

DECEMBER 2019

Blackstone Alternative Multi-Strategy Fund (BXMIX)

Delivering Institutional-Caliber Alternative Investment
Exposure to Individual Investors

\$8B

ASSETS
UNDER MANAGEMENT¹

14

ACTIVE
SUB-ADVISERS²

5

YEAR
TRACK RECORD

BXMIX invests in a variety of hedge fund strategies in an effort to provide diversified exposures that are less dependent on market movements

Diversification

**Volatility
Mitigation**

BXMIX seeks to mitigate market risk particularly when there are significant declines in either equity or fixed income markets

BXMIX seeks to deliver steady growth with a focus on maximizing risk-adjusted returns over a full market cycle

**Risk-Adjusted
Returns**

NOTE: All investors should consider the investment objectives, risks, charges and expenses of the Blackstone Diversified Multi-Strategy Fund (the "Fund" or "BXDMS") carefully before investing.

1. AUM is as of December 31, 2019 and is estimated and unaudited.

2. Refers to the number of Sub-Advisers that are currently managing a portion of the Fund's assets as of the date of this material. Allocations are subject to change at any time without notice.

Relationships Matter

BXMIX features BAAM's 3 largest manager relationships¹

Manager²



Strategy

Two Sigma Advisers is a process-driven, systematic investment manager that applies its technology and expertise in liquid markets to seek to consistently generate uncorrelated alpha across a wide range of market conditions.

For BXMIX, Two Sigma Advisers primarily uses systematic and mathematical models to implement equity-based strategies.



Bayview Asset Management is a mortgage-focused manager that invests in residential and commercial mortgage-backed securities, consumer asset-backed securities and related derivatives.

For BXMIX, Bayview leverages its broader firm's experience, deep team and infrastructure in sourcing, purchasing, special servicing and divesting whole loans to invest in securitized products.



D. E. Shaw Investment Management is a member of the D. E. Shaw group, a global investment and technology firm investing across systematic, discretionary and hybrid strategies.

For BXMIX, D. E. Shaw Investment Management seeks dynamic exposures to risk premia in core global assets along with the potential capture of opportunistic alpha.

Brought to You by the
World's Largest Discretionary
Allocator to Hedge Funds³

\$81B⁴
BAAM INVESTOR CAPITAL
UNDER MANAGEMENT

NOTE: Third-party logos included herein are provided for illustrative purposes only. Inclusion of such logos does not imply endorsement by such firms or businesses.

1. Blackstone Alternative Investment Advisors LLC (BAIA), the Fund's investment adviser, is part of Blackstone's Hedge Fund Solutions group (BAAM®), and an indirect wholly-owned subsidiary of The Blackstone Group Inc. Unless otherwise expressly indicated, all responses herein are limited to BAIA and do not address any other Blackstone entities or affiliates. Manager relationships are based on BAAM AUM balances as of December 31, 2019.
2. 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 sub-advisers, strategies or sub-strategies. Blackstone may also add new sub-advisers, strategies or sub-strategies. Accordingly, the exposures are presented for illustrative purposes only and should not be viewed as predictive of the ongoing composition of the Fund's portfolio, which may change at any time. The data presented above is based on information obtained or derived from the sub-advisers. BAIA does not guarantee the accuracy and completeness of such information and provides no assurance regarding the performance, management or affairs of the sub-advisers. Please refer to the Sub-Adviser Profiles at www.bxmix.com for an up-to-date list of sub-advisers including information on each sub-adviser's firm, AUM and strategy for BXMIX. AUM as of December 31, 2019.
3. Source: InvestHedge Billion Dollar Club. Data as of June 30, 2019.
4. As of December 31, 2019.

Prioritizing Differentiated Exposures

We are focused on the pursuit of alpha, which we believe requires a differentiated approach to alternative investing¹

Identifying managers with moats



These managers typically have a defensible edge that thwarts others from directly competing with them. It would be difficult for a competitor to catch up and build a comparable franchise in a short period of time. For example, a large-scale, quantitative hedge fund manager that sources, parses and consumes massive data sets might have a competitive edge.

Focusing on non-economic actors



Some market participants have political or social motivations that may not be economically rational. This dynamic allows private investors to assume potentially attractive risk that only exists because of non-economic decision-making. One example is the U.S. government mandating that Fannie Mae and Freddie Mac reduce their credit risk to stay solvent with the objective of ensuring their ability to continue issuing mortgages for the greater good of the economy.

Sourcing direct investments



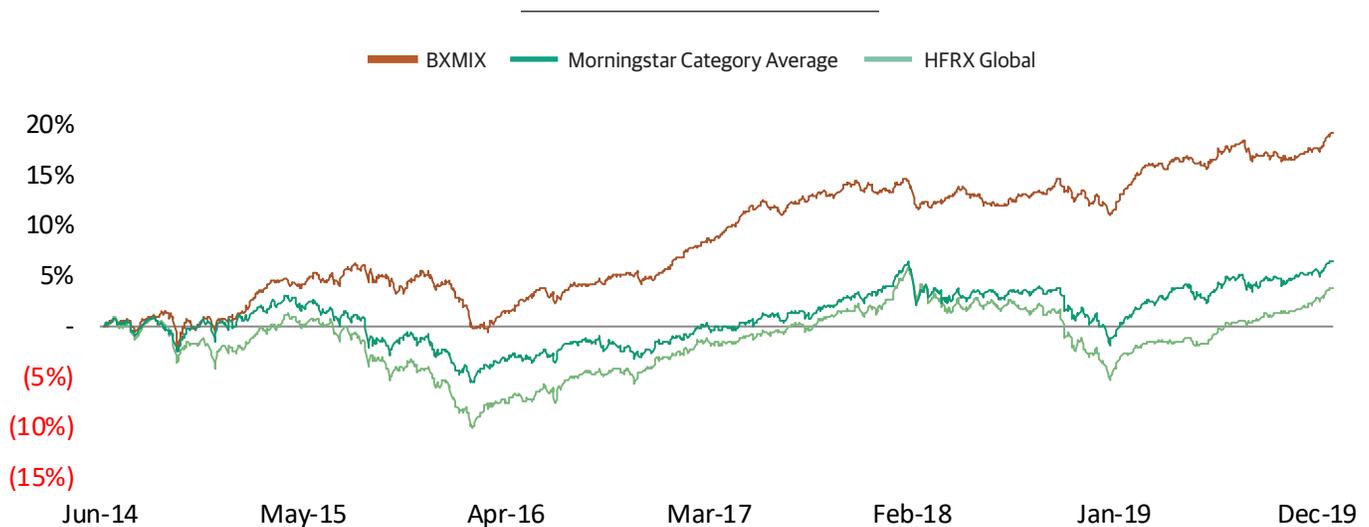
Blackstone is one of the world's largest alternative investment firms with a dynamic ecosystem fueled by ideas and deep resources, which we believe is a strong competitive advantage. We partner with hedge fund managers, banks, corporations and even governments to source, underwrite and structure investments. Our size and robust underwriting may allow us to negotiate attractive terms, and we seek to pay fees only for alpha, not beta.

1. Reflects the opinions and views of BAIA as of December 31, 2019 and is not intended to be a prediction of how any financial markets will perform in the future. Nothing contained herein should be relied upon as a promise or representation as to past or future performance of a fund or any other entity, transaction, or investment.

Proactive Positioning

We take an active approach to portfolio management in an effort to maximize risk-adjusted returns and mitigate volatility

Alternative Strategies Cumulative Net Performance^{1,2}



0.76

**BXMIX
SHARPE RATIO³**

0.05

**MORNINGSTAR CATEGORY AVERAGE
SHARPE RATIO³**

(0.07)

**HFRX GLOBAL
SHARPE RATIO³**

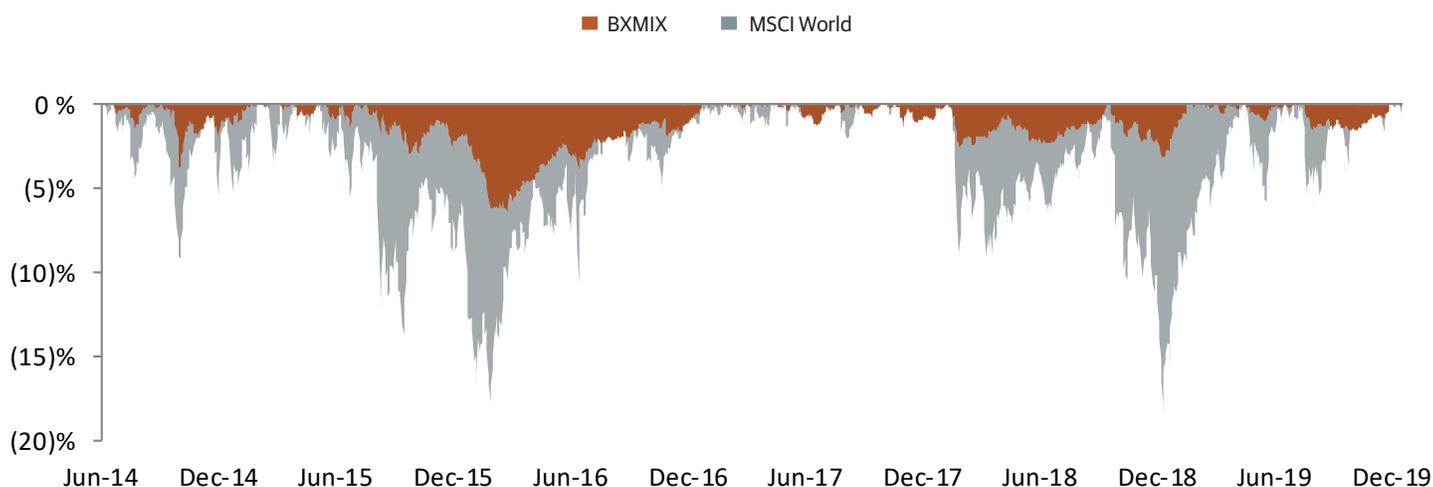
12.76% outperformance vs. Morningstar Category Average⁴

15.15% outperformance vs. HFRX Global⁴

1. The HFRX Global Hedge Fund Index and Morningstar Category Average are not benchmarks or targets for the Fund. Indices and averages are unmanaged and investors cannot invest in an index or average. Please see end of document for additional disclosures regarding indices and the average presented.
2. Performance is as of BXMIX's inception on June 16, 2014 through December 31, 2019, unless otherwise specified. Performance is net of the Expense Ratio (see Fund terms at the end of this document) 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. None of the indices presented are benchmarks or targets for the Fund. Please see end of document for additional disclosures regarding indices presented.
3. Sharpe Ratios are calculated using BXMIX, HFRX Global Hedge Fund Index and Morningstar Category Average daily returns from June 16, 2014 through December 31, 2019.
4. Represents the difference in cumulative returns between BXMIX and the Morningstar Category Average and the difference between BXMIX and the HFRX Global Hedge Fund Index, respectively, over the period from June 16, 2014 through December 31, 2019.

With its low beta to traditional asset classes and muted volatility, BXMIX seeks to avoid steep losses during turbulent markets

Global Equity Drawdowns Since Inception¹



0.16

BETA TO THE
MSCI WORLD²

(0.09)

BETA TO THE
BARCLAYS GLOBAL AGG²

BXMIX seeks to deliver diversified exposures that are less dependent on the general movement of stocks and bonds

Because of the broadly diversified and low beta nature of the portfolio, BXMIX is not expected to participate in the full upside of broader equity markets. From June 16, 2014 through December 31, 2019, there were 654 days when the MSCI World TR Index was down and 793 days when the MSCI World TR Index was up. On days that the MSCI World TR Index was up, the average daily returns for the MSCI World TR Index and BXMIX were 0.45% and 0.08%, respectively. The MSCI World TR Index is not a benchmark or target for the Fund. Please see end of document for additional disclosures regarding indices presented.

1. Performance is as of BXMIX's inception on June 16, 2014 through December 31, 2019. Performance is net of the Expense Ratio (see Fund terms at the end of this document) less waived expenses. Performance data quoted represents past performance and does not guarantee future results. All ITD statistics above are annualized and 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.
2. Beta statistics are calculated using the MSCI World TR Index and Barclays Global Aggregate Bond Index, respectively, using daily returns from June 16, 2014 through December 31, 2019. The MSCI World TR and Barclays Global Aggregate Bond indices are not benchmarks or targets for the Fund. Please see end of document for additional disclosures regarding indices.



“We strive to consistently produce great outcomes for our clients. Individual investors have demand for alternatives packaged in easily accessible, liquid solutions. At Blackstone, we have met this demand while maintaining our disciplined investment approach and, therefore, our legacy as one of the world’s leading alternative asset managers.”

JOHN P. MCCORMICK
PRESIDENT AND CEO, BAAM

For more information, please contact your advisor
or visit [BXMIX.com](https://www.bxmixon.com)

Fund Net Performance^{1, 2}

	As of December 31, 2019						Inception-to-Date Statistics			
	MTD	QTD	YTD	1 Yr	5 Yr	ITD	Std. Dev	Beta	Alpha	Sharpe
BXMIX	1.39%	2.14%	6.77%	6.77%	3.42%	3.22%	2.99%	—	—	0.76
HFRX Global	1.27%	2.62%	8.68%	8.68%	1.20%	0.73%	3.36%	0.53	2.31%	(0.07)
Morningstar Category Average	0.88%	1.61%	7.40%	7.40%	1.21%	1.14%	3.50%	0.57	2.08%	0.05
Barclays Global Agg	0.58%	0.49%	6.84%	6.84%	2.31%	1.50%	4.59%	(0.09)	2.28%	0.12
MSCI World TR	3.03%	8.68%	28.40%	28.40%	9.36%	8.41%	11.16%	0.16	1.02%	0.67

Fund Terms (Class I)³

As of Date 3/31/2019

Expense Ratio 2.93%

- The data presented is as of BXMIX's inception on June 16, 2014 through December 31, 2019, unless otherwise specified. Performance is net of the Expense Ratio (see Fund terms at the end of this document) less waived expenses. Performance data quoted represents past performance and does not guarantee future results. All ITD and 5 year 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. None of the indices presented are benchmarks or targets for the Fund. Please see end of document for additional disclosures regarding indices presented.
- Inception-to-Date statistics measure the beta and alpha of BXMIX to the respective indices.
- Through August 31, 2021 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 the management fees, other expenses and acquired fund fees and expenses as noted in the Fund's Prospectus. The Expense Ratio net of Excluded Expenses was 2.20%. "Excluded Expenses" are expenses excluded from reimbursement by the Investment Adviser which include: (i) distribution or servicing fees, (ii) acquired fund fees and expenses, (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.bxmix.com.**

Important Disclosure Information

This document (together with any attachments, appendices, and related materials, the "Materials") is provided on a confidential basis for informational due diligence purposes and is not, and may not be relied on in any manner as legal, tax, investment, accounting or other advice or as an offer to sell, or a solicitation of an offer to buy, any security or instrument in or to participate in any trading strategy with any Blackstone fund, account or other investment vehicle (each a "Fund"), nor shall it or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. If such offer is made, it will only be made by means of a prospectus (collectively with additional offering documents, the "Offering Documents"), which would contain material information (including certain risks of investing in such Fund) not contained in the Materials and which would supersede and qualify in its entirety the information set forth in the Materials. Any decision to invest in a Fund should be made after reviewing the Offering Documents of such Fund, conducting such investigations as the investor deems necessary and consulting the investor's own legal, accounting and tax advisers to make an independent determination of the suitability and consequences of an investment in such Fund. In the event that the descriptions or terms described herein are inconsistent with or contrary to the descriptions in or terms of the Offering Documents, the Offering Documents shall control. None of Blackstone, its funds, nor any of their affiliates makes any representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein and nothing contained herein should be relied upon as a promise or representation as to past or future performance of a Fund or any other entity, transaction, or investment. All information is as of the dates referenced herein (the "Reporting Date"), unless otherwise indicated and may change materially in the future.

All investors should consider the investment objectives, risks, charges and expenses of the Blackstone Alternative Multi-Strategy Fund (the "Fund") carefully before investing. The prospectus and the summary prospectus contain this and other information about the Fund. You can obtain the prospectus and the summary prospectus, from the Fund's website (www.bxmix.com). All investors are urged to carefully read the prospectus and the summary prospectus in their entirety before investing.

The MSCI World TR, Barclays Global Aggregate Bond, Morningstar Multialternative Category Average and HFRX Global Hedge Fund, indices are provided for illustrative purposes only and have not been selected to represent appropriate benchmarks for the Fund, but rather are disclosed to allow for comparison of the Fund's performance to that of well-known and widely recognized indices. The indices may include holdings that are substantially different than investments held by the Fund 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 the Fund. The indices do not reflect the deduction of fees or expenses and you cannot invest directly into an index. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

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.

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 The Blackstone Group L.P. and the relevant Sub-Adviser and redemptions from an affiliate (or terminating such entity as a service provider) would be detrimental to The Blackstone Group L.P. and the relevant Sub-Adviser. For example:
 - 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. (“BRE SSA”), an affiliate of BAIA and an indirect wholly-owned subsidiary of The Blackstone Group L.P., serves as a Sub-Advisor Sub-Adviser. BRE SSA invests primarily in liquid, commercial and residential real estate-related debt instruments.
 - GSO / Blackstone Debt Funds Management LLC (“GSO DFM”), an affiliate of BAIA and an indirect wholly-owned subsidiary of The Blackstone Group L.P., serves as a Sub-Advisor. GSO DFM 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-Advisor 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

- **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.
- **Beta:** A measure of the volatility, or systemic risk, of a security or a portfolio in comparison to the market as a whole.
- **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.
- **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.

Glossary of Indices

Market indices obtained through Bloomberg. HFR Indices obtained through HFR Asset Management.

- **Bloomberg Barclays Global Agg Bond Index:** a 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.
- **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 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.
- **MSCI World TR Index:** a market capitalization weighted index designed to provide a broad measure of large and mid-cap equity performance across 23 developed markets countries.
- **Morningstar Multialternative Category:** represents the average performance of mutual funds categorized as “multialternative” funds by Morningstar, Inc. These funds use a combination of alternative strategies such as taking long and short positions in equity and debt, trading futures, or using convertible arbitrage, among others.

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.

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.