Blackstone Alternative Multi-Strategy Fund (BXMIX)

Blackstone

As of June 30, 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 assets [6]	$6,102.22 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%
Gross Expense Ratio	2.86%
Net Expense Ratio	2.20%

Portfolio managers

Name	Years at Blackstone
Gideon Berger	16.25 Years
Min Htoo	0.95 Year
Robert Jordan	6.99 Years
David Mehenny	7.76 Years
Ian Morris	8.25 Years
Alberto Santulin	15.25 Years
Stephen Sullens	17.17 Years

Morningstar Rating

★★★★

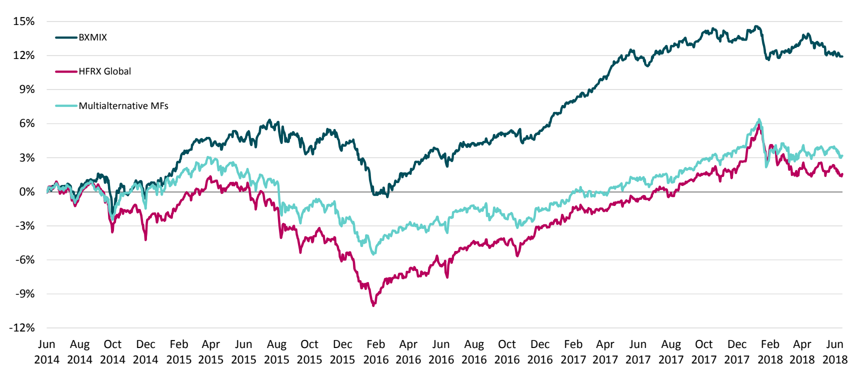
BXMIX: Four-Star Overall Morningstar Rating, out of 288 multialternative funds based on risk-adjusted returns as of 6/30/18.

Fund net performance[1,2,3]

	As of 06/30/2018				*Inception to Date Statistics*			
	June-18	**YTD**	**1 Yr**	**ITD**	**St Dev.**	**Beta**[(4)]	**Alpha**[(5)]	**Sharpe**
BXMIX	(0.09%)	(1.30%)	0.67%	2.83%	3.17%	-	-	0.72
MSCI World TR Index	(0.01%)	0.76%	11.70%	7.48%	11.06%	0.17	1.50%	0.63
Barclays Glbl Agg Index	(0.44%)	(1.46%)	1.36%	0.30%	4.99%	(0.10)	2.89%	(0.05)
HFRX Global Hedge Fund Index	(0.19%)	(0.85%)	2.47%	0.46%	3.55%	0.55	2.59%	(0.04)

1. Performance is presented through June 30, 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.

Alternative strategies cumulative net performance[1,2]



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 (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 June 30, 2018.
7. Gross expense ratio represents the expense ratio applicable to investors. Net expense ratio represents the Specified Expenses as of June 30, 2018. "Specified Expenses" is defined to include all expenses incurred in the business of the Fund with the exception of: (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.

Sub-adviser allocations[1]

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
HealthCor	Equity Hedge	Equity Long Short	*27%*
Cerebellum[(1)]	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	*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[(1)]	Relative Value	Fixed Income - Asset Backed	
Caspian	Event Driven	Distressed/Restructuring	*12%*
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Magnetar[(3)]	Event Driven	Risk Arbitrage	
Nephila[(1)]	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	*43%*
H2O	Macro	Discretionary Thematic	
NWI[(3)]	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	

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.bxmix.com.

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 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.
3. 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.

Monthly net performance[4]

	Jan	Feb	Mar	Apr	May	Jun	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%	0.94%	(1.49%)	(0.09%)							**(1.30%)**

4. Performance is presented through June 30, 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.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.

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 90 day T-Bill – 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 contains 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)

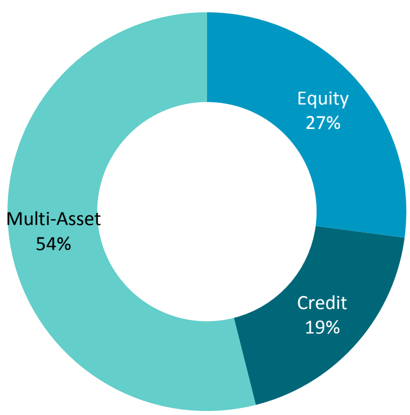
Blackstone

As of June 30, 2018

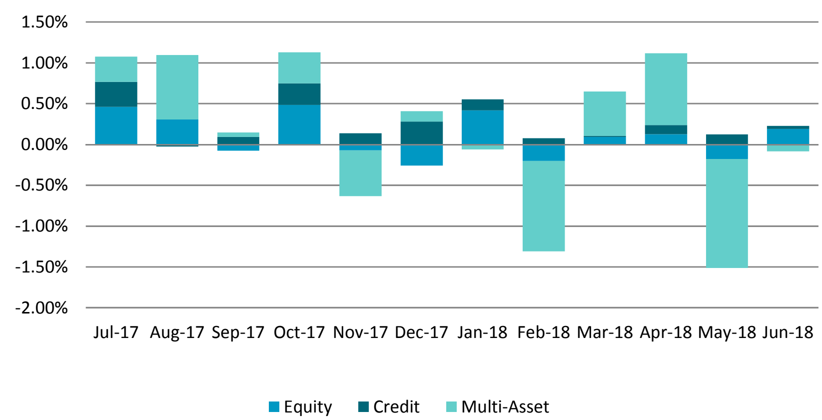
Performance summary[1,2,3]

Sub-Strategy Performance	Allocation at 6/30/2018	MTD Return	MTD Attribution	QTD Return	QTD Attribution	YTD Return	YTD Attribution	Trailing 12 Months Return	Trailing 12 Months Attribution	ITD Cumulative Performance Return	ITD Cumulative Performance Attribution
Equity	27.09%	0.61%	0.19%	0.43%	0.14%	1.35%	0.44%	4.38%	1.30%	27.20%	9.43%
Credit	18.97%	0.16%	0.04%	1.24%	0.27%	2.23%	0.50%	6.82%	1.58%	27.02%	7.93%
Multi-Asset	53.95%	(0.14%)	(0.09%)	(0.88%)	(0.55%)	(1.87%)	(1.18%)	0.03%	(0.10%)	11.67%	4.11%
Cash & Other			(0.24%)		(0.52%)		(1.06%)		(2.11%)		(9.55%)
Net Return			(0.09%)		(0.66%)		(1.30%)		0.67%		11.92%

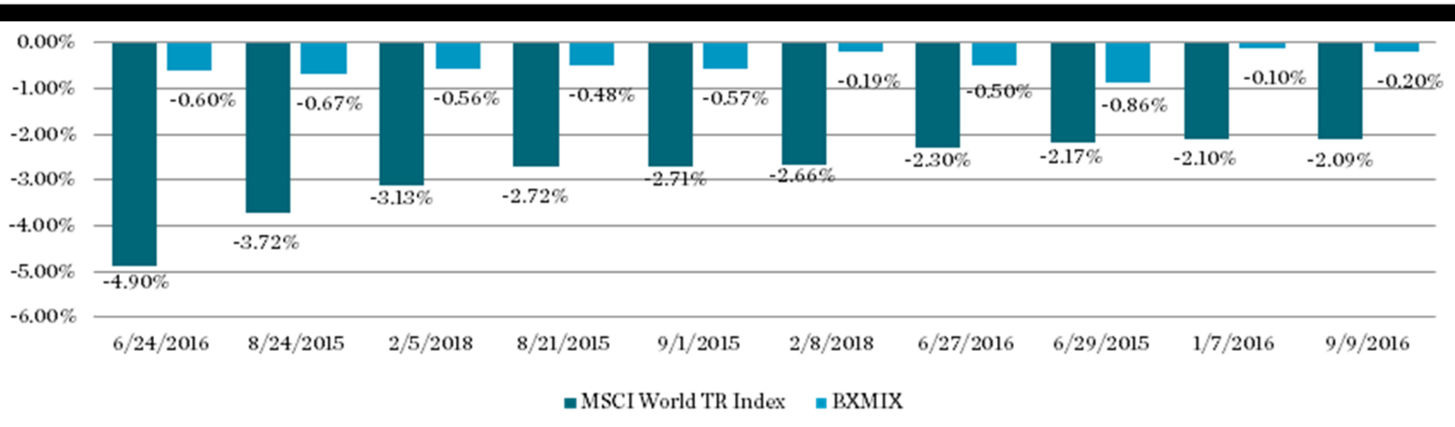
Sub-strategy summary[3]



Trailing 12 month sub-strategy attribution[1,3]



BXMIX performance on worst 10 trading days for MSCI World since inception[4]



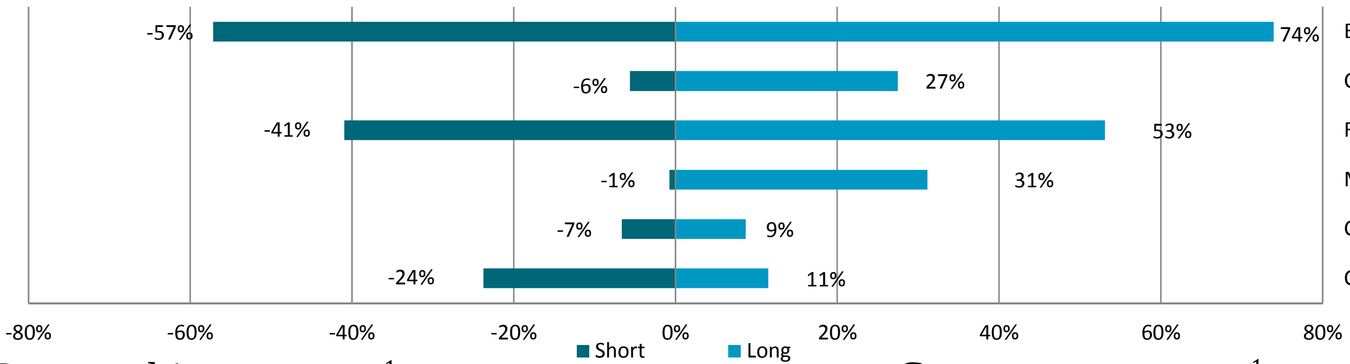
Because of the broadly diversified and low beta nature of the portfolio, BXMIX is not expected to participate in the full upside of broader equity markets. From 06/16/14 to 6/30/18, on the ten best MSCI World TR trading days, the average daily returns for the MSCI World TR and BXMIX were 2.12% and 0.41% 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 June 30, 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. *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 exposure[1]



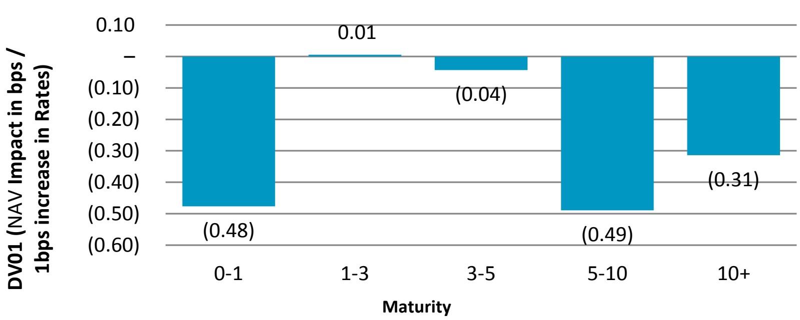
Geographic exposure[1]

	Long	Short	Net
US/Canada	119.57%	67.29%	52.28%
Core Europe	53.92%	44.81%	9.11%
Peripheral Europe	4.03%	1.09%	2.94%
Lat. Am./Caribbean	6.73%	1.35%	5.39%
Middle East/Africa	2.56%	2.72%	-0.17%
Japan	6.30%	2.93%	3.37%
Asia general	8.66%	9.55%	-0.90%
China/HK/Taiwan	4.06%	5.19%	-1.12%
Total	**205.82%**	**134.92%**	**70.90%**

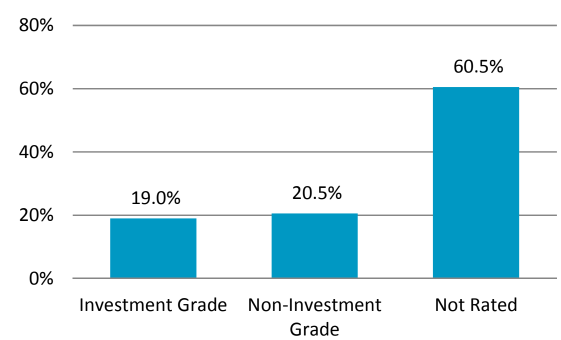
Currency exposure[1]

Region	Long	Short	Net
Asia general	1.86%	1.91%	-0.05%
China/HK/Taiwan	0.18%	0.31%	-0.13%
Core Europe	5.46%	15.98%	-10.52%
Japan	2.08%	1.20%	0.89%
Latin America	0.06%	0.68%	-0.62%
Middle East/Africa	0.04%	1.12%	-1.08%
Peripheral Europe	0.09%	0.29%	-0.20%
US/Canada	1.70%	2.28%	-0.58%
Total	**11.46%**	**23.75%**	**-12.29%**

Fixed income interest rate sensitivity[3]



Fixed income ratings[1,2]



Equity exposure – sector breakdown[1]

	Long	Short	Net
Energy	2.27%	3.31%	-1.05%
Materials	1.70%	1.23%	0.47%
Industrials	4.42%	1.87%	2.55%
Consumer Discretionary	7.60%	5.96%	1.63%
Consumer Staples	2.59%	1.86%	0.73%
Health Care	13.20%	6.52%	6.68%
Financials	8.67%	6.67%	2.00%
Real Estate	0.77%	1.54%	-0.77%
Information Technology	8.31%	7.02%	1.30%
Telecommunication Services	1.02%	0.97%	0.05%
Utilities	1.83%	0.57%	1.27%
Index**	16.10%	19.65%	-3.55%
Unclassified***	5.47%	0.00%	5.47%
Total	**73.96%**	**57.16%**	**16.79%**

VaR analysis[4]

Date	VaR
6/30/18	2.17%

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. The Fund does not guarantee the accuracy of such data.
2. 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.
3. 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.
4. 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

June Market Commentary

There was no shortage of headlines for investors to sift through in June, including the Trump-Kim summit on the 12th, the 174th Ordinary Meeting of OPEC on the 22nd, the continued rout among a myriad of cryptocurrencies, and, for some, the action of the World Cup. Among all of this, a notable development was the continued disparity in economic growth around the globe. Entering 2018, a common view held among investors was that economies throughout the world were undergoing a period of synchronized growth. Many investors believed that this dynamic would support stable asset prices and spur consumer confidence, therefore driving up otherwise anemic inflation. More recently, however, the market has seen significant capitulation of that view as investors grapple with the thought that the growth of the United States may outpace that of Europe and other developed economies.

This divergence in expected economic growth rates is best exemplified by recent central bank forecasts of both the Federal Reserve (“Fed”) and the European Central Bank (“ECB”). Beginning in December 2017, the Fed forecasted that the United States’ GDP would grow at 2.5% in 2018. Meanwhile, the ECB mirrored the Fed’s optimism, forecasting that Europe’s GDP would grow at a similar, albeit slightly lower, rate of 2.3% in 2018. When each central bank reconvened in March 2018, the groups revised their respective projections slightly higher, citing improving economic conditions. At the time, the Fed forecasted 2018 U.S. GDP growth of 2.7%, while the ECB forecasted Europe’s 2018 GDP growth to be 2.4%. While both projections increased, the Fed’s projection increased by a greater degree than that of the ECB. Finally, just this month, the central banks met again with the benefit of nearly half a year’s worth of data recorded and analyzed. The Fed continued along its path of increasing projections, forecasting still higher domestic GDP growth of 2.8% in 2018. However, the outlook in Europe, while still positive, declined in June as the ECB forecasted 2018 GDP growth of 2.1%, an adjustment lower by 0.3% from March.

Some might wonder what has caused this divergence in global growth rates to accelerate in recent months. During the most recent Fed meeting, officials noted a multitude of factors pointing to a healthy, growing U.S. economy. Specifically, officials cited a declining unemployment rate, an increase in household spending, and strong fixed investment by businesses. Conversely, after the ECB released its revised forecast for lower growth in 2018 than previously expected, ECB President Mario Draghi cited increased global risks, namely the rise of protectionism and the resulting reduction in global free trade.

While these changes to various growth forecasts may seem innocuous, the implications for how central bank officials adjust monetary policies as a result are important for investors to consider. For example, as the Fed noted the strengthening U.S. economy in its June meeting, it made the decision to increase the Federal Funds rate another 0.25%, marking the second rate increase of 2018 and bringing the target range to 1.75% to 2.00%. What’s more, the Fed anticipates a total of four rate hikes this year and an additional three rate hikes in 2019, all while it continues to reduce the size of its balance sheet, which ballooned in the wake of the Financial Crisis (a topic we have discussed at length in previous commentaries).

Now contrast the actions, and projected actions, the Fed is taking with those of the ECB. In June, the ECB communicated its intention to wait at least through the summer of 2019 before it would consider raising its overnight deposit rate, which currently stands at -0.4%. Additionally, whereas the Fed has worked to reduce the size of its balance sheet, the ECB announced in June that it would continue to purchase bonds in the open market through December 2018. These purchases will amount to €30 billion per month through September before declining to €15 billion per month through December. If, at that time, the economic data supports a picture of a growing European economy, the ECB may then conclude its bond-buying program. Even still, cash generated from maturing debt securities will facilitate the purchase of new securities, indicating that the ECB will not effect an effort to reduce the size of its balance sheet.

In light of the ever-evolving nature of global economies and capital markets, we maintain that investors may be best served by employing actively managed portfolios that retain the flexibility to identify and capitalize on these economic trends. Such active management may serve to limit volatility within investor portfolios by nimbly increasing exposures to improving economies while limiting exposures to stagnant or declining economies.

Review of June 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 BAIA[1]). In June, the Fund's Class I share class returned -0.09%[2] net of fees and expenses versus 0.62% and -0.01% for the S&P 500 and MSCI World indices, respectively and versus -0.44% for the Barclays Global Aggregate Bond Index[3].

Equity Strategies

Equity strategies (+0.61%[4]) contributed positive performance in June. As the equity bull market has aged, we have become increasingly more discerning in how we employ the Fund's equity exposure. Currently, the Fund seeks to minimize equity beta and focuses equity exposure within sectors we believe provide compelling relative value opportunities. The Fund intends to extract that value by buying strong companies and selling weaker companies. In June, the indices for two of the Fund's largest gross exposures, Health Care and Financials, saw mixed results as the S&P 500 Health Care Index TR returned 1.63% while the S&P 500 Financials Index TR returned -1.92%. Index performance notwithstanding, the Fund's ability to be both long and short allowed allocations to these sectors to contribute positive performance. Within Health Care, the Fund has maintained long positioning in value names and short positions in higher octane names with impending competitive pressures. Recently, this had been a headwind for the Fund as momentum securities performed well, however this patience and conviction in positioning was rewarded in June as momentum stocks within the Health Care sector saw mild selling pressure. Within Financials, fears of trade wars drove the yield on the 10 year U.S. Treasury bond from approximately 3% mid-month to approximately 2.85% by month-end. This decrease in rates adversely impacted financials, and the Fund's long exposure detracted from performance.

None of the indices presented are benchmarks or targets for the Fund. Please see important Disclosure Information at the end of this presentation.

[1] BAIA manages a portion of the Fund's assets directly. Such investments 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.

[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.

[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.

[4] Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.

Given the Fund's positioning as a hedged strategy, however, the allocation to Financials was still accretive as the positive performance from the short book outweighed the negative performance in the long book.

Credit Strategies

Credit strategies (+0.16%[4]) contributed mildly positive performance in June. Exposure to Fixed Income – Asset Backed sub-strategies continued to contribute gains as carry from these strategies propped up otherwise muted performance. Credit Risk Transfer bonds (CRTs) remain a meaningful exposure within the portfolio, and these securities contributed positive performance. Also, despite pressure on loan prices broadly, the Fund's exposure to CLO's contributed positive performance in June. Exposure to non-CRT residential mortgage backed securities detracted from performance as spreads widened during the month.

Multi-Asset Strategies

Multi-Asset strategies (-0.14%[4]) detracted from Fund performance in June. Discretionary Thematic sub-strategies faced a difficult macro environment during the month and contributed mixed performance as a result. These sub-strategies' allocations to emerging markets faced a multitude of headwinds in early June before stabilizing in the second half of the month. The growing strength of populist politics in Italy adversely impacted broader Europe, and the Fund participated in some of that weakness as positions in Greek government bonds declined. The negative performance at a quasi-sovereign entity related to a supply chain disruption and senior management turnover (discussed in May's commentary) bled over into early June before stabilizing. Finally, exposure to Argentinian bonds detracted amidst poor sentiment upon the announcement that the governor of the Central Bank of Argentina, upon resigning, would be replaced by Argentina's finance minister. Risk Arbitrage sub-strategies saw strength in June after regulators approved AT&T's acquisition of Time Warner, improving market sentiment for a number of pending mergers and acquisitions. Equity exposures to drug distributors within Multi-Strategy sub-strategies detracted from performance after Amazon emerged as a threat to their businesses upon acquiring the online pharmacy PillPack.

Review of Fund Performance – Second Quarter 2018

During the second quarter of 2018, the Fund's Class I share class returned -0.66%[5] net of fees and expenses versus 3.43% for the S&P 500 Index, 1.93% for the MSCI World Index, and -2.78% for the Barclays Global Aggregate Bond Index[3].

Equity strategies (+0.14%[4]) contributed positive performance in the second quarter. In a difficult quarter for the Financials sector (the S&P 500 Financials Index TR returned -3.16% for the quarter), the Fund's exposure to Financials was accretive to performance. Given the Fund's ability to be both long and short securities, it has less of a dependence on broader market moves than traditional equity strategies which can be beneficial when markets or specific sectors trend lower. Additionally, exposure to Healthcare focused strategies contributed positive performance throughout the quarter, with a notable positive contribution from a short position in a biopharmaceutical company that declined after underwhelming results from a presentation highlighting the performance of a cancer drug. This positive contribution was offset by broader market hedges as the S&P 500 Health Care Index TR returned 3.09% during the quarter. Equity Market Neutral sub-strategies detracted from performance throughout the second quarter. Given the number of extracurricular factors that market

---

None of the indices presented are benchmarks or targets for the Fund. Please see important Disclosure Information at the end of this presentation.

[5] 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.

participants were focused on (trade wars, geopolitical tensions, political rhetoric, etc.), strategies employing quantitative investment strategies that are designed to invest based on fundamental strengths and weaknesses of market indices and specific companies faced mild headwinds.

Credit strategies (+1.24%[4]) were the largest positive contributor to second quarter performance. Fixed Income – Asset Backed sub-strategies led gains as CRT spreads tightened throughout the quarter. Exposure to CLOs was also accretive to Fund performance as the prices remained fairly stable and the yield generated by those securities led to positive attribution to the Fund. Given our preference for hedged exposure in order to reduce the Fund’s reliance on the direction of the broader market, market hedges detracted from performance as the structured credit space largely saw strength in the second quarter.

Multi-Asset strategies (-0.88%[4]) were the sole detractor from performance in the second quarter. Given our view of current equity valuations and the Fund’s role within client portfolios as a diversifying asset, the Fund has maintained equity hedges via both broad based market hedges and more targeted, company specific short positions. Both of these hedges detracted from performance amidst broad strength in corporate earnings and higher global equity markets. Additionally, as discussed above and in previous editions of our commentary, emerging markets exposures presented headwinds as multiple factors created volatility across currency and sovereign credit markets. Risk Arbitrage sub-strategies were the largest positive contributor to performance. These strategies attempt to profit from market mispricings of securities that are associated with companies undergoing a merger or acquisition. These strategies identify and purchase securities that the market believes have a higher risk associated with them (such as the risk that a given deal breaks and XYZ company is no longer acquired at a premium to the prevailing market price) and intend to profit if and when the market’s view comes into line with their own.

Important 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.bxmix.com. 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. **Barclays Global Bond Index:** provides a broad-based measure of the global investment grade fixed-rate debt markets. It is comprised of the U.S. Aggregate, Pan-European Aggregate, and the Asian-Pacific Aggregate Indexes. **HFRX Global Hedge Fund Index:** 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; including but not limited to convertible arbitrage, distressed securities, equity hedge, equity market neutral, event driven, macro, merger arbitrage, and relative value arbitrage. The strategies are asset weighted based on the distribution of assets in the hedge fund industry. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. **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 23 developed markets in the world. **Morningstar Multialternative Category Average:** 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. Funds in this category have a majority of their assets exposed to alternative strategies and include both funds with static allocations to alternative strategies and funds tactically allocating among alternative strategies and asset classes. **The Standard & Poor's 500 Index** - S&P 500 is a market-capitalization-weighted index of the 500 largest U.S. publicly traded companies by market value.

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.