

Blackstone Alternative Multi-Strategy Fund (BXMIX)

Blackstone

As of September 30, 2019

Investment Approach

Blackstone Alternative Multi-Strategy Fund's ("Fund") investment objective is to seek capital appreciation. The Fund seeks this objective by allocating its assets among a variety of non-traditional or "alternative" investment strategies. Blackstone allocates the Fund's assets among investment sub-advisers with experience managing alternative investment strategies and among Investment Funds and also manages a portion of the Fund's assets directly. In pursuing the Fund's investment objective, Blackstone focuses on the preservation of capital and seeks to maintain an investment portfolio with, on average, lower volatility relative to the broader equity markets.

Fund Highlights⁶

Fund assets (Mn)	\$8,042.18
Inception date	June 16, 2014
Investment advisor	Blackstone Alternative Investment Advisors, LLC
Eligible investors	US taxable & tax-exempt
Liquidity	Daily
CUSIP	09257V201

Fund Terms (Class I)⁷

As of Date	3/31/2019
Expense Ratio	2.93%

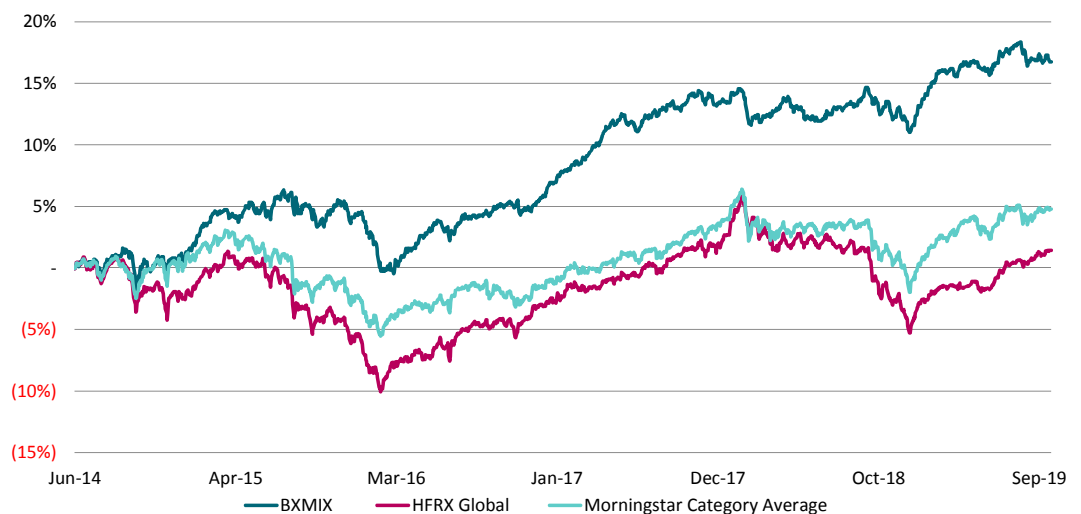
Portfolio Managers

Name	Years at Blackstone
Gideon Berger	18
Raymond Chan	< 1
Min Htoo	2
Robert Jordan	8
Ian Morris	10
Alberto Santulin	17
Stephen Sullens	19

Fund Net Performance^{1,2,3,4,5}

	As of September 30, 2019						Inception to Date Statistics			
	MTD	QTD	YTD	1 Yr	5 Yr	ITD	St. Dev.	Beta	Alpha	Sharpe
BXMIX	(0.09%)	(0.55%)	4.53%	1.80%	2.88%	2.97%	3.04%			0.67
HFRX Global	0.45%	1.61%	5.90%	0.01%	0.32%	0.27%	3.42%	0.53	2.31%	(0.20)
Morningstar Category Average	0.25%	0.54%	5.69%	0.92%	1.01%	0.89%	3.54%	0.57	1.98%	(0.01)
Barclays Global Agg	(1.02%)	0.71%	6.32%	7.60%	1.99%	1.48%	4.64%	(0.09)	2.04%	0.12
MSCI World TR	2.18%	0.66%	18.15%	2.42%	7.79%	7.13%	11.28%	0.16	0.96%	0.55

Alternative Strategies Cumulative Net Performance^{1,2}



1. Performance is presented through September 30, 2019. Net performance is net of the 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 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.bxmix.com.

2. 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.

3. Inception to Date statistics are as of BXMIX's inception on June 16, 2014 through the most recent month end.

4. Measures beta of BXMIX to the respective index.

5. Measures alpha of BXMIX to the respective index.

6. As of September 30, 2019.

7. Through August 31, 2021 Blackstone Alternative Investment Advisors LLC has agreed to waive its fees and/or reimburse expenses of the Fund so that certain of the Fund's expenses, together with the Fund's management fees, will not exceed 2.40% annualized. 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.

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

Not FDIC Insured

May Lose Value

Not Bank Guaranteed

Sub-adviser Allocations

Manager	Strategy	Sub-strategy	Classification
Active Sub-Advisers			
HealthCor	Equity Hedge	Equity Long Short	Equity
Endeavour	Equity Hedge	Equity Market Neutral	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	Credit
BRESSA ⁽¹⁾	Relative Value	Fixed Income - Asset Backed	
Good Hill	Relative Value	Fixed Income - Asset Backed	
GSO DFM ⁽¹⁾	Relative Value	Fixed Income - Asset Backed	
Sorin	Relative Value	Fixed Income - Asset Backed	
Caspian	Event Driven	Distressed/Restructuring	Multi-Asset
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Sage Rock	Event Driven	Multi-Strategy	
Magnetar ⁽¹⁾	Event Driven	Risk Arbitrage	
Emso	Macro	Discretionary Thematic	
NWI	Macro	Discretionary Thematic	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct ⁽²⁾	Multi-Strategy	N/A	
Inactive Sub-Advisers⁽³⁾			
Cerberus	Relative Value	Fixed Income - Asset Backed	Inactive
Waterfall	Relative Value	Fixed Income - Asset Backed	
Nephila	Event Driven	Reinsurance	
H2O	Macro	Discretionary Thematic	
GSA	Macro	Systematic Diversified	
IPM	Macro	Systematic Diversified	

1. Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliate benefits The Blackstone Group Inc and any redemption or reduction of such allocation would be detrimental to The Blackstone Group Inc, creating potential conflicts of interest in allocation decisions. For a discussion of this and other conflicts, please see the Additional Disclosure section at the end of this document.
2. BAIA manages a portion of the Fund's assets directly. Such investments include allocations to funds managed by Glenview Capital Management LLC, EJP Capital LLC, Aeolus Capital Management Ltd. and opportunistic trades. BAIA allocations are subject to change and BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.
3. Inactive managers are not currently managing any Fund assets. Allocations may change at any time without notice.

Monthly Net Performance^{4,5}

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD				
													BXMIX	HFRX Gbl	Morningstar Cat. Avg.	Barclays Gbl	MSCI World
2014	-	-	-	-	-	0.50%	(0.40%)	0.90%	0.30%	(0.59%)	0.30%	(0.19%)	0.80%	(1.40%)	0.28%	(3.45%)	0.86%
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%	(3.64%)	(2.70%)	(3.15%)	(0.32%)
2016	(2.17%)	(2.22%)	1.45%	1.32%	0.90%	(0.50%)	1.10%	0.00%	0.89%	0.00%	(0.20%)	0.85%	1.35%	2.50%	0.80%	2.09%	8.15%
2017	1.67%	0.77%	0.96%	1.52%	1.12%	(1.01%)	0.93%	0.92%	(0.09%)	0.92%	(0.64%)	(0.05%)	7.20%	5.99%	5.68%	7.39%	23.07%
2018	0.28%	(1.30%)	0.38%	0.94%	(1.49%)	(0.09%)	0.94%	0.28%	1.21%	(1.57%)	0.09%	(1.15%)	(1.52%)	(6.72%)	(4.61%)	(1.20%)	(8.20%)
2019	2.70%	1.13%	(0.09%)	0.84%	(1.01%)	1.49%	0.83%	(1.27%)	(0.09%)	-	-	-	4.53%	5.90%	5.69%	6.32%	18.15%

4. 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.

5. Performance is presented through September 30, 2019. Net performance is net of the Expense Ratio less waived expenses. Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. Additional information and performance data current to the most recent month-end is available at www.bxmix.com. BXMIX launched on June 16, 2014 and thus performance for June 2014 is limited to June 16 through June 30.

All investors should consider the investment objectives, risks, charges and expenses of BXMIX, Class I carefully before investing. The prospectus and the summary prospectus contain this and other information about BXMIX and are available on BXMIX's website at www.bxmix.com. All investors are urged to carefully read the prospectus and the summary prospectus in its entirety before investing.

Important Risks

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.

The following information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice. If you are an individual retirement investor, contact your financial advisor or other fiduciary unrelated to BAIA about whether any given investment idea, strategy, product or service described herein may be appropriate for your circumstances.

Blackstone Alternative Multi-Strategy Fund (BXMIX)

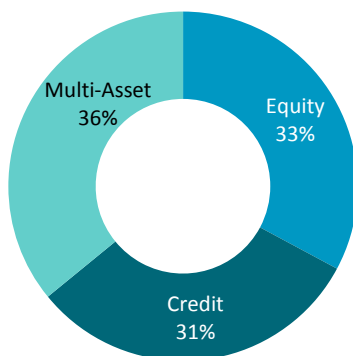
Blackstone

As of September 30, 2019

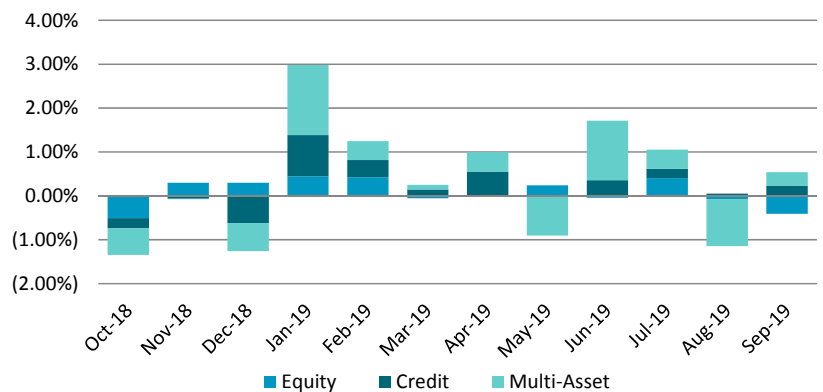
Performance Summary^{1,2}

Sub-Strategy Performance	Allocation at 9/30/2019	MTD		QTD		YTD		Trailing 12 Months	
		Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution
Equity	32.83%	(1.02%)	(0.41%)	(0.13%)	(0.08%)	2.59%	0.92%	2.93%	0.98%
Credit	31.26%	0.63%	0.23%	1.38%	0.49%	9.03%	2.95%	5.64%	1.96%
Multi-Asset	35.91%	0.74%	0.31%	(0.57%)	(0.34%)	5.26%	2.71%	2.71%	1.40%
Cash, Expenses & Other			(0.23%)		(0.63%)		(2.05%)		(2.53%)
Net Return			(0.09%)		(0.55%)		4.53%		1.80%

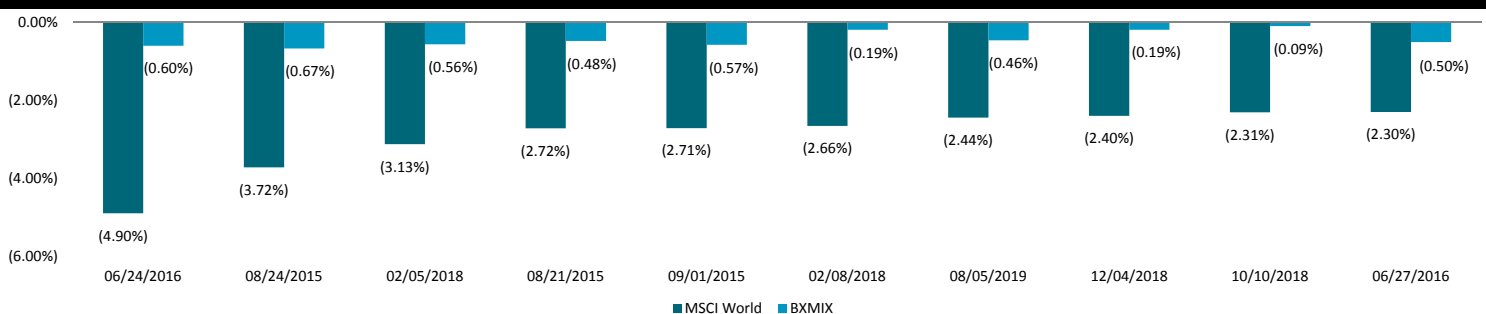
Portfolio Allocations¹



Trailing 12 Month Sub-Strategy Attribution^{1,2}



BXMIX Performance on Worst 10 Trading Days for MSCI World Since Inception³



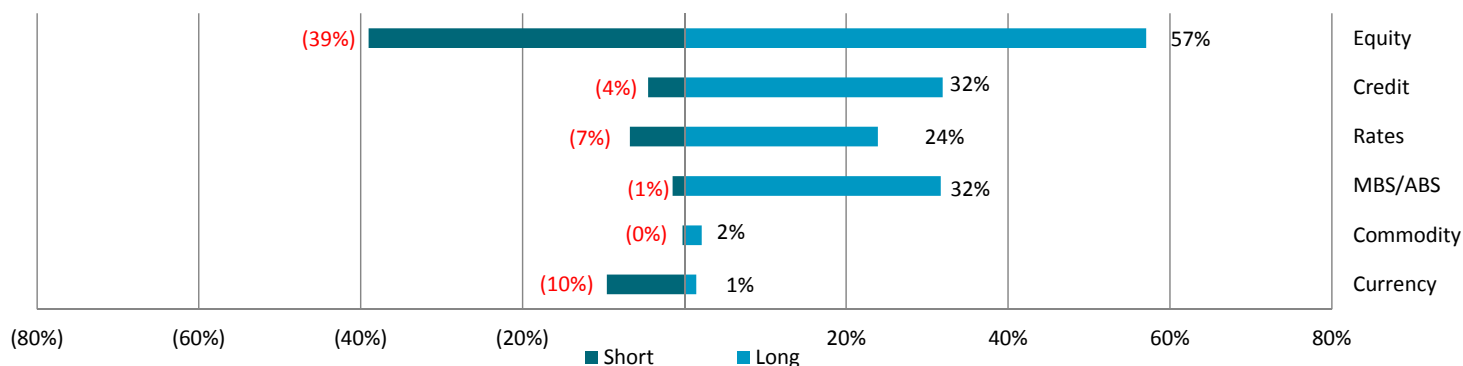
Because of the broadly diversified and low beta nature of the portfolio, BXMIX is not expected to participate in the full upside of broader equity markets. From June 16, 2014 to September 30, 2019, on the ten best MSCI World TR trading days, the average daily returns for the MSCI World TR and BXMIX were 2.28% and 0.41% respectively. The MSCI World TR is not a benchmark or target for the Fund. Please see important Disclosure Information at the end of this presentation.

Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Strategy attribution is presented on a gross basis as Blackstone fees are applied at the Fund level and not at the strategy level. ITD net return is cumulative not annualized. Information about BXMIX, including current month-end performance, is available on BXMIX's website at www.bxmix.com or by calling 855-890-7725. Data is from June 16, 2014 to September 30, 2019.

- Portfolio allocations include exposure to certain BAIA-Direct investments. Equity allocation includes Equity Long/Short and Equity Market Neutral sub-strategies, funds managed by Glenview Capital Management LLC, and equity hedges. Credit allocation includes Fixed Income – Asset Backed, Fixed Income – Corporate, and Distressed/Restructuring sub-strategies, funds managed by EJP Capital LLC, and opportunistic credit trades. Multi-Asset is comprised of Discretionary Thematic, Systematic Diversified, Risk Arbitrage, and Multi-Strategy sub-strategies, and funds managed by Aeolus Capital Management Ltd. Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.
- Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
- Indices are provided for illustrative purposes only. They 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. Indices are unmanaged and investors cannot invest in indices. Please see important Disclosure Information at the end of this presentation.

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

Asset Class Exposure¹



Geographic Exposure¹

Region	Long	Short	Net
US/Canada	108.78%	(41.95%)	66.84%
Core Europe	18.20%	(12.73%)	5.47%
Peripheral Europe	4.00%	(0.96%)	3.04%
Lat. Am./Caribbean	8.79%	(0.56%)	8.24%
Middle East/Africa	4.82%	(0.83%)	3.99%
Japan	0.81%	(2.82%)	(2.01%)
Asia general	1.83%	(0.90%)	0.93%
China/HK/Taiwan	0.91%	(0.79%)	0.12%
Total	148.15%	(61.55%)	86.61%

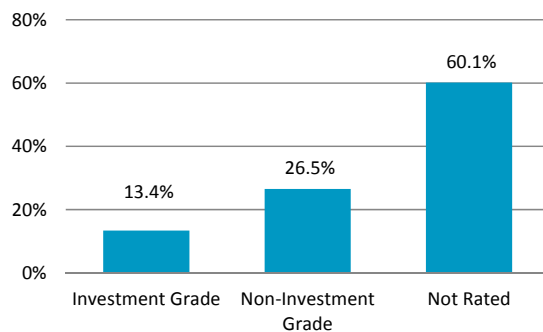
Currency Exposure^{1,2}

Region	Long	Short	Net
Asia general	0.19%	(0.67%)	(0.49%)
China/HK/Taiwan	0.00%	(0.02%)	(0.02%)
Core Europe	0.99%	(5.17%)	(4.18%)
Japan	0.00%	(2.71%)	(2.71%)
Latin America	0.20%	-	0.20%
Middle East/Africa	0.03%	(0.27%)	(0.24%)
Peripheral Europe	0.00%	(0.74%)	(0.74%)
US/Canada	0.05%	(0.00%)	0.05%
Total	1.47%	(9.59%)	(8.12%)

Equity Exposure – Sector Breakdown¹

Equity Sector	Long	Short	Net
Energy	1.55%	(1.40%)	0.15%
Materials	0.65%	(1.18%)	(0.53%)
Industrials	3.90%	(1.47%)	2.43%
Consumer Discretionary	5.00%	(3.69%)	1.31%
Consumer Staples	1.05%	(0.96%)	0.09%
Health Care	13.61%	(6.02%)	7.59%
Financials	5.78%	(6.39%)	(0.60%)
Real Estate	0.72%	(1.45%)	(0.73%)
Information Technology	7.49%	(3.06%)	4.43%
Communication Services	1.98%	(2.26%)	(0.27%)
Utilities	0.72%	(0.41%)	0.32%
Index**	11.76%	(10.73%)	1.03%
Unclassified***	2.87%	(0.00%)	2.86%
Total	57.09%	(39.02%)	18.06%

Fixed Income Ratings^{1,3}



1. In the case of non-interest rate instruments, exposure data represents the delta adjusted market value. In the case of interest rate products, exposure data is represented by the 10-year equivalent instrument Positions of unknown type (if any) are excluded from exposure data. Data is obtained from the Fund's administrator. Blackstone does not guarantee the accuracy of such data. Please see important Disclosure Regarding Exposure at the end of this presentation.
2. Exposure figures reflect the aggregate value of the Fund's currency-related derivative instruments. The market value of these instruments will change based on fluctuations in currency exchange rates. Typically, the Fund has other holdings that are also sensitive to currency exchange rates (e.g., physical currency and/or equity and fixed investments that are denominated in a currency). As the value of these other holdings are not reflected in the above exposure figures, the table does not reflect the Fund's total currency exposure.
3. Data provided using the higher Standard & Poor's ("S&P's") and/or Moody's Investor Service ("Moody's") ratings. Investment grade is a rating of a bond that has a relatively low risk of default. Investment grade are bonds rated above BBB- for S&P and Baa3 for Moody's. Non-investment grade is below Investment grade to D.

**Comprised of index futures, options on index futures, ETFs, and ETF options

***Do not have a GICS sector assigned

Blackstone Alternative Multi-Strategy Fund (BXMIX)

Blackstone

As of September 30, 2019

Fund Net Performance^{1,2}

	As of September 30, 2019						Inception to Date Statistics			
	MTD	QTD	YTD	1 Yr	5 Yr	ITD	St. Dev.	Beta	Alpha	Sharpe
BXMIX	(0.09%)	(0.55%)	4.53%	1.80%	2.88%	2.97%	3.04%			0.67
HFRX Global HF Index	0.45%	1.61%	5.90%	0.01%	0.32%	0.27%	3.42%	0.53	2.31%	(0.20)
Barclays Global Agg Index	(1.02%)	0.71%	6.32%	7.60%	1.99%	1.48%	4.64%	(0.09)	2.04%	0.12
MSCI World Index	2.18%	0.66%	18.15%	2.42%	7.79%	7.13%	11.28%	0.16	0.96%	0.55
Morningstar Category Average	0.25%	0.54%	5.69%	0.92%	1.01%	0.89%	3.54%	0.57	1.98%	(0.01)

Q3 2019 Market Commentary

As we enter the eleventh year of recovery after the Global Financial Crisis, risk-adjusted returns on equities have begun to deteriorate. Over the last twelve months ending September 30, 2019, the S&P 500 produced a total return of 4.25%—comprised of 2.15% of price appreciation and 2.10% of dividend yield. The ride has been bumpy with multiple inter-month sell-offs and peak-to-trough declines of -19.4% in December 2018, -6.5% in May 2019, and -6.1% in August 2019, all triggered by increasing economic uncertainty. To make matters worse, the IPO market is underwhelming, the yield curve has inverted, overnight funding markets are stressed, and equity sector rotation has been aggressive. These symptoms both indicate and exacerbate broader risk aversion.

The change in market outlook over the last year has been dramatic. A year ago, the economy was growing at over 3% per year, the market priced in three rate hikes from the Federal Reserve (the “Fed”) through 2020, and the Institute for Supply Management Manufacturing Purchasing Manager’s Index (“ISM Manufacturing PMI”) hit a cycle high of 60%. One year later, the ISM Manufacturing PMI has hit a cycle low of 47%, the Fed has cut rates twice instead of raising twice, and the market is anticipating an additional three cuts through 2020. On the one hand, the 150 basis point re-pricing in central bank behavior has been a reprieve for investors: the S&P 500 hit an all-time high in late July and fixed income investments—including both government and high yield bonds—have appreciated in line with their interest rate sensitivity. On the other hand, a substantial portion of the value of the ‘Fed Put’ (the idea that the Fed can always rescue the economy by lowering interest rates) is now reflected in market prices. With 10-year yields at 150 basis points, investors are right to question both the economic impact of traditional monetary policy as well as the portfolio impact of traditional diversifiers (i.e. bonds) in a future economic downturn.

Should investors be worried? The U.S. economy is still growing strong, unemployment is reaching cycle lows, and real wages are rising. Further, the typical major imbalances that precede a recession (e.g. overinvestment and build-up in private credit) seem manageable. However, the future has become markedly more uncertain. In fact, a combination of fiscal policies has had a significant hand in derailing the globally synchronized growth we experienced in 2017. What happened? In 2018, a retrenchment of Chinese economic policy—designed to favor higher quality growth over the absolute magnitude of growth—combined with the White House’s initiation of the trade war and Brexit negotiations contributed to a slowdown in global and, in particular, European manufacturing. For example, when auto sales in China

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² Inception to Date statistics are as of BXMIX’s inception on June 16, 2014 through Sept. 30, 2019. Measures of beta or alpha of BXMIX are to the respective index.

fall, the German auto supply chain suffers. In 2019, ongoing escalation of the trade war, Brexit worries, and market volatility continue to make it difficult for corporations around the world to plan investments with confidence. Good managers demand higher returns to make an investment under a cloud of uncertainty, and many just delay investment altogether. Less investment slows down the economy as well as the ability of the economy to grow. This leads to lower demand for suppliers' products, which cascades to the suppliers' suppliers. Uncertainty in demand constrains the ability of companies to raise prices, and when combined with simultaneously rising real wages, lowers profits. In fact, we're now seeing pressure on corporate earnings and the outlook for manufacturing. Less confidence in manufacturing ultimately leads to lower job growth and an undercutting of current employment strength. Thus market commentators are focused on the next domino to potentially fall: employment. In an environment where the potential growth of an economy is close to 'stall-speed,' even modest economic shocks can be enough to tip the balance of the economy into more uncertain territory. This uncertainty is what the market is digesting, and investors are right to be worried. After all, markets tend to lead economic cycles.

Yet this economic recovery could also reach its twelfth year before we suffer a recession. Though equity, bond, and commodity markets all currently price a recession in the winter of 2020, this is not a foregone conclusion. A positive economic surprise could contribute to a significant equity rebound and a subsequent 'fear of missing out' rally. Such positive data could, for example, come from economic stimulus or de-escalation of the trade war in a U.S. election year. While the past ten years have seen abnormally high risk-adjusted equity returns, the next several years may bring greater uncertainty. Now is the time for investors to check whether portfolios are appropriately diversified—not for the market of the past ten years, but for the market we may see in the next five.

How do we invest the Fund in this environment? BXMIX aims to provide capital appreciation with low volatility and low downside sensitivity to traditional asset classes. We do this by focusing on pursuing alpha—idiosyncratic returns that are less correlated to the broader market—and we believe that greater market uncertainty may provide a greater opportunity to generate alpha. In our top down investment process, our actions this quarter reflect the economic realities discussed above. 1) We continue to lower our correlation to the economic cycle, underweighting risk from investments that have seen outsized gains as a result of monetary policy and a strong U.S. economy. Specifically, in an environment where corporate earnings are eroded by real wage growth but where earners of those real wages have contributed to appreciation in housing prices, we underweight risk in corporates (e.g. equities, corporate credit) in favor of risk in mortgage and structured credit strategies. 2) We note that systematic trading strategies can exhibit tail behavior that is exacerbated by crowding. Increasing inflows into such strategies over the last several years are coincident with a decline in their performance. With the macroeconomic environment becoming less certain, we felt it was prudent to reduce some of our quantitative tail exposure as the market dynamics that many of these strategies monetize can change substantially when market regimes change. We feel that reducing our exposure in the current environment is good stewardship of risk, but we maintain future optionality to re-engage with some of these sub-advisers by retaining them on our roster (on the "inactive" list). In our bottom-up process, we continue to be active in sourcing less-correlated exposures from sub-advisers who have structural advantages in specific markets and from those who can monetize non-economic activity from market participants. We also continue to source ideas from our own proprietary flow of direct investments. Overall, we are focused on building greater flexibility to play offense if the cycle does, in fact, turn.³

Review of Q3 2019 Fund Performance

The investment objective of the Blackstone Alternative Multi-Strategy Fund (the "Fund" or "BXMIX") 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

³ BXMIX is an actively managed portfolio and investment allocations are subject to ongoing revision. The Fund may shift allocations among sub-advisers, strategies and sub-strategies at any time. Accordingly, the current exposures 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. There can be no assurance that the Fund will achieve its investment objectives or avoid significant losses.

(via BAIA⁴). In Q3, the Fund's Class I share class returned -0.55%¹ net of fees and expenses versus 1.61% for the HFRX Global Hedge Fund Index, 0.71% for the Barclays Global Aggregate Bond Index and 0.66% for the MSCI World index⁵.

Equity Strategies⁶

Equity strategies have contributed 0.92% to the Fund year-to-date but detracted -0.08% at the Fund level for the quarter. September was a particularly challenging month, with equity strategies combining to deliver -0.41% at the Fund level. While none of our sub-advisers directly transact in basic equity style factors, the market impact of the aggressive five-to-seven standard deviation move in equity momentum and value factors detracted from performance for the month.

In other equity strategies, Health Care names have underperformed as the democratic presidential field narrows and the probability that Elizabeth Warren becomes the democratic nominee increases. Despite gyrations in the yield curve, our financials exposure delivered positive returns on the quarter, with contributions from a selective long to a REIT, and from allocations to alternative asset managers.

Credit Strategies⁶

Credit strategies have contributed 2.95% to the Fund year-to-date and added 0.49% at the Fund level for the quarter. All sub-strategies contributed positively on the quarter, with notable returns from our sovereign lending program and notable gains from our asset backed credit allocations. As discussed in our market commentary, we continue to emphasize mortgage and structured credit exposure over corporate credit exposure. Sub-advisers took selective profits over the quarter as the search for yield has compressed credit spreads and have been generally moving up in quality. Multiple sub-advisers noted that significant and 'relentless' selling from one major asset manager moved markets and that they were able to navigate resulting turbulence effectively.

Multi-Asset Strategies⁶

Multi-asset strategies have contributed 2.71% to the Fund year-to-date but detracted -0.34% at the Fund level for the quarter. Five of eight multi-asset strategies contributed to performance this quarter, with notable gains from one quantitative multi-asset sub-adviser and an Emerging Markets ("EM") focused discretionary thematic sub-adviser. Losses this quarter were concentrated in a systematic trading sub-adviser that has since been moved to "inactive" in the Fund, and in a separate EM-focused discretionary thematic sub-adviser that suffered greater than expected mark-to-market losses after a surprise result in Argentinian presidential primaries and that administration's subsequent mismanagement of market reactions. Since the initial drawdown, positions have recovered slightly and the sub-adviser maintains conviction in the position which they believe will recover during the October election. We should note that the idiosyncratic mark-to-market loss from Argentina in August was coincident with the broader drawdown in U.S. equity markets, contributing to the Fund's apparent downside market capture, and hence overstating the broader Fund's market sensitivity.

Portfolio Manager Addition

We also want to make you aware of a change in our Portfolio Manager line-up – effective as of September 11, 2019, Raymond ("Ray") Chan has joined the Fund as a Portfolio Manager. Ray demonstrates high-quality, experienced investment talent that will bring a fresh perspective and be additive to our investment process. He will serve alongside the Fund's six other existing Portfolio Managers. For more information on Ray's experience, please refer to the "Portfolio Managers" section on www.bxmix.com.

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.

⁴ BAIA manages a portion of the Fund's assets directly. Such investments include allocations to funds managed by Glenview Capital Management LLC, EJP Capital LLC, Aeolus Capital Management Ltd., and opportunistic trades. BAIA allocations are subject to change and BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.

⁵ **Indices are provided for illustrative purposes only. They have not been selected to represent benchmarks or targets 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. Please see end of document for additional disclosures regarding indices presented.**

⁶ Past performance may not be a reliable guide to future performance. The value of BXMIX 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. Sub-strategy contribution is shown gross of all fees and expenses. Performance is estimated and unaudited.

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.

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.bxmix.com or by calling 855-890-7725.

The S&P 500, MSCI World, Barclays Global Aggregate Bond and HFRX Global Hedge Fund indices are provided for illustrative purposes only and have not been selected to represent 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. 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.

The following information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice. If you are an individual retirement investor, contact your financial advisor or other fiduciary unrelated to BAIA about whether any given investment idea, strategy, product or service described herein may be appropriate for your circumstances.

Additional Disclosure Information

Glossary of Terms and Hedge Fund Strategies

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:** 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. **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. **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.

Equity Hedge Strategies: Employ both long and short positions in primarily equity securities and equity security derivatives. **Event-Driven Strategies:** Focus on event-linked, reinsurance-related, and other types of securities and instruments that are currently or may be prospectively affected by transactions or events, including mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance, other capital structure adjustments, shareholder activism, or triggering events relating to weather, natural disasters and other catastrophes. **Macro Strategies:** Seek to profit from movements in underlying macroeconomic variables and the impact those variables have on equity, fixed income, currency, and/or commodity markets. **Relative Value Strategies:** Focus on potential valuation discrepancies in related financial instruments. **Multi-Strategy Strategies:** Employ a wide variety of strategies, including some or all of those described above.

Glossary of Indices

Market indices obtained through Bloomberg. HFR Indices obtained through HFR Asset Management. Indices are unmanaged and investors generally cannot invest in an index. **S&P 500 Total Return Index:** market capitalization-weighted index that includes 500 stocks representing all major industries. The index is a proxy of the performance of the broad U.S. economy through changes in aggregate market value. **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.

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 Inc. 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 Inc 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. ("BRESEA"), an affiliate of BAIA and an indirect wholly-owned subsidiary of The Blackstone Group Inc., serves as a Sub-Advisor Sub-Adviser. BRESEA 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 Inc., 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-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.