund. **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. **Debt Securities Risk** – investments in bonds and certain asset-backed securities are subject to risks, including but not limited to, the credit risk of the issuer of the security, the risk that the issuer undergoes a restructuring or a similar event, the risk that inflation decreases the value of assets or income from the investments, and the risk that interest rates changes adversely impact the debt investments. **Equity Securities Risk** – prices of equity and preferred securities fluctuate based on changes in a company's financial condition and overall market and economic conditions. **Mortgage- and Asset-Backed Securities Risk** – involves credit, interest rate, prepayment and extension risk, as well as the risk of default of the underlying mortgage or asset, particularly during times of

economic downturn. **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** — use of leverage can produce volatility and may exaggerate changes in the net asset value of Fund shares and in the return on the portfolio, which may increase the risk that the Fund will lose more than it has invested. **Large Purchase or Redemption Risk** — large redemption or purchase activity could have adverse effects on performance to the extent that the Fund incurs additional costs or is required to sell securities, invest cash, or hold a relatively large amount of cash at times when it would not otherwise do so.

- In addition, you should be aware of the following risks and conflicts relating specifically to the Fund: The fees paid by the Fund to Blackstone will be reduced by the full amount of any fees paid to the Fund's underlying managers. This compensation offset arrangement may give Blackstone an incentive to favor underlying managers that charge lower fees.
- Subject to applicable law, the Fund is not restricted from selecting underlying managers in which Blackstone, Blackstone Clients or their affiliates have a financial interest.

Russian Invasion of Ukraine. On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this Material, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which the Fund invests), and therefore could adversely affect the performance of the Fund's investments. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Fund and the performance of its investments and operations, and the ability of the Fund to achieve its investment objectives. Similar risks will exist to the extent that any portfolio entities, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas.

Epidemics/Pandemics. Certain countries have been susceptible to epidemics which may be designated as pandemics by world health authorities, most recently COVID-19. The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines imposed, has had and will continue to have a negative impact on the economy and business activity globally (including in the countries in which the Funds invest), and thereby is expected to adversely affect the performance of the Funds' Investments. Furthermore, the rapid development of epidemics could preclude prediction as to their ultimate adverse impact on economic and market conditions, and, as a result, presents material uncertainty and risk with respect to the Funds and the performance of their Investments.

Conflicts of Interest: Blackstone and the Sub-Advisers have conflicts of interest that could interfere with their management of the Fund. These conflicts, which are disclosed in the Fund's Statement of Additional Information, include, without limitation:

Selection of Sub-Advisers. Blackstone compensates the Sub-Advisers out of the management fee it receives from the Fund. This could create an incentive for Blackstone to select Sub-Advisers with lower fee rates.

Financial Interests in Sub-Advisers and Service Providers. Blackstone, the Sub-Advisers, and their affiliates have financial interests in asset managers and financial service providers. Allocating to an affiliate (or hiring such entity as a service provider) benefits Blackstone Inc. and the relevant Sub-Adviser and redemptions from an affiliate (or terminating such entity as a service provider) would be detrimental to Blackstone Inc. and the relevant Sub-Adviser. For example:

- *Blackstone Strategic Alliance Advisors L.L.C. ("BSAA"), an affiliate of BAIA, manages the Strategic Alliance Funds (the "SAF Funds") that provide seed capital to emerging alternative asset managers (the "SAF Managers") in exchange for a revenue share arrangement. Seiga Asset Management Limited, a SAF Manager, is a sub-adviser to the Fund. The revenue generated for BSAA related to the Fund's investment with a SAF Manager is rebated to the Fund. The Fund will not otherwise participate in any of the economic arrangements between the SAF Funds and any SAF Manager with which the Fund invests.*
- *Blackstone Strategic Capital Advisors L.L.C. ("BSCA"), an affiliate of BAIA, manages certain funds (the "BSCA Funds") that acquire equity interests in established alternative asset managers (the "Strategic Capital Managers"). One of the Strategic Capital Managers in which the BSCA Funds have a minority interest is Magnetar Capital Partners L.P., a control affiliate of Magnetar Asset Management LLC, a sub-adviser for the Fund. The Fund will not participate in any of the economic arrangements between the BSCA Funds and any Strategic Capital Manager with which the Fund invests.*
- *Blackstone Real Estate Special Situations Advisors L.L.C. ("BRESSA"), an affiliate of BAIA and an indirect wholly-owned subsidiary of Blackstone Inc., serves as a Sub-Advisor Sub-Adviser. BRESSA invests primarily in liquid, commercial and residential real estate-related debt instruments.*
- *Blackstone Liquid Credit Strategies LLC ("BX LCS"), an affiliate of BAIA and an indirect wholly-owned subsidiary of Blackstone Inc., serves as a Sub-Adviser. BX LCS invests primarily in below investment grade corporate credit.*
- *Blackstone utilizes technology offered by Arcesium LLC ("Arcesium") to provide certain middle- and back-office services and technology to the Fund. The parent company of a Sub-Adviser owns a controlling, majority interest in Arcesium and Blackstone Alternative Asset Management L.P. owns a non-controlling, minority interest in Arcesium.*

Other Activities of Blackstone or the Sub-Advisers. The activities in which Blackstone, the Sub-Advisers, or their affiliates are involved in on behalf of other accounts may create conflicts of interest or limit the flexibility that the Fund may otherwise have to participate in certain investments. For example, if Blackstone or a Sub-Adviser comes into possession of material non-public information with respect to a company, then Blackstone or the relevant Sub-Adviser generally will be restricted from investing in securities issued by that company. Further, Blackstone generally will be restricted from investing in portfolio companies of its affiliated private equity business.

Allocation of Investment Opportunities. Blackstone and the Sub-Advisers (or their affiliates) manage other accounts and have other clients with investment objectives and strategies that are similar to, or overlap with, the investment objective and strategy of the fund, creating potential conflicts of interest in investment and allocation decisions. These conflicts of interest are exacerbated to the extent that the other clients are proprietary or pay higher fees or performance-based fees.

Glossary of Terms: **Gross Exposure:** Reflects the aggregate of long and short investment positions in relation to the net asset value. 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. **Long Exposure:** A long position occurs when an individual owns securities. **Short Exposure:** 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. **Beta:** A measure of the volatility, or systemic risk, of a security or a portfolio in comparison to the market as a whole. **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. More specifically, Jensen's Measure is used to calculate alpha. **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. **Basis points (BPS):** Refers to a common unit of measure for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Glossary of Indices: Market indices obtained through Bloomberg. HFR Indices obtained through HFR Asset Management. **MSCI World Index TR:** Market capitalization weighted index designed to provide a broad measure of large and mid-cap equity performance across 23 developed markets countries. **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 falling within four principal strategies: equity hedge, event driven, macro/CTA, and relative value arbitrage. Strategies are asset weighted based on the distribution of assets in the hedge fund

industry. **Barclays Global Aggregate Bond Index TR:** Flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. **Morningstar Multistrategy Category:** Represents the average performance of mutual funds categorized as “multistrategy” funds by Morningstar, Inc. These funds allocate capital (at least 30% combined) to a mix of alternative strategies that aim to minimize exposure to traditional market risks. **S&P 500 Index:** Market-capitalization-weighted index of the 500 largest U.S. publicly traded companies. The S&P is a float-weighted index, meaning company market capitalizations are adjusted by the number of shares available for public trading. **Bloomberg High Yield Index:** US Dollar-denominated index which measures the performance of high-yield debt issued by corporations domiciled in the US. **Consumer Price Index:** Measures the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care.

None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index.

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

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

Blackstone Securities Partners L.P. (“BSP”) is a broker dealer whose purpose is to distribute Blackstone managed or affiliated products. BSP provides services to its Blackstone affiliates, not to investors in its funds, strategies or other products. BSP does not make any recommendation regarding, and will not monitor, any investment. As such, when BSP presents an investment strategy or product to an investor, BSP does not collect the information necessary to determine and BSP does not engage in a determination regarding whether an investment in the strategy or product is in the best interests of, or is suitable for, the investor. You should exercise your own judgment and/or consult with a professional advisor to determine whether it is advisable for you to invest in any Blackstone strategy or product. Please note that BSP may not provide the kinds of financial services that you might expect from another financial intermediary, such as overseeing any brokerage or similar account. For financial advice relating to an investment in any Blackstone strategy or product, contact your own professional advisor.