

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of October 31, 2017

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 highlights

Fund assets⁶	\$5,078 million
Inception date	June 16, 2014
Investment advisor	Blackstone Alternative Investment Advisors, LLC
Eligible investors	US taxable & tax-exempt
Liquidity	Daily
CUSIP	09257V201

Fund terms (Share Class I)⁷

Management Fee	1.88%
Div. & Interest Expense on Sec. Sold Short	0.63%
Other Expenses	0.64%
Gross Expense Ratio	3.15%

Portfolio managers

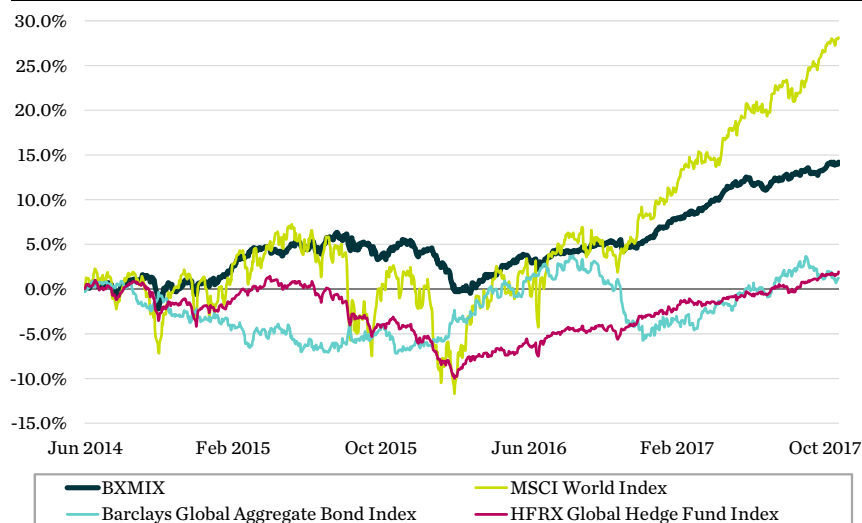
Name	Years at Blackstone
Gideon Berger	15 Years
Min Htoo	<1 Year
Robert Jordan	6 Years
David Mehenny	7 Years
Ian Morris	7 Years
Alberto Santulin	14 Years
Stephen Sullens	16 Years

Fund net performance^{1,2,3}

	09/30/2017			As of 10/31/2017				ITD Statistics			
	YTD	1 Yr	ITD	Oct-17	YTD	1 Yr	ITD	St.Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	6.95%	7.65%	3.82%	0.92%	7.93%	8.64%	4.00%	3.26%	-	-	1.14
HFRX Global	4.43%	5.64%	0.35%	0.69%	5.15%	6.98%	0.55%	3.49%	0.59	5.01%	0.07
Barclays Gbl Agg	6.25%	-1.26%	0.55%	-0.38%	5.85%	1.18%	0.42%	5.13%	-0.11	5.33%	0.02
MSCI World	16.53%	18.83%	7.20%	1.92%	18.76%	23.46%	7.61%	10.88%	0.18	3.31%	0.67

1. Performance is presented through October 31, 2017. Net performance is net of the Gross Expense Ratio less waived expenses. Performance data quoted represents past performance and does not guarantee future results. All ITD statistics above are calculated using daily performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. Additional information and performance data current to the most recent month-end is available at www.bxmix.com.

Cumulative net performance^{1,2}



2. Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.

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

4. Measures beta of BXMIX to the respective index.

5. Measures alpha of BXMIX to the respective index.

6. As of October 31, 2017.

7. Gross expense ratio represents the expense ratio applicable to investors. Other Expenses includes remainder of other expenses, acquired fund fees & expenses, and fees waived and/or expenses reimbursed/recouped. Through August 31, 2019 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. Please find the Fund's Prospectus at www.bxmix.com.

Sub-adviser allocations

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
GSIS	Equity Hedge	Equity Long Short	26%
HealthCor	Equity Hedge	Equity Long Short	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	18%
Cerberus ¹	Relative Value	Fixed Income - Asset Backed	
Good Hill	Relative Value	Fixed Income - Asset Backed	
Sorin	Relative Value	Fixed Income - Asset Backed	
Waterfall	Relative Value	Fixed Income - Asset Backed	
Chatham	Relative Value	Fixed Income - Corporate	
Caspian	Event Driven	Distressed/Restructuring	11%
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Magnetar	Event Driven	Risk Arbitrage	
Nephila ¹	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	44%
H2O	Macro	Discretionary Thematic	
GSA	Macro	Systematic Diversified	
IPM	Macro	Systematic Diversified	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct ²	Multi-Strategy	N/A	

Manager name may be a short form name of the legal name of each sub-adviser. The list of sub-advisers and target allocations above is subject to change.

Please check the prospectus for the most up-to-date list of sub-advisers. Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%. Sub-adviser allocations do not represent investment exposure. For details of investment exposure, including leverage, please see the Monthly Exposure Report and Commentary, which is available at blackstone.com/bamsf.

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

2. BAIA manages a portion of the Fund's assets directly. Such investments presently include allocations to BAIA's systematic risk premia trading strategy, a short-only fundamental equity strategy (advised by Gracian Capital on a non-discretionary basis), and funds managed by Glenview Capital Management LLC, and may include other opportunistic trades in the future. BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.

Monthly net performance¹

	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	-	-	-	-	-	0.50%	-0.40%	0.90%	0.30%	-0.59%	0.30%	-0.19%	0.80%
2015	0.70%	1.88%	0.97%	-0.39%	1.26%	-1.15%	1.93%	-1.04%	-0.67%	0.29%	0.48%	-0.71%	3.55%
2016	-2.17%	-2.22%	1.45%	1.32%	0.90%	-0.50%	1.10%	0.00%	0.89%	0.00%	-0.20%	0.85%	1.35%
2017	1.67%	0.77%	0.96%	1.52%	1.12%	-1.01%	0.93%	0.92%	-0.09%	0.92%			7.93%

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

Beta: A measure of the volatility, or systemic risk, of a security or a portfolio in comparison to the market as a whole. **Volatility/Standard Deviation:** A measure of the dispersion of a set of data from its mean. The more spread apart the data, the higher the deviation. Standard deviation is calculated as the square root of variance. **Sharpe Ratio:** A ratio to measure risk-adjusted performance. The Sharpe ratio is calculated by subtracting the risk-free rate – such as that of the 10-year U.S. Treasury bond – from the rate of return for a portfolio and dividing the result by the standard deviation of the portfolio returns. The greater a portfolio's Sharpe ratio, the better its risk-adjusted performance has been. **Alpha:** A risk-adjusted performance measure that represents the average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return.

Important Risks

An investment in BXMIX, Class I should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other investments. BXMIX's investments involve special risks including, but not limited to, loss of all or a significant portion of the investment due to leveraging, short-selling, or other speculative practices, lack of liquidity and volatility of returns. The following is a summary description of certain additional principal risks of investing in BXMIX: **Allocation Risk** – Blackstone's judgment about the attractiveness, value or market trends affecting a particular asset class, investment style, sub-adviser or security may be incorrect and this may have a negative impact upon performance. **Derivatives Risk** – the use of derivatives involves the risk that their value may not move as expected relative to the value of the relevant underlying assets, rates, or indices.

Derivatives can be subject to counterparty credit risk and may entail investment exposure greater than their notional amount. **Distressed Securities Risk** – investments in securities of business enterprises involved in workouts, liquidations, reorganizations, bankruptcies and similar situations involve a high degree of risk of loss since there is typically substantial uncertainty concerning the outcome of such situations. **Event-Driven Trading Risk** – involves the risk that the specific event identified may not occur as anticipated and that this may have a negative impact upon the market price of the securities involved. **Foreign Investments/ Emerging Markets Risk** – involves special risks caused by foreign political, social and economic factors, including exposure to currency fluctuations, less liquidity, less developed and less efficient trading markets, political instability and less developed legal and auditing standards. **High Portfolio Turnover Risk** – active trading of securities can increase transaction costs (thus lowering performance) and taxable distributions. **Model and Technology Risk** – involves the risk that model-based strategies, data gathering systems, order execution and trade allocation systems and risk management systems may not be successful on an ongoing basis or could contain errors, omissions, imperfections or malfunctions. **Multi-Manager Risk** – managers may make investment decisions which conflict with each other and as a result, the Fund could incur transaction costs without accomplishing any net investment result. **Leverage Risk** – borrowing money or engaging in transactions that create investment leverage can produce volatility and may exaggerate changes in the net asset value of Fund shares.

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

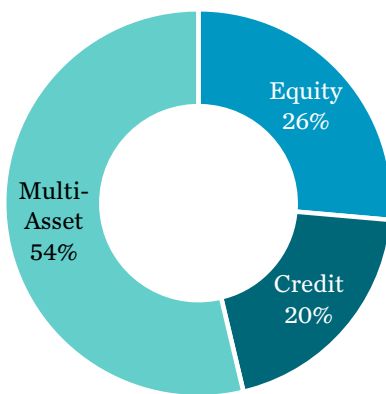
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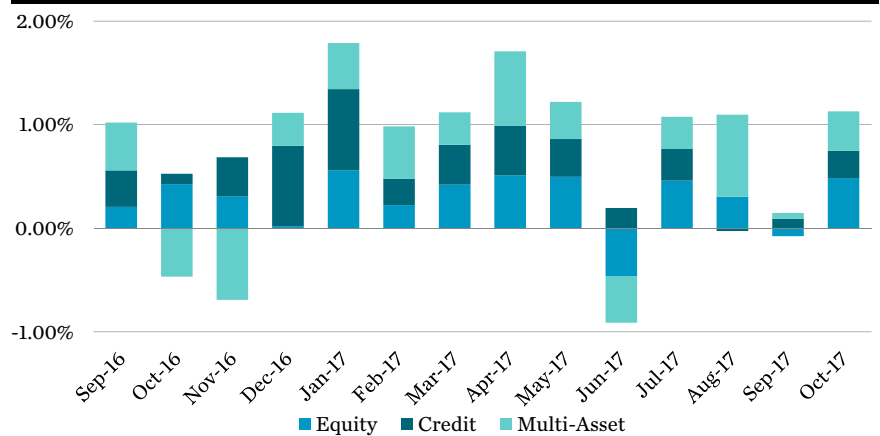
Performance summary^{1,2,3}

Sub-Strategy Performance	Allocation at 10/31/2017	MTD		QTD		YTD		Trailing 12 Months		ITD Cumulative Performance	
		Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution
Equity	26.39%	1.62%	0.48%	1.62%	0.48%	9.92%	3.03%	11.05%	3.36%	26.73%	9.29%
Credit	19.88%	1.15%	0.26%	1.15%	0.26%	10.32%	3.20%	14.09%	4.37%	21.90%	6.89%
Multi-Asset	53.73%	0.64%	0.38%	0.64%	0.38%	6.53%	3.55%	5.73%	3.21%	14.61%	5.95%
Cash & Other			(0.21%)		(0.21%)		(1.84%)		(2.31%)		(7.94%)
Net Return			0.92%		0.92%		7.93%		8.64%		14.18%

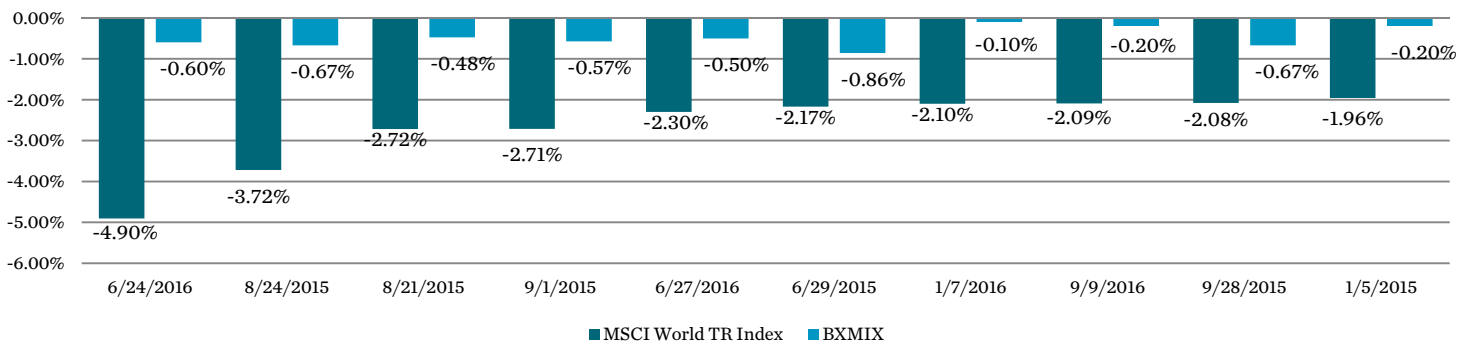
Sub-strategy summary³



Trailing 12 month sub-strategy attribution^{1,3}



BXMIX performance on worst 10 trading days for MSCI World since inception⁴



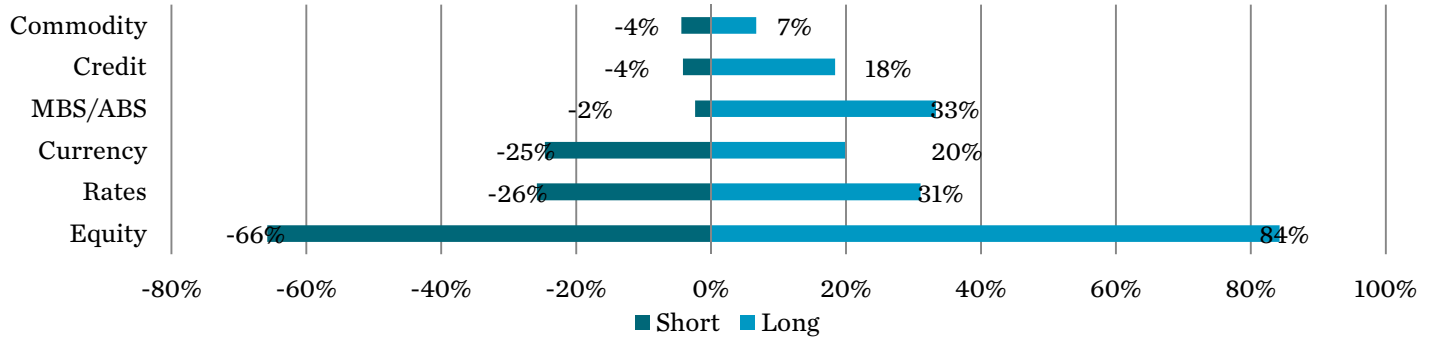
Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance 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.bxmixon.com or by calling 855-890-7725. Index performance is shown for illustrative purposes only. You cannot invest directly in an index. Data is from June 16, 2014 to September 30, 2017.

- Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
- Equity is comprised of Equity Long/Short, Equity Market Neutral; Credit is comprised of Fixed Income - Asset Backed, Fixed Income - Corporate, Distressed/Restructuring; Multi-Asset is comprised of Discretionary Thematic, Systematic Diversified, Risk Arbitrage, Multi-Strategy
- Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.
- The indices presented are indicative and for illustrative purposes only. The volatility of the index presented may be materially different from that of the performance of the Fund. In addition, the index employs different investment guidelines and criteria than the Fund; as a result, the holdings in the Fund may differ significantly from the securities that comprise the index. The performance of the index has not been selected to represent an appropriate benchmark to compare to the performance of the Fund, but rather is disclosed to allow for comparison of the Fund's performance to that of well-known and widely recognized index. A summary of the investment guidelines for the index presented is available upon request. Performance of the index reflects the reinvestment of dividends. Please see glossary of terms at the end of this presentation for index definitions. The average daily return for BXMIX for the 10 best MSCI World TR days is 0.36%, while the average return of MSCI World TR for the 10 best MSCI World TR days was 2.07%.

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.

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

Asset class exposure¹



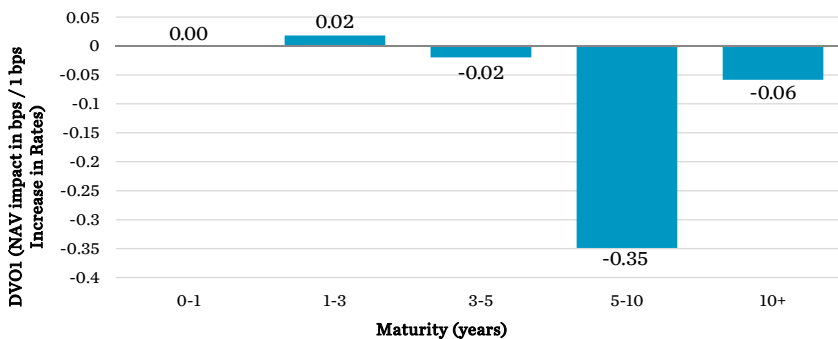
Geographic exposure¹

	Long	Short	Net
US/Canada	108.85%	68.10%	40.75%
Core Europe	47.97%	31.77%	16.21%
Peripheral Europe	4.29%	0.56%	3.72%
Lat. Am./Caribbean	6.96%	1.37%	5.59%
Middle East/Africa	0.90%	1.17%	-0.28%
Japan	8.87%	12.78%	-3.91%
Asia general	10.37%	5.76%	4.61%
China/HK/Taiwan	5.35%	5.65%	-0.31%
Total	193.55%	127.17%	66.38%

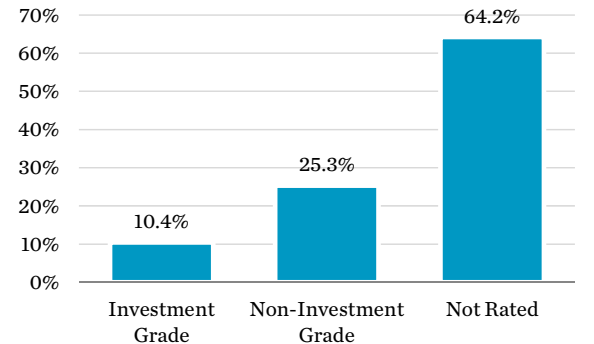
Currency exposure¹

Region	Long	Short	Net
Asia general	6.62%	2.98%	3.63%
China/HK/Taiwan	0.31%	1.48%	-1.18%
Core Europe	4.46%	12.40%	-7.94%
Japan	3.60%	2.34%	1.26%
Latin America	1.50%	0.95%	0.55%
Middle East/Africa	0.61%	0.09%	0.51%
Peripheral Europe	0.38%	0.00%	0.38%
US/Canada	2.40%	4.38%	-1.99%
Total	19.87%	24.64%	-4.77%

Fixed income interest rate sensitivity³



Fixed income ratings^{1,2}



Equity exposure – sector breakdown¹

	Long	Short	Net
Energy	1.04%	3.69%	-2.65%
Materials	2.37%	1.80%	0.57%
Industrials	4.92%	3.15%	1.77%
Consumer Discretionary	9.38%	7.07%	2.31%
Consumer Staples	3.17%	3.10%	0.07%
Health Care	11.26%	7.42%	3.84%
Financials	4.87%	4.11%	0.76%
Real Estate	0.48%	2.19%	-1.71%
Information Technology	11.78%	8.80%	2.99%
Telecommunication Services	1.58%	0.96%	0.62%
Utilities	1.10%	0.66%	0.44%
Index**	28.46%	22.82%	5.64%
Unclassified***	3.85%	0.00%	3.85%
Total	84.26%	65.75%	18.50%

VaR analysis⁴

Date	VaR
10/31/17	1.66%

- In the case of non-interest rate instruments, exposure data represents the delta adjusted market value. In the case of interest rate products, exposure data is represented by the 10-year equivalent instrument. Positions of unknown type (if any) are excluded from exposure data. The Fund does not guarantee the accuracy of such data.
- Positions of unknown type (if any) are excluded from exposure data. Data is obtained from StateStreet, the administrator for the Fund. The Fund does not guarantee the accuracy of such data. 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.
- Dv01 represents the estimated change in NAV for the fund, expressed in basis points, for a 1 basis point increase in interest rates across each of the maturity ranges shown. Fixed income instruments are typically held across a number of different currencies.
- Value at Risk ("VaR") seeks to estimate, using historical data, the loss the Fund could suffer. VaR is calculated at a 99% confidence level for a one month holding period (20 business days) using a model based on historical Fund data. Please see the Glossary of Terms for a further explanation of VaR.

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

**Do not have a GICS sector assigned

Performance commentary

October Market Commentary

Halloween came and went, and investors still haven't spooked. The S&P 500 has gone just about a year without a correction of at least 5% – the longest such streak since 1928 – and it's been over a year since the index saw a pullback of over 2% in a day as volatility has hung around record lows. Consumer sentiment has yet again soared to new highs according to the latest surveys¹, and some 'hard' data has also shown signs of improvement: corporate earnings were poised to beat estimates towards the end of October, U.S. auto sales spiked in September, growth in new home sales surged to a 25-year high despite September's hurricanes², and the U.S. savings rate dropped to a 10-year low as consumer confidence translated into consumer spending³.

Might this mean that the divergence between 'hard' and 'soft' data we've previously flagged is narrowing? We're not so sure. September auto sales were largely driven by the usual Labor Day sales as well as increased demand in Florida and Texas after hurricanes Irma and Harvey⁴. Despite the uptick in new home sales, sales of existing homes – a much wider swath of the market – underwhelmed⁵. And as for corporate earnings, the Cyclically-Adjusted Price to Earnings ('CAPE') ratio, which we discussed last month and in previous months' commentaries, edged even higher in October, landing at 31.3x⁶. Recall that this metric seeks to give broader historical context to stocks' price to earnings (P/E) ratio by weighing current prices against average earnings over the preceding ten years (adjusted for inflation). This method of tabulating the P/E ratio minimizes the effect of market cycles such that historical ratios can properly be compared. So how does October's 31.3x CAPE ratio stack up historically?

Consider the peak in 1929 before the Great Depression: the CAPE ratio hit just under 32.6x in September of that year before plunging to just under 5.6x in under three years. In December 1999, the ratio hit an all-time record of 44.2x before dropping to 21.2x in just over three years. It's certainly open to debate as to how similar or different market conditions are now relative to 1929 and 1999, and we don't pretend to be historians – accordingly, we don't intend to make any calamitous forecasts as to the future. Nevertheless, we reiterate our view that historically high equity valuations may suggest the onset of a low return environment, if not a market downturn.

We have previously commented on the potential for diminished returns and increased volatility, so perhaps you're wondering when or if the winds will actually change. What catalyst could trigger a market reversal from its steady grind ever higher? Here are a couple of risks that could potentially rattle the market:

1. **Military conflict with North Korea:** After 8 consecutive months of missile tests, North Korea appeared to lay dormant in October. However, with the North Korea situation high on the agenda for President Trump's first visit to Asia in November, it's speculated that further saber-rattling could inflame tensions. At few other points in the last half-century has the situation become quite so strained, and over the past few months more than a few serious minds in the foreign policy world have broached real concerns about the potential outbreak of war, even if the probability of such remains fairly low. Such an event could trigger volatile market moves in either direction as historical examples indicate: the Dow plummeted over 30% in the first 6 months of World War I, and stocks suffered a major drawdown in the first couple weeks after the September 11th attacks in 2001; on the other hand, the Dow gained almost 60% over the three years of the Korean War, and after the U.S. invasion of Iraq, the S&P 500 closed out the year up over 30%⁷. Volatility in the context of the above mentioned valuations, however, seems more likely on the downside.
2. **Republican failure to pass tax reform before a midterm election year:** One big reason that equity markets have remained high, with investors relentlessly buying at every dip, may well be that investors maintain high hopes that the Republican-controlled Congress and White House will get around to passing some version of tax reform before the year is up. A lower, more internationally-competitive 20% corporate tax rate could juice corporate earnings, and massive capital repatriations incentivized by a tax-holiday could fuel special dividends and stock buybacks. So, with the market having priced in some probability of tax reform passing, the market may be in for a hit if the effort falls on its face as happened with the Obamacare repeal attempt.

So as you think about where the market is headed, we would suggest that you consider whether you are prepared for market volatility. For our part, we believe that alternative investment strategies may help in weathering volatile market conditions down the road. In actively allocating to a variety of strategies that are by nature hedged and diversified, BXMIX seeks capital appreciation with lower volatility relative to broader equity markets. If you, like us, are troubled by the potential for future market tumult, consider whether BXMIX may potentially serve a helpful role in providing some downside protection against volatile market moves.

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1. Conference Board, <https://www.conference-board.org/data/consumerconfidence.cfm>; The University of Michigan, <http://www.sca.isr.umich.edu/>
 2. Census Bureau (U.S. Department of Commerce), <https://www.census.gov/construction/nrs/pdf/newressales.pdf>; The Wall Street Journal, "New Home Sales Growth Surges to 25-Year High"
 3. Bureau of Economic Analysis (U.S. Department of Commerce), <https://www.bea.gov/newsreleases/national/pi/pinewsrelease.htm>; The Wall Street Journal, "Americans Are Spending More, Saving Less"
 4. The Wall Street Journal, "GM, Ford, Toyota Post Sharply Higher Sales in September"
 5. National Association of Realtors, <https://www.nar.realtor/newsroom/existing-home-sales-inch-07-percent-higher-in-september>
 6. Prof. Robert Shiller (<http://www.econ.yale.edu/~shiller/data.htm>). As of October 2017.
 7. Carlson, Ben; "How Markets Overcame Past Geopolitical Crises", *Bloomberg*. 11 April 2017.

Review of October Fund Performance

The investment objective of the Blackstone Alternative Multi-Strategy Fund (the “Fund”) is to seek capital appreciation. The Fund aims to achieve its objective by allocating assets among a variety of investment sub-advisers, each with experience managing non-traditional or “alternative” investment strategies or by managing assets directly (via BAlA⁸). In October, the Fund’s Class I share class⁹ returned 0.92%¹⁰ net of fees and expenses versus 2.33% and 1.92% for the S&P 500 and MSCI World indices, respectively, and versus -0.38% for the Barclays Global Aggregate Bond Index¹¹.

Equity Strategies

Equity strategies were the strongest contributors to this month’s positive performance. Factor tailwinds drove performance within quantitative equity strategies: positive exposure to ‘momentum’ – a factor premised upon the tendency for assets’ relative performance to continue for a certain period of time – and negative exposure to ‘value’ – a factor defined by systematic comparison of some measure of an asset’s fundamental value to its price – led to gains in October. Among Equity Long Short sub-strategies, performance was mixed. Positive sub-strategy performance can largely be attributed to October’s tech rally; one exposure in particular jumped materially on positive earnings results from cloud computing. Meanwhile, financial and healthcare positions generated disparate performance: indications of trouble in consumer lending pressured the former, though some positive earnings news defrayed some losses. As for healthcare, performance benefitted from an FDA advisory committee vote in favor of a new treatment method as well as favorable positioning with respect to a speculated deal spanning pharma and insurance; hedges, however, led to offsetting losses.

Credit Strategies

Credit strategies generated gains in October, contributing positively to performance. Exposures to government-sponsored enterprise (“GSE”) credit risk transfer (“CRT”) bonds continue to be a significant performance driver in this segment of the portfolio. As you may recall from our April commentary, CRT bonds are U.S. residential mortgage debentures that are unsecured GSE obligations; in the wake of the Great Financial Crisis, regulators mandated that the relevant GSEs, Fannie Mae and Freddie Mac, sell off credit risk to the private sector. This exposure has performed well over the past year, and the trend continued in October as CRT spreads tightened across older vintages. This performance can be attributed to a couple of factors: first, as these bonds age and garner a track-record of steady payment, their market value increases according to their growing appearance of creditworthiness; second, certain slices of the pie have become recognized and rated by the National Association of Insurance Commissioners (‘NAIC’), which in turn increases those slices’ value in the marketplace as they are thereby more readily deemed to be creditworthy instruments. Gains among Credit strategies this month were slightly offset by small mark-to-market losses from media sector exposure.

Multi-Asset Strategies

In October, Multi-Asset strategies – to which more than half of Fund assets are allocated – posted healthy returns, contributing positively to Fund performance. Positive performance from commodity exposure contributed meaningfully this month, as base metals – industrial staples like nickel and zinc – posted gains due to synchronized global growth and continued Chinese demand. However, some ‘soft’ commodities – goods that are typically grown or raised, in contradistinction to those that are mined or extracted – dampened commodity performance to a modest degree, with the exception of grains.

Among currency positions, short exposure to the Canadian dollar (‘CAD’) proved profitable as the CAD to USD rate weakened on dovish guidance from the Canadian central bank and lingering uncertainty about the fate of the North American Free Trade Agreement (‘NAFTA’) – negotiations concerning which, the leaders of Canada, Mexico, and the U.S. agreed mid-month to extend into spring of 2018. Long exposure to the Australian dollar and the Euro, meanwhile, detracted as the latter took a beating amid Catalonia’s bid for independence from Spain and comments from European Central Bank President Mario Draghi suggesting the continuation of bond-buying stimulus.

Equity exposure to Japan and South Korea generated gains, due in part to October’s relative calmness in the region as well as Japanese Prime Minister Shinzo Abe’s landing a decisive electoral mandate to continue his economic agenda. Some European equity exposure, however, cut into gains as some single-name telecom and financial exposures traded down due to lackluster third quarter earnings. Similarly, despite gains from some exposure to single-name retail companies, one such exposure detracted materially due to a short squeeze. Within systematic strategies, short European fixed income exposure saw gains while long U.S. and Japanese 10-year bond exposures saw offsetting losses. In addition, Egyptian and Argentinian sovereign debt outperformed as the government of the former signaled strong commitment to financial stability and elections in the latter yielded a sweeping victory for President Macri’s economically-minded reform coalition.

8. BAlA manages a portion of the Fund’s assets directly. Such investments presently include allocations to BAlA’s systematic risk premia trading strategy, a short-only fundamental equity strategy (advised by Gracian Capital on a non-discretionary basis), and funds managed by Glenview Capital Management LLC, and may include other opportunistic trades in the future. BAlA’s fees on directly managed assets are not reduced by a payment to a sub-adviser.

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

10. Performance is shown net of the Gross Expense Ratio less waived expenses for Class I shares. 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 above. Information is estimated and unaudited.

11. 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. 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. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

Opinions expressed reflect the current opinions of BAlA as of the date of this material only and should not be the basis of any investment decisions. Past performance is not necessarily indicative of future results. There can be no assurance that the Fund or its underlying managers will achieve their investment objectives or avoid significant losses. The Fund is actively managed and allocations are subject to ongoing revision. Certain of the information provided herein has been obtained from or derived from BAlA’s underlying managers. BAlA does not guarantee the accuracy or completeness of such information.

Disclosure information

All investors should consider the investment objectives, risks, charges and expenses of BXMIX carefully before investing. The prospectus and, if available, the summary prospectus contain this and other information about BXMIX and are available on BXMIX's website at www.blackstone.com/bxmixon. All investors are urged to carefully read the prospectus and, if available, the summary prospectus in its entirety before investing. Additional information regarding BXMIX is available upon request.

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

Important Disclosures Regarding Exposure

Exposure data presented herein does not consider the impact of delta on option positions (unless noted otherwise). Instead, exposures represent the market value of each underlying instrument. Positions of unknown type (if any) are excluded from exposure data.

There is no attempt in this report to differentiate between or adjust for shorter versus longer duration rates trades. Instead, they are shown only by market value of exposure. Given that exposure data is based on fund holdings, it excludes unsettled trades. Position level data is obtained from State Street Bank and Trust Company, the administrator for BXMIX. Blackstone does not guarantee the accuracy of such data.

Glossary of Terms:

Gross Exposure: Reflects the aggregate of long and short investment positions in relation to the net asset value. For example, if BXMIX has 60% long exposure and 50% short exposure to a particular asset class, then BXMIX has 110% gross exposure to that asset class. The gross exposure is one indication of the level of leverage in a portfolio. **Net Exposure:** This is the difference between long and short investment positions in relation to the net asset value. For example, if BXMIX has 60% long exposure and 50% short exposure to a particular asset class, then BXMIX is 10% net exposure to that asset class. **Long:** A long position occurs when an individual owns securities. **Short:** Short selling a security not actually owned at the time of sale. Short positions can also generate returns when the price of a security declines. **VaR:** A statistical technique used to measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame. Value at risk is used by risk managers in order to measure and control the level of risk which the firm undertakes. The risk manager's job is to ensure that risks are not taken beyond the level at which the firm can absorb the losses of a probable worst outcome. A VaR model has certain inherent limitations and it cannot be relied upon to predict or guarantee that the size or frequency of losses incurred by a Fund will be limited to any extent. As the VaR model relies on historical market data as one of its key inputs, if current market conditions

differ from those during the historical observation period, the effectiveness of the VaR model in predicting the VaR of a Fund may be materially impaired. **DV01:** A bond valuation calculation showing the dollar value of a one basis point change in interest rates or yield. **Alpha:** A risk-adjusted performance measure that represents the average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return.

Glossary of Indices

Market indices obtained through Bloomberg. Indices are unmanaged and investors cannot invest in an index. The volatility of the indices presented may be materially different from that of the performance of BXMIX. In addition, the indices employ different investment guidelines and criteria than BXMIX; as a result, the holdings in BXMIX may differ significantly from the securities that comprise the indices. The performance of the indices has not been selected to represent an appropriate benchmark to compare to the performance of BXMIX, but rather is disclosed to allow for comparison of BXMIX's performance to that of well-known and widely recognized indices. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

MSCI World Index: a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI World is maintained by Morgan Stanley Capital International, and is comprised of stocks from all the developed markets in the world. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).