

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of February 28, 2017

Investment approach

Blackstone Alternative Multi-Strategy Fund's ("Fund") investment objective is to seek capital appreciation. The Fund seeks this objective by allocating its assets among a variety of 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	\$4,327 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	1.92%
Gross expense ratio	3.29%
Net expense ratio	2.40%

Portfolio managers

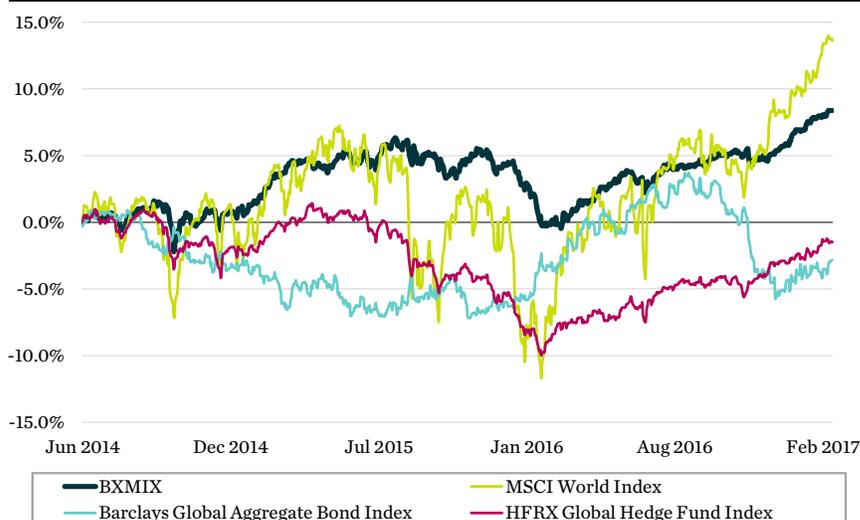
Name	Years at Blackstone
Gideon Berger	14 Years
Robert Jordan	5 Years
David Mehenny	6 Years
Ian Morris	6 Years
Alberto Santulin	13 Years
Stephen Sullens	15 Years

Fund net performance^{1,2,3}

	As of 12/31/2016			As of 02/28/2017				ITD Statistics			
	YTD	1 Yr	ITD	Feb-17	YTD	1 Yr	ITD	St.Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	1.35%	1.35%	2.24%	0.77%	2.45%	8.55%	3.02%	3.48%	-	-	0.83
HFRX Global	2.50%	2.50%	-1.24%	1.12%	1.63%	7.48%	-0.58%	3.75%	0.60	4.71%	-0.19
Barclays Gbl Agg	2.09%	2.09%	-1.67%	0.47%	1.61%	0.59%	-0.98%	5.31%	-0.14	3.96%	-0.21
MSCI World	8.15%	8.15%	3.02%	2.82%	5.33%	21.97%	4.83%	11.79%	0.18	2.79%	0.40

1. Performance is presented through February 28, 2017. Net performance is net of the Gross Expense Ratio less waived expenses. Performance data quoted represents past performance and does not guarantee future results. All ITD statistics above are calculated using daily performance. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. 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}



- Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.
- Inception to Date (ITD) statistics are as of BXMIX's inception on June 16, 2014 through the most recent month end.
- Measures beta of BXMIX to the respective index.
- Measures alpha of BXMIX to the respective index.
- As of February 28, 2017.
- 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	27%
HealthCor	Equity Hedge	Equity Long Short	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	28%
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	11%
Boussard & Gavaudan	Event Driven	Multi-Strategy	
Nephila ¹	Event Driven	Reinsurance	
Emso	Macro	Discretionary Thematic	34%
FT AlphaParity	Macro	Systematic Diversified	
IPM	Macro	Systematic Diversified	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct ²	Multi-Strategy	N/A	

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

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

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

2. BAIA manages a portion of the Fund's assets directly. Such assets include allocations to a risk premia trading strategy and may also include opportunistic trades.

BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.

Monthly net performance¹

	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2014	-	-	-	-	-	0.50%	-0.40%	0.90%	0.30%	-0.59%	0.30%	-0.19%	0.80%
2015	0.70%	1.88%	0.97%	-0.39%	1.26%	-1.15%	1.93%	-1.04%	-0.67%	0.29%	0.48%	-0.71%	3.55%
2016	-2.17%	-2.22%	1.45%	1.32%	0.90%	-0.50%	1.10%	0.00%	0.89%	0.00%	-0.20%	0.85%	1.35%
2017	1.67%	0.77%											2.45%

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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. **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.

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

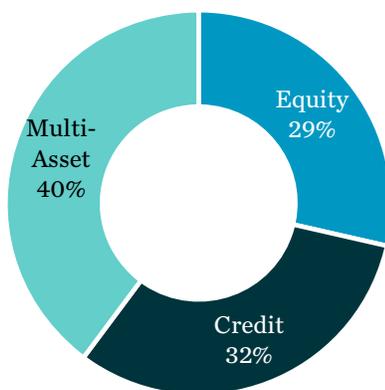
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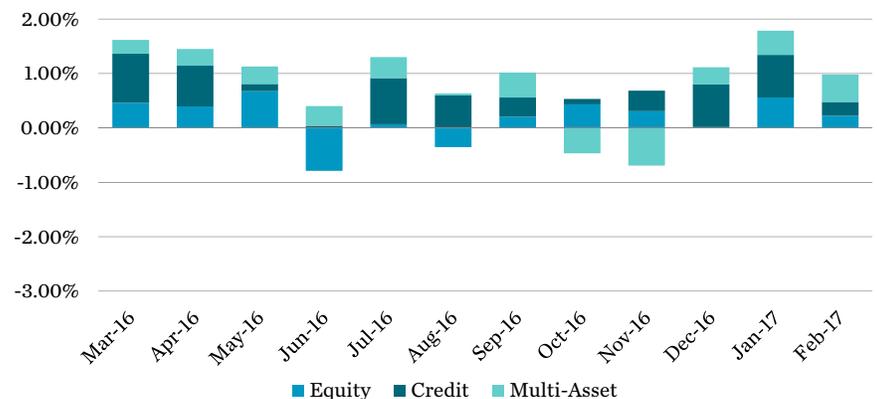
Performance summary^{1,2,3,4}

Sub-Strategy Performance	Allocation at 2/28/2017	MTD		QTD		YTD		ITD Cumulative Performance	
		Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution
Equity	28.57%	0.71%	0.22%	2.51%	0.79%	2.51%	0.79%	18.55%	6.98%
Credit	31.60%	0.74%	0.26%	2.95%	1.04%	2.95%	1.04%	13.76%	4.62%
Multi-Asset	39.83%	1.00%	0.50%	1.90%	0.96%	1.90%	0.96%	9.37%	3.15%
Cash & Other			-0.21%		-0.34%		-0.34%		-6.36%
Net Return			0.77%		2.45%		2.45%		8.38%

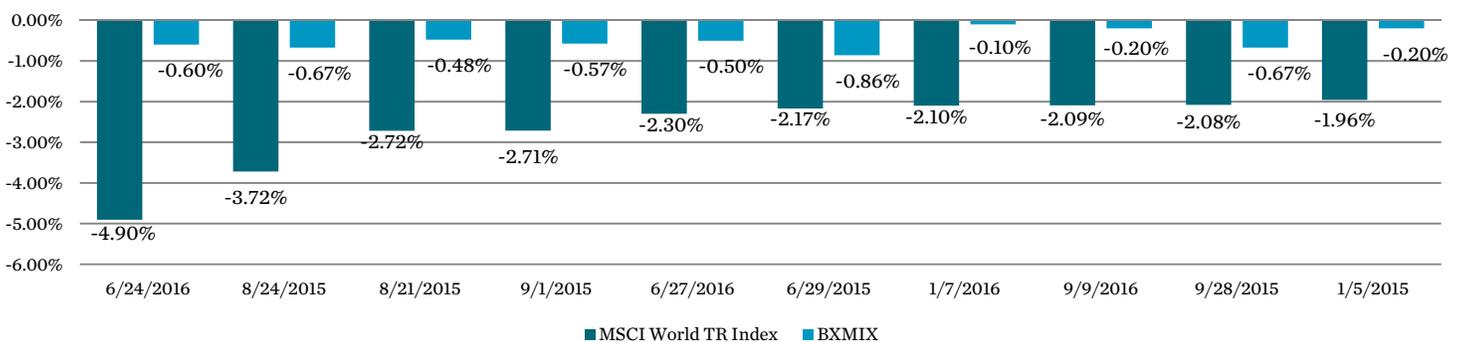
Sub-strategy summary³



Trailing 12 month sub-strategy attribution^{1,3,4}



BXMIX performance on worst 10 trading days for MSCI World since inception⁵

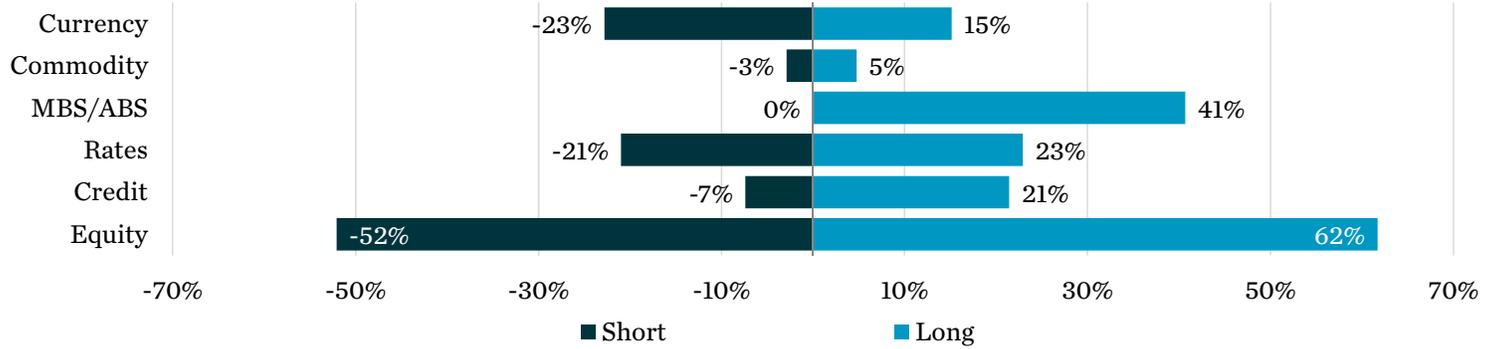


- Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
- Equity is comprised of Equity Long/Short; Credit is comprised of Fundamental Credit and Opportunistic Trading Credit; Multi-Asset/Quantitative is comprised of Quantitative and Global Macro/Multi-Strategy
- Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.
- 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.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 28, 2017.
- The indices presented are indicative and for illustrative purposes only. The volatility of the index presented may be materially different from that of the performance of the Fund. In addition, the index employs different investment guidelines and criteria than the Fund; as a result, the holdings in the Fund may differ significantly from the securities that comprise the index. The performance of the index has not been selected to represent an appropriate benchmark to compare to the performance of the Fund, but rather is disclosed to allow for comparison of the Fund's performance to that of well-known and widely recognized index. A summary of the investment guidelines for the index presented is available upon request. Performance of the index reflects the reinvestment of dividends. Please see glossary of terms at the end of this presentation for index definitions. The average daily return for BXMIX for the 10 best MSCI World TR days is 0.10%, while the average return of MSCI World TR for the 10 best MSCI World TR days was 0.54%.

The definitions and disclosures appearing at the end of this document are an integral part of this presentation and should be read in their entirety for a complete understanding of the information contained herein.

Additional information and current performance data is available at www.blackstone.com/bxmix.

Asset class exposure¹



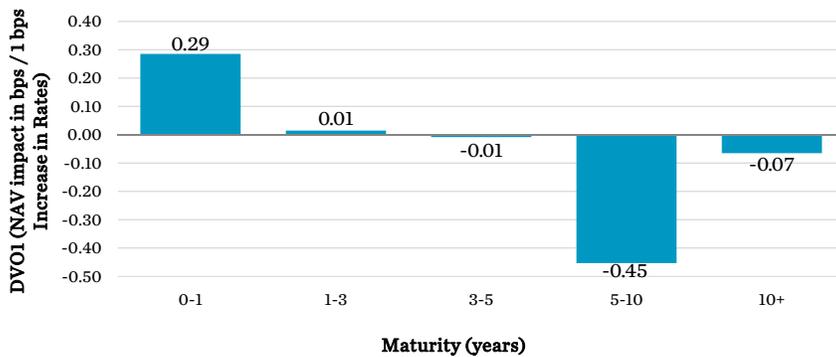
Geographic exposure¹

	Long	Short	Net
US/Canada	104.64%	52.76%	51.88%
Core Europe	34.21%	35.23%	-1.02%
Peripheral Europe	6.59%	1.44%	5.15%
Lat. Am./Caribbean	7.13%	1.08%	6.05%
Middle East/Africa	0.82%	1.92%	-1.10%
Japan	6.97%	7.47%	-0.50%
Asia general	5.01%	4.41%	0.60%
China/HK/Taiwan	1.28%	1.82%	-0.54%
Total	166.66%	106.14%	60.53%

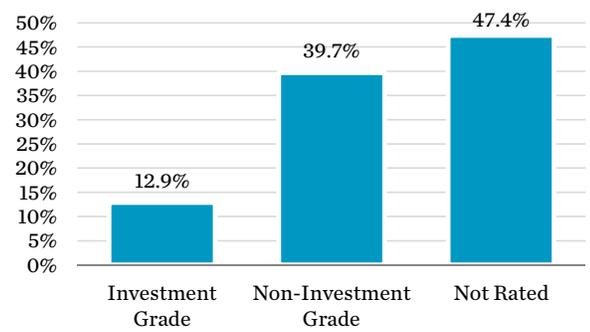
Currency exposure¹

Region	Long	Short	Net
Asia general	2.44%	2.98%	-0.54%
China/HK/Taiwan	0.00%	0.72%	-0.72%
Core Europe	5.21%	12.48%	-7.28%
Japan	5.31%	1.73%	3.58%
Latin America	0.37%	0.44%	-0.07%
Middle East/Africa	0.36%	0.82%	-0.46%
Peripheral Europe	0.43%	0.08%	0.35%
US/Canada	1.02%	3.55%	-2.53%
Total	15.15%	22.81%	-7.66%

Fixed income interest rate sensitivity³



Fixed income ratings^{1,2}



Equity exposure – sector breakdown¹

	Long	Short	Net
Energy	0.96%	1.05%	-0.09%
Materials	3.02%	0.76%	2.27%
Industrials	3.08%	1.39%	1.69%
Consumer Discretionary	6.76%	4.05%	2.70%
Consumer Staples	1.99%	1.84%	0.14%
Health Care	11.38%	8.29%	3.09%
Financials	3.81%	3.77%	0.05%
Real Estate	0.36%	1.69%	-1.33%
Information Technology	7.71%	3.00%	4.70%
Telecommunication Services	0.92%	0.64%	0.28%
Utilities	0.32%	0.35%	-0.03%
Index*	20.83%	25.14%	-4.32%
Unclassified**	0.58%	0.10%	0.48%
Total	61.71%	52.07%	9.64%

VaR analysis⁴

Date	VaR
2/28/17	2.1%

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 change in value of a security for a 1 basis point change in interest rates as a percentage of fund NAV.

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

February Market Commentary

The strong start to the year continued in February, with a few key themes emerging. First, the probability of a rate hike in March increased substantially, with the market pricing in a near-certain probability of the U.S. Federal Reserve (“Fed”) raising rates at its March meeting, up from a ~25% probability earlier in the month. This increase in expectations was largely driven by hawkish rhetoric from Fed officials and strong economic data across labor market, manufacturing, and inflation measures. Anticipation of a near-term rate hike caused a market reaction that deviated from what we’ve seen in previous cycles. Since the global financial crisis, markets have reacted positively in reaction to indications of loose monetary policy and vice versa with respect to tight monetary policy. Interestingly, in February, markets did just the opposite, shifting into “risk-on” assets and out of “risk-off” assets as expectations of a rate hike increased, indicating that market confidence and the prospect for higher growth are offsetting the growth dampening impacts of tighter monetary policy in the form higher rates.

A second key theme in February was the emergence of a more synchronized global growth story, as survey data, while not unanimously positive, was encouraging during the month. In particular, we saw robust factory data coming out of the U.S., Europe and China. The ISM U.S. manufacturing report came in at 57.7% in February, up from 56.0% a month earlier and marking the sixth straight monthly increase. Similarly in Europe, data showed that euro-zone manufacturing accelerated for a sixth month, and China’s official factory gauge also improved, suggesting that Chinese producers are, at least for now, shrugging off the negative implications of potential trade tariffs. A more synchronized global growth trajectory may take some pressure off of the U.S., which has historically been the key growth driver for the global economy.

Broadly speaking, February served up strong returns across asset classes. Equity markets were up 4.0% in the U.S., 2.8% in Europe, and 3.1% in Emerging Markets, as the post-U.S. election equity market surge continued¹. Fixed income posted positive returns as well, despite the increased probability of a rate hike in the U.S., with global fixed income markets up 0.5% and U.S. high yield returning 1.4%. This performance came with relatively low volatility, as evidenced by the VIX and MOVE indices, which measure stock and U.S. treasury volatility, respectively.

Despite low volatility, market dynamics appear supportive of hedge fund strategies. In addition to the potential for policy driven opportunities in specific sectors that we have discussed in previous months, we are also seeing some of the lowest levels of intra- and cross-asset correlation in years, which is generally supportive of stock-pickers and active management more broadly. Equity and FX correlation, in particular, have come down and are currently at the lower end of their long-term ranges. This may be a positive dynamic for hedge funds, as it provides more opportunity for managers that take a long/short approach, as well as for macro-based strategies that look to take advantage of divergent trends across interest rates, fixed income and currency markets.

Review of Fund Performance²

The investment objective of Blackstone Alternative Multi-Strategy Fund (the “Fund”) is to seek capital appreciation. The Fund aims to achieve its objective by managing assets directly (via BAIA³) or by allocating assets among a variety of investment sub-advisors, each with experience managing non-traditional or “alternative” investment strategies. In February, the Fund’s Class I share class⁴ returned 0.77%⁵ net of fees and expenses versus 3.97% and 2.82% for the S&P 500 and MSCI World Indices, respectively, and versus 0.47% for the Barclays Global Aggregate Bond Index.

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- 1. S&P 500 represents Equity markets; MSCI Europe represents Europe; MSCI EM represents Emerging Markets. Source: Morgan Stanley, “Global In the Flow.”*
 - 2. The volatility of the indices presented may be materially different from that of the performance of the fund. In addition, the indices employ different investment guidelines and criteria than the Fund; as a result, the holdings in the Fund may differ significantly from the securities that comprise the indices. The performance of the indices has not been selected to represent an appropriate benchmark to compare to the performance of the Fund, but rather is disclosed to allow for comparison of the Fund’s performance to that of well-known and widely recognized indices. A summary of the investment guidelines for the indices presented are available upon request. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.*
 - 3. Blackstone Alternative Investment Advisors (“BAIA”), the Fund’s investment advisor, manages a portion of the Fund’s assets directly. Such assets 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.*
 - 4. For a summary of Fund performance of other share classes, please refer to the Fund’s website: <http://www.blackstone.com/bxmix>*
 - 5. Performance is shown net of all fees and expenses for Share Class I. 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. Information is estimated and unaudited.*

Performance commentary

Equity Strategies

Equity strategies continued their positive momentum in February, with most of the positive performance coming from positioning around U.S. policy and its implications. Long healthcare positions benefitted from a rally in the sector, and were further helped by a bias toward healthcare services relative to pharma, as the former look to benefit from potential repeal or reform of existing healthcare policy. Certain short financials exposures detracted from performance, as “risk-on” sentiment drove the stocks of financial services companies higher during the month. While we are likely to maintain our relatively low exposure to long/short equity managers in the near term, we are cautiously optimistic about the alpha environment for these strategies given the various regulatory and market dynamics we have previously discussed.

Credit Strategies

Credit strategies posted positive performance in February, with all sub-advisers contributing gains. Both corporate and structured credit exposures benefitted from positive carry and potential implications of proposed changes in interest deductibility. In addition to continued gains generated by exposures to credit risk transfer (CRT) bonds, the portfolio also benefited from positive cash flow across commercial mortgage-backed securities (CMBS) and asset-backed securities (ABS). Collateralized loan obligation (CLO) tranches benefitted from increased probability of rising rates, which has been driving demand for floating rate credit instruments more broadly, and tightening residential mortgage-backed securities (RMBS) spreads and price appreciation in several corporate bonds in financials and entertainment sectors also boosted performance. We continue to monitor broader credit conditions across corporate high yield and structured credit markets, and we are watching policy coming out of the new U.S. administration closely with the aim of capitalizing on any dislocations that may result.

Multi-Asset Strategies

Multi-Asset strategies were the largest contributor to performance in February, with gains driven primarily by short exposure to lower carry funding currencies, such as the Swiss Franc, short exposure to the Euro, which suffered from political uncertainty, and long exposure to the Mexican Peso which reflected the rally in “risk on” sentiment during the month. European equity exposures generated positive returns, as the Fund’s sub-advisers were well positioned going into earnings season. Additionally, certain Argentine local and hard currency sovereign bonds performed well after their recent inclusion in J.P. Morgan’s widely followed GBI-EM index, and better than expected growth data for Q4 was released during the month. The developed currency portfolio detracted from performance, which stemmed primarily from repricing USD given expected tax reform impacts on exports/imports.

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

Disclosure information

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

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

Important Disclosures Regarding Exposure

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

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

Glossary of Terms:

Gross Exposure: Reflects the aggregate of long and short investment positions in relation to the net asset value. For example, if BXMIX has 60% long exposure and 50% short exposure to a particular asset class, then BXMIX has 110% gross exposure to that asset class. The gross exposure is one indication of the level of leverage in a portfolio. **Net Exposure:** This is the difference between long and short investment positions in relation to the net asset value. For example, if BXMIX has 60% long exposure and 50% short exposure to a particular asset class, then BXMIX is 10% net exposure to that asset class. **Long:** A long position occurs when an individual owns securities. **Short:** Short selling a security not actually owned at the time of sale. Short positions can also generate returns when the price of a security declines. **VaR:** A statistical technique used to

measure and quantify the level of financial risk within a firm or investment portfolio over a specific time frame. Value at risk is used by risk managers in order to measure and control the level of risk which the firm undertakes. The risk manager's job is to ensure that risks are not taken beyond the level at which the firm can absorb the losses of a probable worst outcome. A VaR model has certain inherent limitations and it cannot be relied upon to predict or guarantee that the size or frequency of losses incurred by a Fund will be limited to any extent. As the VaR model relies on historical market data as one of its key inputs, if current market conditions differ from those during the historical observation period, the effectiveness of the VaR model in predicting the VaR of a Fund may be materially impaired. **DV01:** A bond valuation calculation showing the dollar value of a one basis point change in interest rates or yield. **Alpha:** A risk-adjusted performance measure that represents the average return on a portfolio over and above that predicted by the capital asset pricing model (CAPM), given the portfolio's beta and the average market return.

Glossary of Indices

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

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.