

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of February 29, 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 subadvisers 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 assets ⁶	\$4,149 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)

Management fee	1.95%
Gross expense ratio	3.44%
Net expense ratio	2.40%

Portfolio managers

Name	Experience
Stephen Sullens	25 years
Alberto Santulin	19 years
Rich Scarinci	12 years

Fund net performance^{1,2,3}

	As of 12/31/2015			As of 02/29/2016				ITD Statistics			
	YTD	1Yr	ITD	Feb-16	YTD	1Yr	ITD	St.Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	3.55%	3.55%	2.79%	-2.22%	-4.35%	-3.46%	-0.09%	3.90%	-	-	-0.03
HFRX Global	-3.64%	-3.64%	-3.55%	-0.32%	-3.08%	-8.19%	-4.97%	4.06%	0.67	3.25%	-1.24
Barclays Agg Bond	0.55%	0.55%	1.98%	0.71%	2.10%	1.50%	3.04%	3.36%	-0.29	0.80%	0.89

1. Performance is presented through February 29, 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 current performance data is available at www.blackstone.com/bxmix.

The firm

Blackstone is a large and diversified alternative asset manager, with

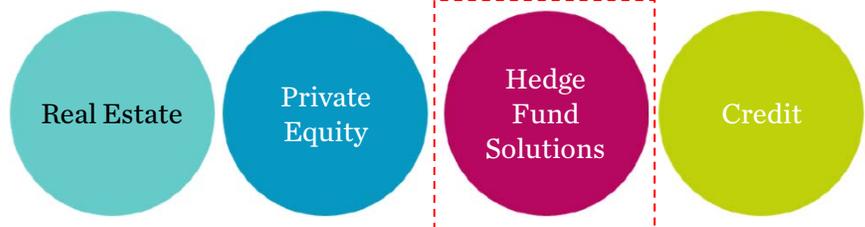
\$334B

in assets under management.⁹

Blackstone is the largest discretionary allocator to hedge funds in the world, with over

\$69B

in assets under management.^{8,9}



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 February 29, 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 May 31, 2016, 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.

8. Source: InvestHedge Billion Dollar Club (as of June 2015) based on AUM.

9. As of December 31, 2015.

Sub-adviser allocations

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
Goldman Sachs	Equity Hedge	Equity Long Short	43%
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	24%
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	23%
AlphaParity	Macro	Systematic Diversified	
IPM	Macro	Systematic Diversified	
D.E. Shaw	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 BAlA, the Fund's investment adviser, on the basis that it is under common control with BAlA. The investment by BXMLX with Senfina benefits Blackstone and a withdrawal from Senfina would be detrimental to Blackstone.

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%											-4.35%

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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 Aggregate Bond Index:** covers the USD-denominated, investment-grade, fixed-rate, taxable bond market of SEC-registered securities. The index includes government securities, mortgage-backed securities, asset-backed securities and corporate securities all with a maturity of greater than one year. **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.

Important Risks

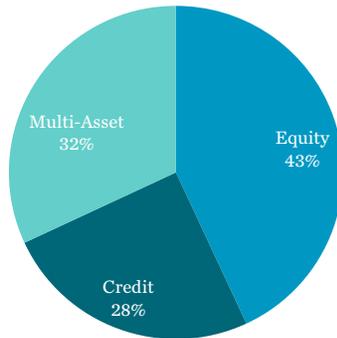
An investment in BXMIX, Class I should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other investments. BXMIX's investments involve special risks including, but not limited to, loss of all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

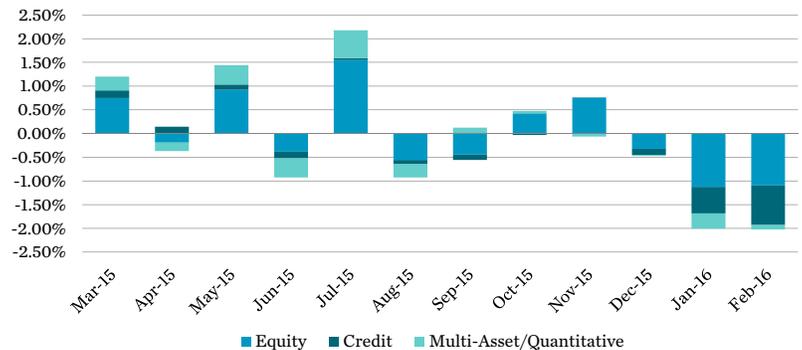
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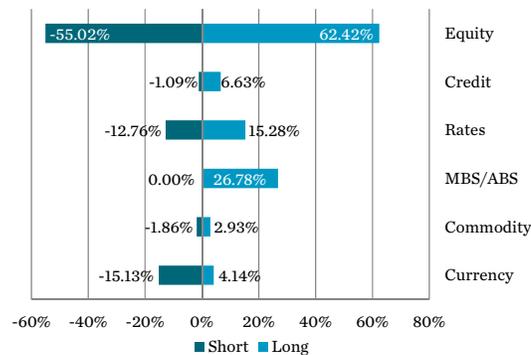
Sub-strategy summary



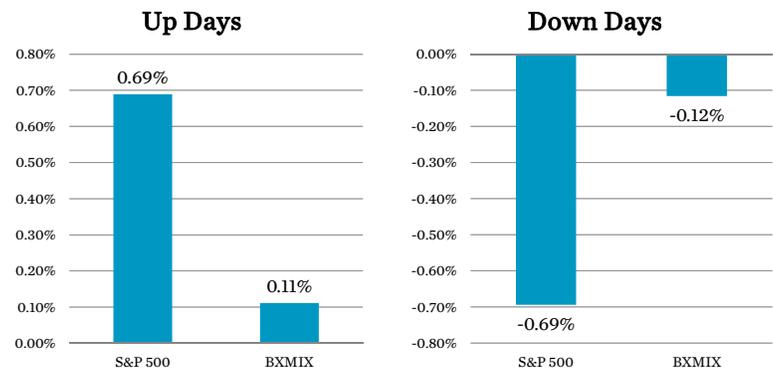
Trailing 12 month gross strategy attribution^{1,5}



Asset class exposure²



Average Daily Return for Days When S&P500 Total Return was Positive/Negative¹



Geographic exposure^{2,3}

	Long	Short	Net
US/Canada	74.84%	50.55%	24.30%
Core Europe	24.72%	19.26%	5.46%
Peripheral Europe	4.66%	0.36%	4.30%
Lat. Am./Caribbean	7.86%	0.68%	7.18%
Middle East/Africa	1.87%	1.86%	0.01%
Japan	3.01%	6.60%	-3.58%
Asia general	1.88%	4.71%	-2.84%
China/HK/Taiwan	0.64%	1.80%	-1.16%
Total	119.49%	85.81%	33.68%

Equity exposure – sector breakdown³

	Long	Short	Net
Energy	1.84%	0.67%	1.17%
Materials	2.55%	1.54%	1.01%
Industrials	4.31%	3.04%	1.27%
Consumer Discretionary	11.60%	6.39%	5.21%
Consumer Staples	1.38%	2.78%	-1.40%
Healthcare	13.76%	4.89%	8.87%
Financials	6.81%	3.29%	3.52%
Technology	7.62%	3.99%	3.63%
Telecom	1.25%	0.55%	0.70%
Utilities	0.33%	0.69%	-0.36%
Unclassified**	10.96%	27.20%	-16.23%
Total	62.42%	55.02%	7.40%

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 February 29, 2016.

2. Interest rate exposure information is represented by the 10 year equivalent

3. Compared to the overall NAV of the fund. Takes into consideration delta adjustments for options

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

5. 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

February Market Commentary

February offered investors little reprieve on the heels of a challenging January, with continued uncertainty around the global economic outlook reinforced by mixed but largely unconvincing data releases during the month. While the headline numbers reflect a moderate decline, this disguises the actual experience over the course of February, which can largely be described in two halves. In the first half of the month, equity markets suffered sharp losses, and at one point the S&P 500 Index was down over 10% on a year-to-date basis. Around the mid-month mark, however, risk assets began to rebound and ultimately staged a partial recovery, as investor sentiment improved slightly leading into month end.

On the economic front, U.S. data releases in February continued to be tepid; though employment numbers remained fairly robust (the unemployment rate fell to its lowest level since 2008, coming in at 4.9%). Other metrics, including consumer confidence and housing starts, dipped in February, providing ammunition for more bearish market commentators who hold the view that a recession in the U.S. is imminent. As we have discussed previously, our view at BAAM is that a recession is not likely in the coming months, given various economic and market indicators that we monitor. We continue to see divergence between the views of the U.S. Federal Reserve and those of the market when it comes to the future path of rates, with the market pricing in a low probability of rate hikes in the coming months. This phenomenon has had a particularly adverse impact on financials, which have declined 10.8% year-to-date through February.

Turning to Europe, geopolitical risks guided returns in February, as fear of a possible “Brexit” drove the pound sterling down to its lowest levels relative to the dollar since 2009, and the refugee crisis continued to be cause for concern across the region. Investors continue to have a negative view on the European banking sector based on a weak Q4 earnings season and the fear that the overall health of the system will be significantly hampered by negative interest rates. As a result, European financials saw significant selling pressure in February, ending down 15% on a year-to-date basis through February. These market pressures, along with the aforementioned political tensions, have led the ECB to consider implementing additional easing measures at its next meeting in March.

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 a variety of investment sub-advisers with experience managing non-traditional or “alternative” investment strategies. In February, the Fund’s Class I share class returned -2.22% net of fees and expenses versus -0.13% and -0.68% for the S&P 500 and MSCI World Indices, respectively, and versus 0.71% for the Barclays U.S. Aggregate Bond Index.

Equity Strategies

Equity strategies were the largest detractor in February, with negative performance reflecting trends seen in the broader equity market during the month. One market theme that started to rear its head during January, and which came into full force during February, was the rotation out of momentum stocks and into value-oriented names. This translated into a bifurcation in equity market performance, with 950 basis points in performance spread between top and bottom MSCI ACWI sectors. Specifically, materials, telecommunication services and industrials sectors saw positive performance (up between 0.9% and 6.4%)⁴ while financials, health care, information technology and consumer sectors experienced losses (ranging from -3.1% to -0.9%). Within this context, the Fund’s relatively large allocations to health care, financials and consumer discretionary sectors weighed negatively on performance during the month.

Additionally, February proved particularly challenging across many short exposures within the Fund and across the long/short equity space more broadly, as technical buying pressures caused widely held short positions to rebound in dramatic fashion. In fact, the depth and breadth of this reversal was the most extreme instance we’ve seen since the March 2009 bottom and subsequent reversal following the Global Financial Crisis. While the Fund’s Equity sub-advisers generally reduced gross and net exposures in February, they maintain conviction in core theses and view the recent unwind as more technicals-driven than fundamental in nature. We have seen these types of de-risking events in the past, and as long-term investors, we continue to focus on optimizing the exposures in the portfolio with the objective of generating attractive risk-adjusted returns for our investors over the long run.

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

Performance commentary

Credit Strategies

Credit strategies also detracted from performance in February, with losses spread across corporate high yield, distressed credit and asset-backed exposures, which all suffered from negative mark-to-market moves over the course of the month. Weakness in energy credit markets trickled into non-energy related credits, driving losses more broadly. Our view is that this is being overplayed by the market, and the Fund's Credit sub-advisers generally maintain conviction in the value of the underlying collateral of the credits in their portfolios and see this as an opportunity to add to positions at attractive prices. From a positioning perspective, we are more constructive on the structured credit opportunity set, but in light of the recent market dislocation are starting to find interesting opportunities in senior secured corporate debt of lower rated non-energy names.

Multi-Asset Strategies

Multi-Asset strategies ended February slightly negative, with mixed performance across sub-advisers. We allocate to these strategies to diversify the Fund's risk profile away from Equity and Credit, and, in large part, these strategies have delivered the desired diversification benefits that we would expect. From an attribution perspective, exposures to Argentina, Russia and Venezuela contributed positively, as the Argentine debt dispute looked to be headed towards a resolution. While Greek sovereign exposures detracted from performance, we retain conviction in the underlying thesis that the new bailout review will be successful, and see potential for Greek inclusion in the ECB's quantitative easing program. Systematic strategies were mixed in February. On the negative side, fixed income carry and value-oriented exposures experienced losses driven by the Bank of Japan's decision to allow rates to go further into negative territory. From a positive attribution perspective, select developed currency exposures, including long the Japanese Yen, contributed to performance. Additionally, general long global fixed income and short equity biases helped boost performance.

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Disclosure information

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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.

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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

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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 BXMIX.