

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of August 31, 2016

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 nontraditional or "alternative" investment strategies. Blackstone will allocate the Fund's assets among investment sub-advisers with experience managing alternative investment strategies and among investment funds. It may also manage a portion of the Fund's assets directly.

Fund highlights

Fund assets⁶	\$4,696 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 D)⁷

Management fee	1.92%
Gross expense ratio	3.29%
Net expense ratio	2.40%

Portfolio managers

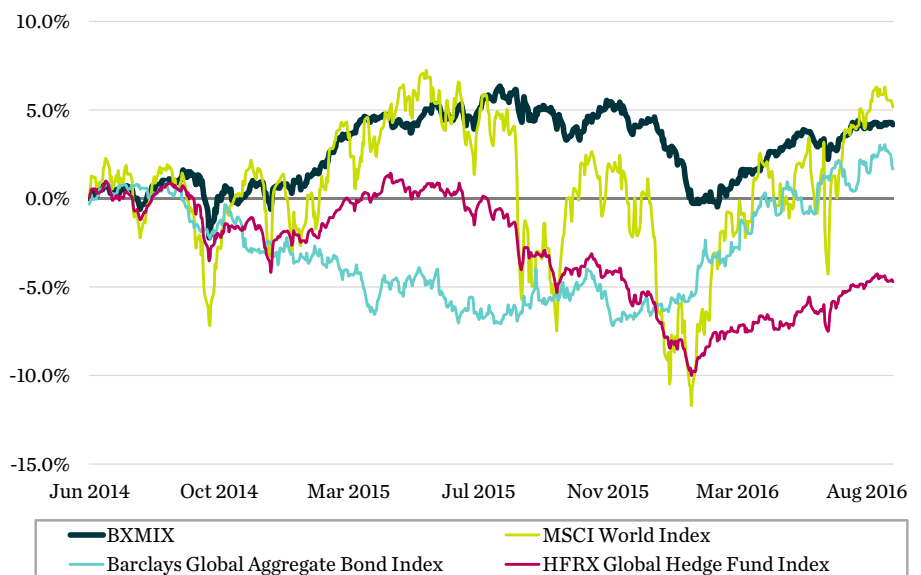
Name	Years at Blackstone
Gideon Berger	14 Years
Robert Jordan	5 Years
David Mehenny	6 Years
Ian Morris	6 Years
Alberto Santulin	13 Years
Stephen Sullens	15 Years

Fund net performance^{1,2,3}

	As of 06/30/2016			As of 08/31/2016				ITD Statistics			
	YTD	1Yr	ITD	Aug-16	YTD	1Yr	ITD	St. Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	-1.28%	-1.04%	1.46%	0.00%	-0.20%	-0.81%	1.87%	3.73%	-	-	0.48
HFRX Global	-0.83%	-5.64%	-3.09%	0.16%	0.77%	-1.91%	-2.18%	3.95%	0.64	4.64%	-0.57
Barclays Gbl Agg	8.96%	8.87%	1.06%	-0.49%	9.25%	8.79%	1.14%	5.00%	-0.20	2.94%	0.21
MSCI World	1.02%	-2.19%	0.35%	0.13%	5.45%	7.32%	2.31%	12.54%	0.18	1.82%	0.18

1. Performance is presented through August 31, 2016. 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. BXMIX launched on June 16, 2014 and has a limited performance record. Additional information and performance data current to the most recent month-end is available at www.blackstone.com/bxmix.

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 August 31, 2016.

7. Net expense ratio consists of the total expense ratio, as reflected in the Fund's prospectus adjusted to reflect any fee waiver/expense reimbursement and excluding interest and dividends on securities sold short, acquired fund fees and expenses not subject to the expense cap. Through August 31, 2018, Blackstone Alternative Investment Advisors LLC has contractually 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 for Class I shares.

Sub-adviser allocations

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
Goldman Sachs	Equity Hedge	Equity Long Short	31%
HealthCor	Equity Hedge	Equity Long Short	
Rail-Splitter	Equity Hedge	Equity Long Short	
Wellington	Equity Hedge	Equity Long Short	
Senfina	Equity Hedge	Equity Market Neutral	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	26%
Cerberus	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	10%
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Nephila	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	32%
AlphaParity	Macro	Systematic Diversified	
IPM	Macro	Systematic Diversified	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct	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%.

Blackstone Senfina Advisors L.L.C. ("Senfina") is an indirect wholly-owned subsidiary of The Blackstone Group L.P., a publicly traded master limited partnership that has units that trade on the New York Stock Exchange under the symbol "BX." Senfina is an affiliate of BAIA, the Fund's investment adviser, on the basis that it is under common control with BAIA. The investment by BXMIX with Senfina benefits Blackstone and a withdrawal from Senfina would be detrimental to Blackstone.

BAIA manages a portion of the Fund's assets directly. Such assets ("BAIA-Direct") include allocations to a risk premia trading strategy and investment funds and may also include opportunistic trades. BAIA's fees on directly managed assets are not reduced by a payment to a sub-advisor.

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%					-0.20%

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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.blackstone.com/bxmix. 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.

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. **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:** 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. **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.

Important Risks

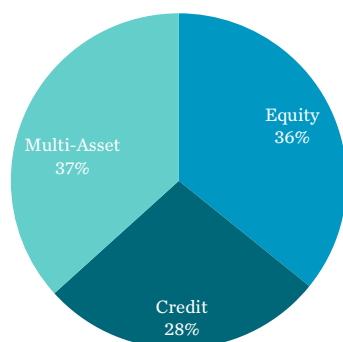
An investment in BXMIX, Class I should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other investments. BXMIX's investments involve special risks including, but not limited to, loss of all 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.

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.

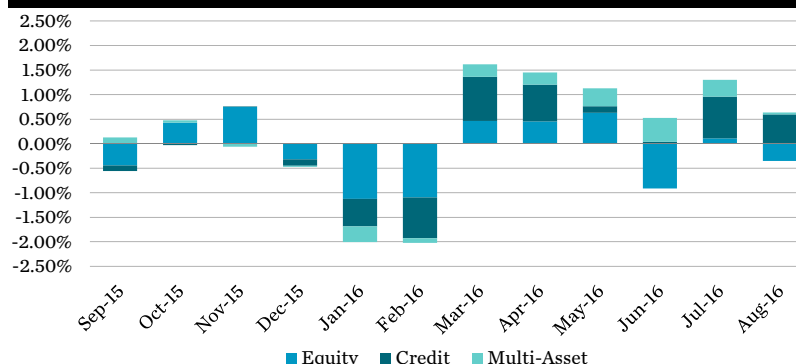
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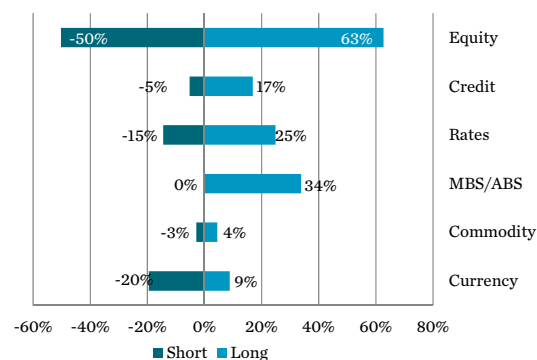
Sub-strategy summary



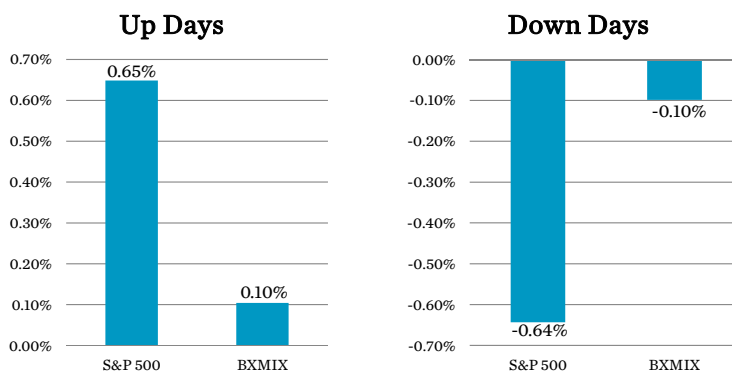
Trailing 12 month gross strategy attribution^{1,4}



Asset class exposure²



Average daily return for days when S&P500 total return was positive/negative¹



Geographic exposure²

	Long	Short	Net
US/Canada	94.74%	48.55%	46.20%
Core Europe	32.81%	27.68%	5.13%
Peripheral Europe	5.50%	0.42%	5.09%
Lat. Am./Caribbean	8.05%	0.53%	7.52%
Middle East/Africa	0.88%	2.54%	-1.66%
Japan	4.56%	5.55%	-1.00%
Asia general	3.96%	5.43%	-1.47%
China/HK/Taiwan	0.96%	1.68%	-0.72%
Total	151.46%	92.37%	59.09%

Equity exposure – sector breakdown²

	Long	Short	Net
Energy	1.17%	1.64%	-0.46%
Materials	2.44%	1.56%	0.88%
Industrials	3.40%	2.71%	0.69%
Consumer Discretionary	8.70%	3.48%	5.22%
Consumer Staples	2.91%	1.20%	1.71%
Healthcare	11.51%	5.33%	6.19%
Financials	3.49%	3.41%	0.08%
Technology	7.46%	2.79%	4.68%
Telecom	2.35%	0.95%	1.41%
Utilities	0.41%	0.35%	0.06%
Unclassified ³	17.92%	25.59%	-7.67%
Total	61.77%	48.99%	12.78%

1. 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. Information about BXMIX, including current month-end performance, is available on BXMIX's website at www.blackstone.com/bxmix/ 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 August 31, 2016.

2. 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.

3. Comprised of index futures, options on index futures, ETFs, and ETF options

4. Equity is comprised of Equity Long/Short; Credit is comprised of Fundamental Credit and Opportunistic Trading Credit; Multi-Asset/Quantitative is comprised of Quantitative and Global Macro/Multi-Strategy. 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.

Performance commentary

August Market Commentary

August proved to be a particularly calm month for equity markets, with U.S. stocks exhibiting their narrowest monthly trading range since 1965, as trading volumes came down and volatility remained low. While this range-bound behavior could be linked to seasonal effects, it also may be indicative of growing investor complacency, despite potential volatility ahead that could stem from tippy equity valuations and divergent central bank action.

Turning to U.S. monetary policy, market sentiment has swung back and forth several times this year around the timing of the next rate hike following the initial increase last December. In August, the Federal Reserve Bank of Kansas City hosted its annual Economic Symposium in Jackson Hole, a conference in which various Federal Reserve (“Fed”) officials, central bankers, finance ministers and academics debate economic issues impacting U.S. and global economies. During the conference, Fed Chair Janet Yellen, along with other Fed officials, indicated that another rate hike was possible before year end, subject to the strength of economic data. Investors will be focused on the September 21-22 meetings for additional signals around future monetary policy action.

Within fixed income, anticipation of a potential rate hike caused short-term U.S. government bond yields to rise, producing modest losses, while high yield markets saw another month of strong returns as muted volatility helped support risk-on sentiment within the fixed income universe, with CCC and B-rated credits rallying. After plunging in July, Oil bounced back in August as traders reacted to inventory data and speculation around whether OPEC and other major oil producers will curtail oil production.

While U.S. equity markets finished August slightly positive, there was dispersion at the underlying sector level. Unlike the first half of the year, where sectors such as Utilities and Telecom outperformed while Financials and Technology sectors lagged, August saw the opposite trend, with the latter outperforming the former. In the U.K., stock markets continued their somewhat surprising rally in August even as the British Pound weakened versus the U.S. Dollar and several other major currencies. Emerging market (“EM”) equity and fixed income markets also had a strong month, as Olympic-sized flows poured into EM credit and investor sentiment around political developments improved.

Review of Fund Performance

The investment objective of Blackstone Alternative Multi-Strategy Fund (the “Fund”) is to seek capital appreciation. The Fund aims to achieve its objective by allocating assets among Blackstone and a variety of investment sub-advisers, each with experience managing non-traditional or “alternative” investment strategies. In August, the Fund’s Class I share class returned 0.00% net of fees and expenses versus 0.14% and 0.13% for the S&P 500 and MSCI World Indices, respectively, and versus -0.49% for the Barclays Global Aggregate Bond Index.

Equity Strategies

Equity strategies detracted from performance during the month, driven primarily by Q2 earnings misses across certain exposures. Equity Long/Short sub-strategies contributed slight gains while Equity Market Neutral sub-strategies underperformed. Within Equity Long/Short, Financials and select Technology and Consumer exposures generated positive alpha on the long side of the portfolio, while certain Healthcare exposures suffered in concert with selling pressure in the space driven by a combination of controversial news events. Equity Market Neutral sub-strategies were also impacted by weakness in the Healthcare sector, in addition to weakness in certain Industrial names. Given the current environment, we maintain our cautious view of equity markets going forward.

Credit Strategies

Credit strategies were the largest contributor to the Fund’s performance in August, with all Credit sub-strategies contributing gains. Distressed credit exposures saw strong performance as settlement resolutions and deal enhancements caused a rally across certain loans and bonds. Government-sponsored enterprise (“GSE”) credit risk transfer bonds and certain asset-backed credit exposures also experienced gains driven by positive carry and higher mark-to-market moves. On the Corporate Credit side, gains came from price appreciation in Natural Resources and Financials exposures.

Multi-Asset Strategies

Multi-Asset strategies generated positive performance in aggregate, with Discretionary-Thematic and Multi-Strategy sub-strategies contributing gains. Improved investor sentiment around EM markets benefitted various EM equity exposures within the Fund, while positive developments concerning fiscal reform in Latin America caused spreads to tighten, supporting EM debt exposures. While Systematic sub-strategies were mixed, they detracted on the margin, as a factor rotation out of low volatility strategies that had supplemented performance in the first half of the year weighed on performance in August. We continue to view EM as relatively attractive when compared to developed markets, and we are focused on Brazil, Argentina, Greece and Venezuela in particular. Specifically, we see the potential for opportunity when there is a divergence between the actual price and the price implied by fundamentals of certain sovereign and quasi-sovereign entities that have experienced significant pressure at the hand of lower commodity prices over the last 12-18 months.

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

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Disclosure information

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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. **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

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S&P 500 Total Return Index: market capitalization-weighted index that includes 500 stocks representing all major industries. Returns are denominated in U.S. dollars and include dividends. The index is a proxy of the performance of the broad U.S. economy through changes in aggregate market value.

Important Risks

An investment in BXMIX 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, subadviser 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.

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