

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of March 31, 2018

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	\$6,000.12 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	15.76 Years
Min Htoo	0.47 Year
Robert Jordan	6.49 Years
David Mehenny	7.26 Years
Ian Morris	7.76 Years
Alberto Santulin	14.76 Years
Stephen Sullens	16.68 Years

Morningstar Rating



BXMIX: Four-Star Overall Morningstar Rating, out of 278 multialternative funds based on risk-adjusted returns as of 3/31/18.

Fund net performance^{1,2,3}

	As of 03/31/2018				ITD Statistics			
	Mar-18	YTD	1 Yr	ITD	St. Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	0.38%	(0.65%)	2.97%	3.20%	3.16%	-	-	0.89
HFRX Global	(0.98%)	(1.02%)	3.20%	0.43%	3.58%	0.56	3.93%	0.01
Barclays Gbl Agg	1.06%	1.36%	6.97%	1.12%	4.98%	(0.11)	4.15%	0.15
MSCI World	(2.11%)	(1.15%)	14.20%	7.43%	10.92%	0.17	2.18%	0.65

1. Performance is presented through March 31, 2018. 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 March 31, 2018.

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, 2020 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 allocations¹

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
HealthCor	Equity Hedge	Equity Long Short	27%
Cerebellum ⁽²⁾	Equity Hedge	Equity Market Neutral	
Endeavour	Equity Hedge	Equity Market Neutral	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	17%
Cerberus ⁽²⁾	Relative Value	Fixed Income - Asset Backed	
Good Hill	Relative Value	Fixed Income - Asset Backed	
Sorin	Relative Value	Fixed Income - Asset Backed	
Waterfall ⁽²⁾	Relative Value	Fixed Income - Asset Backed	
Caspian	Event Driven	Distressed/Restructuring	12%
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Magnetar	Event Driven	Risk Arbitrage	
Nephila ⁽²⁾	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	45%
H2O	Macro	Discretionary Thematic	
NWI	Macro	Discretionary Thematic	
GSA	Macro	Systematic Diversified	
IPM	Macro	Systematic Diversified	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct ⁽³⁾	Multi-Strategy	N/A	

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%. Subadviser 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 www.bxmixon.com.

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 L.P. and any redemption or reduction of such allocation would be detrimental to The Blackstone Group L.P., 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. Sub-adviser is not currently managing any Fund assets. Allocations may change at any time without notice.

3. 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%	-0.64%	-0.05%	7.20%
2018	0.28%	-1.30%	0.38%										-0.65%

1. Performance is presented through March 31, 2018. Net performance is net of the Gross 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.bxmixon.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.bxmixon.com. All investors are urged to carefully read the prospectus and the summary prospectus in its entirety before investing.

Glossary of Terms

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.

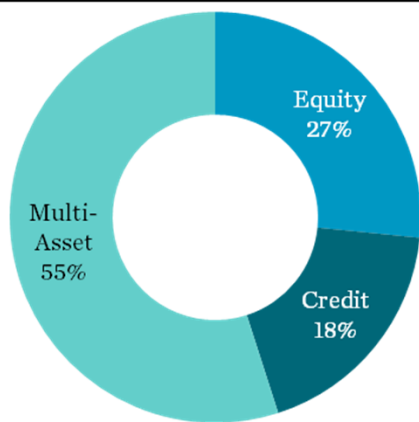
Blackstone Alternative Multi-Strategy Fund (BXMIX)

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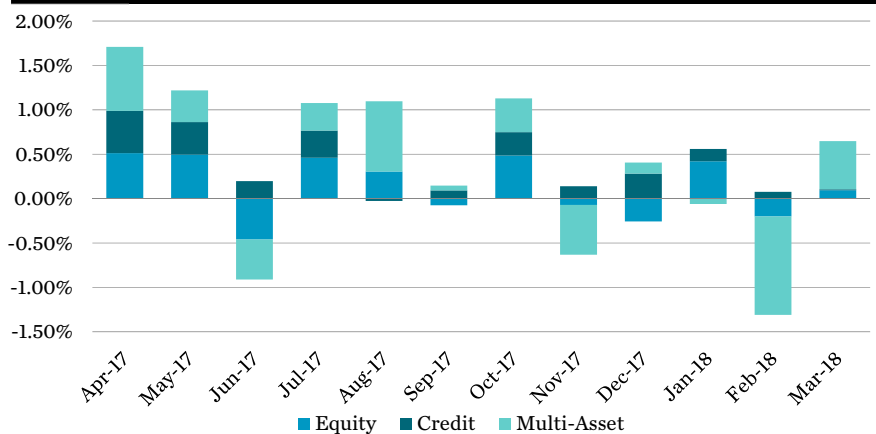
Performance summary^{1,2,3}

Sub-Strategy Performance	Allocation at 3/29/2018	MTD		QTD		YTD		Trailing 12 Months		ITD Cumulative Performance	
		Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution
Equity	26.58%	0.29%	0.09%	0.92%	0.31%	0.92%	0.31%	5.69%	1.72%	26.65%	9.28%
Credit	18.46%	0.05%	0.01%	0.98%	0.22%	0.98%	0.22%	9.04%	2.37%	25.46%	7.62%
Multi-Asset	54.95%	0.86%	0.54%	-1.00%	-0.63%	-1.00%	-0.63%	2.11%	1.08%	12.66%	4.73%
Cash & Other			-0.27%		-0.55%		-0.55%		-2.21%		-8.97%
Net Return			0.38%		-0.65%		-0.65%		2.97%		12.66%

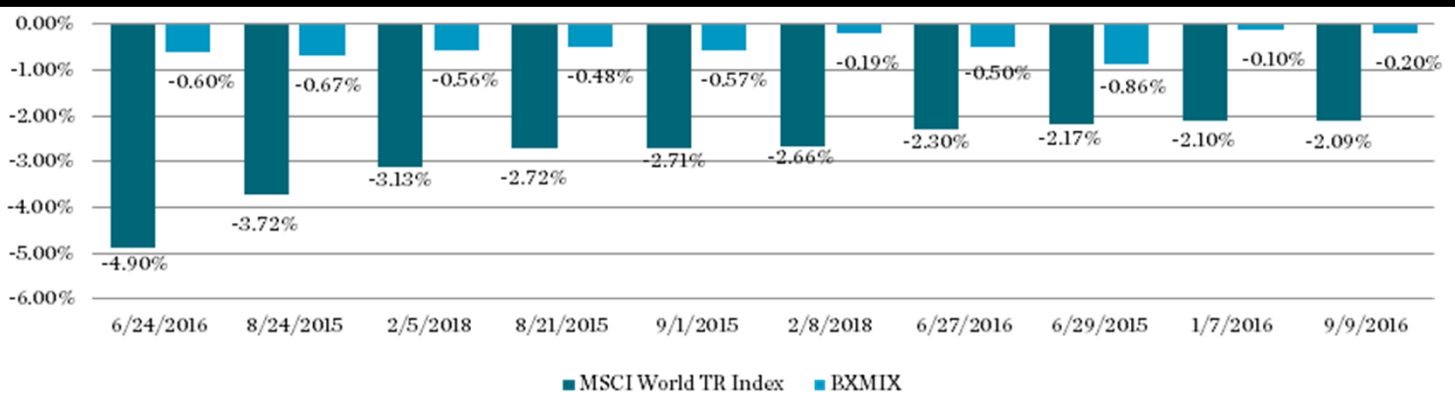
Sub-strategy summary³



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



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



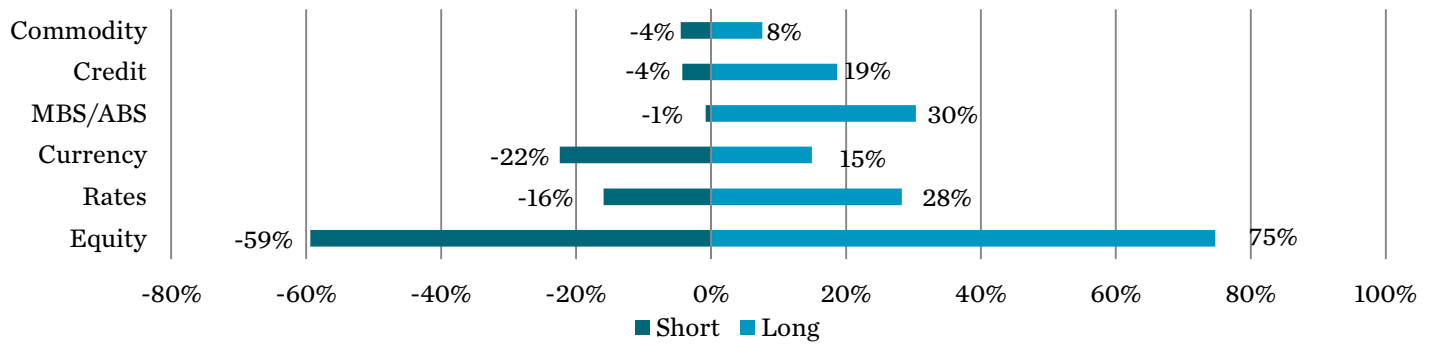
Performance data quoted represents past performance and is no guarantee of future results. Investment returns and principal values may fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than the performance 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.bxmix.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 March 31, 2018.

1. Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
2. 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
3. Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.
4. 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 0.57%, 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.bxmix.com.

Asset class exposure¹



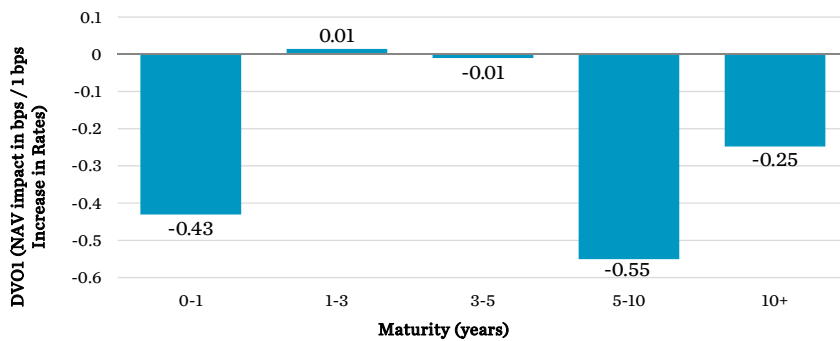
Geographic exposure¹

	Long	Short	Net
US/Canada	103.21%	58.38%	44.83%
Core Europe	36.72%	33.44%	3.27%
Peripheral Europe	5.93%	1.28%	4.65%
Lat. Am./Caribbean	8.78%	0.96%	7.82%
Middle East/Africa	2.36%	1.37%	0.98%
Japan	5.47%	3.27%	2.20%
Asia general	7.63%	3.03%	4.61%
China/HK/Taiwan	4.47%	5.49%	-1.02%
Total	174.57%	107.22%	67.35%

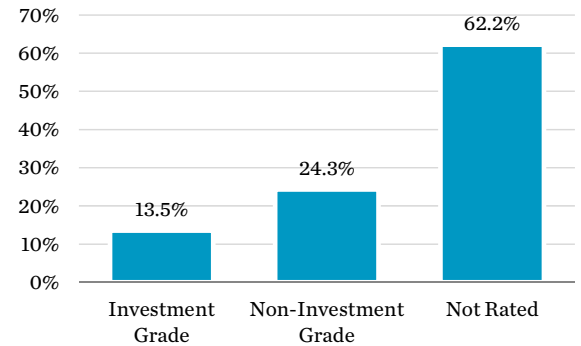
Currency exposure¹

Region	Long	Short	Net
Asia general	3.91%	1.69%	2.21%
China/HK/Taiwan	0.21%	0.62%	-0.42%
Core Europe	4.76%	15.86%	-11.10%
Japan	1.70%	1.44%	0.27%
Latin America	1.74%	0.56%	1.17%
Middle East/Africa	0.30%	0.34%	-0.04%
Peripheral Europe	0.35%	0.57%	-0.22%
US/Canada	1.99%	1.35%	0.65%
Total	14.96%	22.43%	-7.47%

Fixed income interest rate sensitivity³



Fixed income ratings^{1,2}



Equity exposure – sector breakdown¹

	Long	Short	Net
Energy	2.01%	2.83%	-0.82%
Materials	2.38%	1.98%	0.39%
Industrials	4.76%	2.21%	2.55%
Consumer Discretionary	8.05%	7.23%	0.82%
Consumer Staples	2.55%	2.07%	0.48%
Health Care	11.71%	7.20%	4.52%
Financials	7.70%	6.58%	1.12%
Real Estate	0.61%	1.67%	-1.06%
Information Technology	8.60%	9.58%	-0.98%
Telecommunication Services	1.27%	0.72%	0.55%
Utilities	1.24%	0.62%	0.62%
Index**	20.34%	16.68%	3.66%
Unclassified***	3.49%	0.00%	3.49%
Total	74.71%	59.37%	15.34%

VaR analysis⁴

Date	VaR
3/31/18	1.79%

- 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

March Market Commentary

After a tumultuous February for equity markets and other risk assets, March brought a continuation of the risk sell-off, with U.S. and global equity markets down 2.54% and 2.11%, respectively. Fears of a global trade war inserted fresh volatility into markets, as the U.S. administration announced tariffs on steel and aluminum imports, as well as a 25% tariff on roughly \$50 billion worth of Chinese imports. In addition, the U.S. Federal Reserve, now under the new leadership of Jerome Powell, raised rates in March and revised expectations for the pace at which rates will increase going forward, signaling confidence in the strength of the economy.

Last month, our commentary focused on market volatility through the lens of equity markets. This month, we take a look at the fixed income side of the story, and the risks that rising rates pose to investor portfolios. The multi-decade bull market in rates ended roughly two years ago, around the time of the Brexit vote. At that time, political analysts and pundits alike were questioning the very future of the European Union, and government bonds, a traditional safe haven, touched yields never seen before. That summer as fear spread, the U.S. 10 year treasury hit 1.35%, German 10 year Bunds fell to -0.19% and UK 10 year Gilts settled at a low 0.51%. By February of this year, yields had reversed their downward trend as the U.S. 10 year rose to 2.95%, and Bunds and Gilts to 0.76% and 1.64% respectively. The bond bull market has been over for nearly 2 years now, but an analysis of fund flows suggests investors are yet to fully acknowledge it.

One risk in this environment that some investors may be unaware of is duration extension, which is occurring in many fixed income products. More than half of the \$550 billion dollars that has flowed into taxable fixed income investments over the last two years has gone into passive products that seek to mirror an index, according to data from the Investment Company Institute. The underlying indices of many of these products have seen durations extend, as issuers have taken advantage of the low-rate environment by issuing longer-dated debt with more duration risk. Bond duration and interest rate sensitivity are closely linked; the higher the duration, the more sensitive the bond to changes in interest rates. And the relationship is an inverse one, so as rates rise, bond prices fall.

The bear market in bonds may be long lasting. In addition to any existing inflationary pressures, increasing budget deficits (more spending) and the end of quantitative easing likely mean more bond supply will hit the market as central banks vow to buy less. Tax cuts in the U.S. may add \$200 billion to the budget deficit in 2018 and that deficit is forecasted to increase to over \$1 trillion according to the Congressional Budget Office (CBO). Meanwhile, the biggest buyers of bonds since 2009 have been the world's Central Banks, which own over 33% of the world's debt combined. But the Fed is shrinking its balance sheet and the European Central Bank and Bank of Japan are considering the end of their respective quantitative easing. This marks a paradigm shift, and investors should be thinking about how to position their portfolios to reflect this new reality.

So how can investors think about positioning their portfolios to lessen the impact of rising rates? One strategy is to minimize exposure to longer duration credit, as referenced above. Another strategy is to incorporate exposure to floating rate credit that can help reduce the risk of higher rates through the periodic resetting of coupons.

Review of March 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 and by managing assets directly (via BAlA¹). In March, the Fund's Class I share class returned 0.38%² net of fees and expenses versus -2.54% and -2.11% for the S&P 500 and MSCI World indices, respectively and versus 1.06% for the Barclays Global Aggregate Bond Index³.

Equity Strategies

Equity strategies contributed positively to performance in March, despite marked weakness in domestic and global equity markets. Positive performance was driven largely by Equity Market Neutral sub-strategies, as higher volatility and dispersion during the month helped these strategies generate gains. Healthcare exposures were notable detractors within the Fund's Equity sleeve, with exposure to a medical device company driving most of the negative performance. Similar to last month, the Fund's low equity beta helped the portfolio avoid much of the downside experienced in equity markets during March.

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1. 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. FINRA, "Investing with Borrowed Funds: No 'Margin' for Error". January 18, 2018.
 2. 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. For a summary of Fund performance of other share classes, please refer to the Fund's website: www.bxmix.com. Wall Street Journal, "Investors' Zeal to Buy Stocks With Debt Leaves Markets Vulnerable". February 25, 2018.
 3. 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. Indices are unmanaged and investors cannot invest in indices.

Credit Strategies

Credit strategies were roughly flat on the month. While the hike in interest rates caused a headwind for some strategies, the Fund's exposure to floating rate credit helped minimize the impact. Positions in Credit Risk Transfer (CRT) bonds, which have contributed meaningfully to performance over the past 12 months, saw spreads widen, largely offsetting income generated from the underlying reference loans.

Multi-Asset Strategies

Multi-Asset strategies were the largest contributors to performance during the month, with the majority of the performance driven by risk premia strategies. Equity Sentiment, a risk premia strategy that was a meaningful contributor in February, detracted from performance in March, while Value, Size, Momentum and Momentum Carry drove the majority of the positive attribution during the month. Additionally, long exposure to local rates, sovereign and quasi-sovereign debt in African and South American countries contributed positively to performance.

Review of Fund Performance – First Quarter 2018

During the first quarter of 2018, the Fund's Class I share class returned -0.65%⁴ net of fees and expenses versus -0.76% for the S&P 500 Index, -1.15% for the MSCI World Index, and 1.36% for the Barclays Global Aggregate Bond Index.

Equity strategies contributed positive performance in the first quarter, with moderate negative performance in fundamental Equity Long/Short sub-strategies more than offset by positive performance in quantitative Equity Market Neutral sub-strategies. Early in the quarter, factor positioning proved to be a positive tailwind, as momentum stocks continued to outperform. While Equity strategies gave back some of the positive performance in February as markets sold off, the low beta employed by these sub-advisers helped the Fund protect capital. Losses in February were largely driven by a handful of healthcare-focused positions across pharmaceuticals, biotech, and medical devices. Positive performance in aggregate in March helped Equity Strategies finish the quarter as the leading contributor to Fund performance, despite global equity markets being down over 1% over that period, as measured by the MSCI World index.

Credit strategies were the second largest positive contributor to first quarter performance, led by gains in Fixed Income – Asset Backed sub-strategies. CRT bond spreads tightened in January and February, before widening marginally in March. We continue to selectively purchase newer vintages of these securities, aiming to participate in newer, unrated vintages that have the potential to benefit from future positive ratings as borrowers pay down principal outstanding on the underlying mortgages. While the Tax Cuts and Jobs Act that was announced last quarter and signed into law in December helped boost certain corporate credits at the end of 2017, enacted rate hikes combined with the prospect that the pace of future hikes is likely to increase has started to act as a headwind in 2018.

Multi-Asset strategies detracted from performance in the first quarter, offsetting gains in Equity and Credit strategies. The majority of the negative performance was driven by risk premia and systematic trend-following strategies during January and February, with some of the losses recouped during March. While exposure to Momentum helped Equity strategies in January, exposure to the "Size" premium, which is a strategy that benefits from outperformance of smaller cap stocks over larger cap stocks, hurt performance during the first part of the quarter. Long equity exposure, to Asia in particular, also detracted from performance in February, along with exposures to Real Estate Investment Trusts ("REITs") and commodities.

Sub-Advisers and Strategies Added/Removed

At Blackstone, we believe that managing the optimal mix of strategies across the portfolio and adjusting it over time are key to generating returns in different market environments. Over the course of the first quarter of 2018, we added two new strategies and terminated two existing sub-advisers.

Q1 2018 Strategy Additions:

Endeavour Capital Advisors LLC ("Endeavor"): Endeavour is a financial services equity sector specialist that combines bottom-up fundamental research with perspective on the macroeconomic, regulatory, and financial conditions that impact the industry.

NWI Management, L.P. ("NWI")⁵: NWI is a global macro manager with experience in emerging market interest rates, currency, and credit. NWI's strategy typically pursues investments and transactions in the securities of sovereign and corporate obligors, principally in emerging markets.

For further detail on these sub-advisers and others within the Fund, please see "BXMIX Sub-Adviser Profiles" in the "Literature" section of our website, www.bxmixon.com.

Q1 2018 Sub-Adviser Terminations:

GS Investment Strategies, LLC ("GSIS")

Chatham Asset Management, LLC ("Chatham")

Sub-adviser and strategy additions and terminations are normal events in Blackstone's hedge fund investment process and result from our dynamic evaluation of the top down assessment of the opportunity set for hedge fund strategies as well as the bottom up evaluation of a manager's ability to deliver alpha in a given environment.

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4. Performance is shown net of all fees and expenses for the Fund's Class I share class. Past performance may not be a reliable guide to future performance. The value of 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. Performance is estimated and unaudited.
 5. Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliate benefits The Blackstone Group L.P. and any redemption or reduction of such allocation would be detrimental to The Blackstone Group L.P., 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

Opinions expressed reflect the current opinions of BAIA 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 BAIA's underlying managers. BAIA 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. Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for BXMIX, but rather are disclosed to allow for comparison of BXMIX's performance to that of well-known and widely recognized indices. The indices may include holdings that are substantially different than investments held by BXMIX and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from BXMIX. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. **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).

Additional Disclosures

Morningstar Disclosure

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The Morningstar Rating™ for funds, or “star rating”, is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product’s monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Blackstone Alternative Multi-Strategy Fund was rated against the following number of Multi-Alternative funds over the following time periods: 298 funds in the last three years. Past performance is no guarantee of future results. Morningstar Rating is for the I share class only; other classes may have different performance characteristics. Morningstar Risk-Adjusted rankings – Multialternative category – I share class three-year 4 stars out of 298 funds as of 2/28/2018.

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. or 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. or 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.
 - BAAM, an affiliate of BAIA, has entered into a joint venture with NWI to create Blackstone NWI Asset Management L.L.C. (“BNAM”), an emerging markets asset manager. BNAM, BAAM and NWI share certain personnel and infrastructure.
 - Blackstone is in the process of onboarding 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 BAAM 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.