

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of June 30, 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	\$4,542 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	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				ITD Statistics			
	Jun-16	YTD	1 Yr	ITD	St. Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	-0.50%	-1.28%	-1.04%	1.46%	3.87%	-	-	0.34
HFRX Global	0.20%	-0.83%	-5.64%	-3.09%	4.00%	0.66	3.79%	-0.94
Barclays Agg Bond	1.80%	5.31%	6.00%	4.09%	3.31%	-0.29	2.33%	1.03

1. Performance is presented through June 30, 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

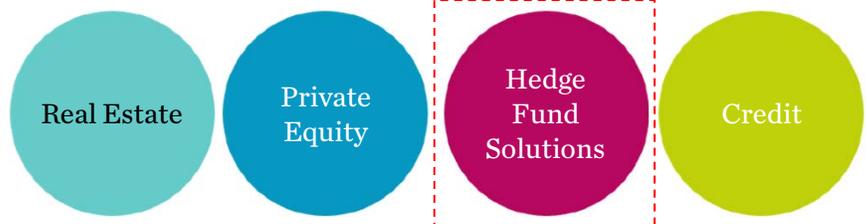
\$334B

in assets under management.⁹

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

\$68B

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 June 30, 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.

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

9. As of March 31, 2016.

Sub-adviser allocations

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
Goldman Sachs	Equity Hedge	Equity Long Short	35%
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	28%
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%							-1.28%

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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. **HFRI 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

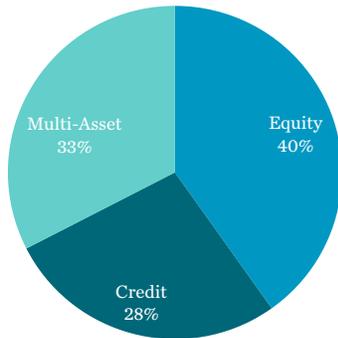
An investment in BXMIX, Class I should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other investments. BXMIX's investments involve special risks including, but not limited to, loss of all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

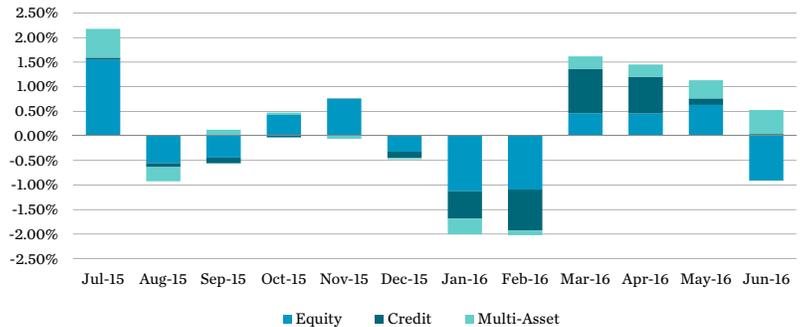
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As of June 30, 2016

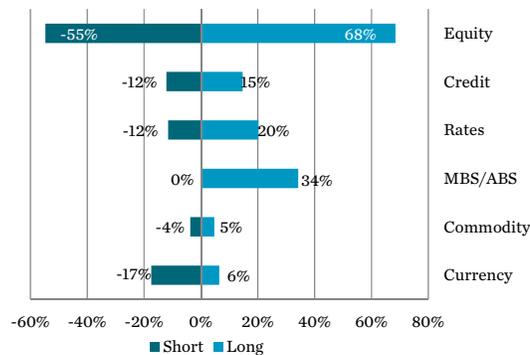
Sub-strategy summary



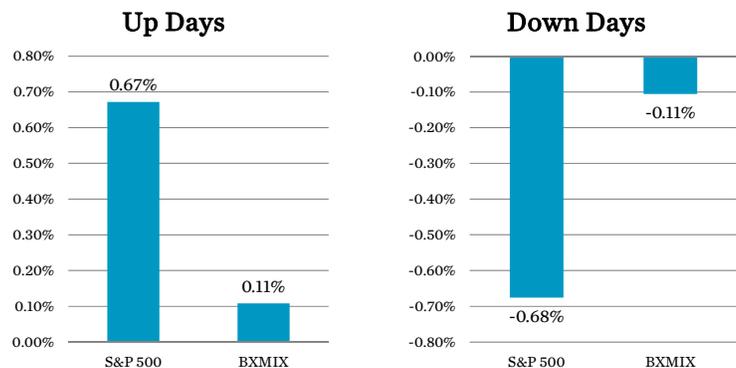
Trailing 12 month gross strategy attribution^{1,5}



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	96.98%	60.69%	36.29%
Core Europe	26.46%	23.71%	2.76%
Peripheral Europe	8.03%	0.79%	7.23%
Lat. Am./Caribbean	7.82%	0.82%	7.00%
Middle East/Africa	1.23%	2.20%	-0.96%
Japan	4.23%	4.62%	-0.39%
Asia general	2.60%	4.28%	-1.68%
China/HK/Taiwan	1.32%	2.22%	-0.89%
Total	148.69%	99.33%	49.35%

Equity exposure – sector breakdown³

	Long	Short	Net
Energy	1.33%	1.33%	0.00%
Materials	2.29%	2.92%	-0.63%
Industrials	3.47%	2.41%	1.05%
Consumer Discretionary	9.69%	5.68%	4.01%
Consumer Staples	2.61%	2.28%	0.33%
Healthcare	12.78%	5.62%	7.16%
Financials	5.73%	4.12%	1.61%
Technology	8.78%	4.35%	4.43%
Telecom	2.53%	0.90%	1.63%
Utilities	0.32%	0.66%	-0.34%
Unclassified ⁴	18.90%	24.40%	-5.50%
Total	68.43%	54.67%	13.75%

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 June 30, 2016.

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

3. 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.

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

June Market Commentary

The month of June was dominated by anticipation of the historic “Brexit” referendum and then the ensuing volatility once the results were announced. On June 23rd, United Kingdom voters made the historic decision to leave the European Union, with the “leave” campaign winning by a narrow margin of about 52% to 48%. In the days leading up to the referendum, markets were pricing in an overwhelmingly high probability that the “remain” camp would prevail, shocking markets when final results were tallied. On Friday, the day following the referendum, the value of the British pound (Sterling) plunged to 30-year lows, overnight market futures dropped significantly in major markets, gold rallied, and the S&P 500 had its worst trading day since August 2015 (ending down more than -3%). Treasury yields also fell sharply, with the 10-year U.S. Treasury note hitting an intraday low of 1.41%, its lowest since July 2012. The volatility continued after the weekend on Monday, with the S&P and MSCI dropping an additional -1.81% and -2.30%, respectively.

Despite the initial turbulence, markets proved resilient and the S&P 500 ended the month up 0.26%, the third consecutive month that the S&P 500 has increased. Markets regained ground after Bank of England Governor Mark Carney assured markets that the Bank of England would provide emergency liquidity if required, as well as possibly cut rates and activate central bank swap lines with the Fed and other central banks. Structurally, Brexit will likely require some long-term downward adjustment to UK real GDP assumptions. Cyclically, however, the UK may do better than expected. The decline of Sterling is likely to boost exports and could also help housing and consumer credit. Although Brexit has weakened the near-term outlook for the UK and global economies, the long-term consequences remain unclear.

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 June, the Fund’s Class I share class returned -0.50% net of fees and expenses versus 0.26% and -1.07% for the S&P 500 and MSCI World Indices, respectively, and versus 1.80% for the Barclays U.S. Aggregate Bond Index.

Turning specifically to the Brexit developments, the Fund was positioned conservatively leading up to the Brexit referendum vote, both from a strategy allocation perspective as well as from a sub-adviser risk appetite perspective. From a geographic exposure standpoint, the Fund’s net exposure to Core Europe including the UK is relatively low in relation to the AUM of the fund. In fact, the Fund is only 2.76% net long to “Core Europe.” Included within this exposure figure is a net short position of approximately -3.85% and -1.92% to the Euro and GBP, respectively¹. This positioning helped protect capital and mitigate a significant amount of volatility that was seen during the two days following Brexit.

Equity Strategies

Equity strategies were the largest detractors of performance during the month, with both equity long/short and equity market neutral strategies generating losses. In the immediate aftermath of Brexit, Blackstone’s intentional tilt toward lower beta managers helped protect capital but also meant that the Fund did not participate as fully in the equity market snapback that occurred in the final days of the month. Both long and short exposures were challenged by a reemergence of the negative alpha story that has plagued equity-based alternative strategies in 2016, with gains in Consumer Discretionary and Materials not fully offsetting losses in Financials, Information Technology, Telecommunication Services, and Consumer Staples. While, as noted above, the Fund’s overall net exposure to Core Europe is relatively low, such exposure contributed to the negative performance by equity strategies during the month. Finally, the performance dispersion between top and bottom sectors has continued to be a headwind. Within the equity category, the Fund’s highest allocations are to Healthcare, Technology, and Consumer Discretionary, which have had mixed performance compared to more defensive sectors. Exposure to financials especially has also been a headwind, with several bank and insurance company names trading down.

1. Exposure data is as of 6/30/16. Core Europe is defined to include Belgium, Czech Republic, Denmark, Finland, France, Germany, Jersey, Luxembourg, Monaco, Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

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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 contributed positively for the month. Overall, the US corporate credit market has had a mild reaction to the Brexit developments, though we have seen some spread widening. Within credit, the majority of the Fund's exposure is in structured credit, with an emphasis on strength of collateral. Over the last several months, however, Blackstone has increased the Fund's exposure to corporate credit, which generated gains and offset losses from asset backed strategies.

Multi-Asset Strategies

Multi-Asset strategies generated positive performance on the whole, while not all strategies were positive. Systematic diversified strategies benefitted from a variety of factor exposures depending on the sub-adviser's optimization strategy, though momentum and carry generated the majority of returns. Systematic strategies that do not include momentum offset some of those gains. Macro strategies also performed well as a result of continued outperformance in rate receivers in Latin American bonds and Greek sovereign positions.

Review of Fund Performance – Second Quarter

During the second quarter of 2016, the Fund's Class I share class returned 1.73% net of fees and expenses versus 2.46% for the S&P 500 Index, 1.21% for the MSCI World Index, and 2.21% for the Barclays U.S. Aggregate Bond Index.

Equity strategies overall contributed positively, even though the Fund's equity market neutral strategies generated losses. Despite challenges in the second quarter, we believe equity market neutral strategies can be advantageous in volatile and uncertain markets and are maintaining allocations to these strategies. Looking at equity strategies broadly over the first half of the year, the Fund benefitted from reduced exposure to higher beta strategies but suffered from overweight exposures to underperforming sectors, particularly financials and technology. Going forward, we maintain cautious views on equity markets and look to continue to reduce exposure to strategies with higher betas and market directionality.

Credit strategies also contributed gains in the second quarter, with corporate credit contributing significantly. Going into 2016, we have seen increased opportunities in corporate credit, an area we have been underweight for several years. The Fund's allocation to corporate credit strategies was approximately tripled over the first half of the year on the belief that increasing weakness due to forced sellers across the corporate credit spectrum would provide greater opportunities for liquidity providers to capture excess spread. At this point, we believe this opportunity has mostly played out. With rates as low as they are, attractive yields are especially hard to find.

Finally, the Fund's Multi-Asset strategies also generated positive returns for the quarter and continue to provide diversification to the portfolio with low betas to traditional asset classes such as equity and credit. On the macro side, positive developments in Argentina, Venezuela, and Greece have benefitted the Fund's exposures to sovereign high yield bonds in these regions. Local rates and FX exposures have also contributed positively. Systematic diversified strategies experienced gains across factor models, with momentum rallying in particular. Strategies that do not include momentum offset some gains. As we continue to reduce exposure to strategies with more market directionality, the multi-asset category is an area where we may look to add additional sub-advisers.

It has been a tumultuous first half of the year for markets, despite the S&P 500 ending in positive territory. Starting in January with the second Chinese currency depreciation, all the way through June with the culmination of Brexit, investors have experienced significant volatility. To the extent that markets continue to be volatile, diversifying exposures such as the Fund can potentially provide stability and downside protection within a portfolio, as well as take advantage of emerging dislocations that may create compelling investment opportunities.

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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.

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.