

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of July 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 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	\$4,770 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 06/30/2016			As of 07/31/2016				ITD Statistics			
	YTD	1 Yr	ITD	Jul-16	YTD	1 Yr	ITD	St. Dev.	Beta ⁴	Alpha ⁵	Sharpe
BXMIX	-1.28%	-1.04%	1.46%	1.10%	-0.20%	-1.85%	1.93%	3.79%	-	-	0.49
HFRX Global	-0.83%	-5.64%	-3.09%	1.45%	0.61%	-4.24%	-2.32%	4.02%	0.64	3.34%	-0.60
Barclays Gbl Agg	8.96%	8.87%	1.06%	0.75%	9.78%	9.45%	1.36%	5.03%	-0.21	2.16%	0.26
MSCI World	1.02%	-2.19%	0.35%	4.25%	5.31%	0.13%	2.24%	12.75%	0.18	1.31%	0.17

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

The firm

Blackstone is a large and diversified alternative asset manager, with

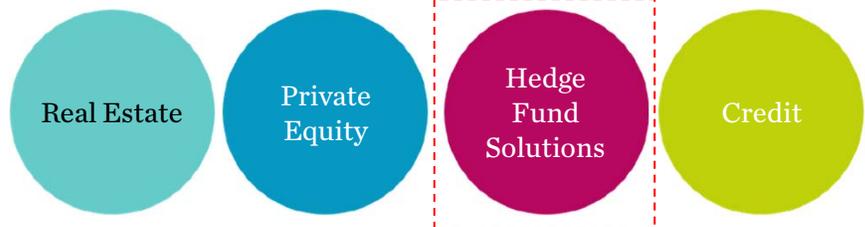
\$334B

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 July 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.

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

9. As of June 30, 2016.

Sub-adviser allocations

MANAGER	STRATEGY	SUB-STRATEGY	CURRENT ALLOCATION
Goldman Sachs	Equity Hedge	Equity Long Short	34%
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	25%
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	31%
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%						-0.20%

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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 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.

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

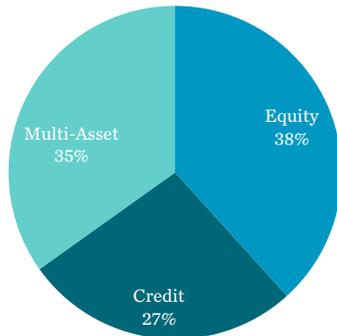
An investment in BXMIX, Class I should be considered a speculative investment that entails substantial risks; you may lose part or all of your investment or your investment may not perform as well as other investments. BXMIX's investments involve special risks including, but not limited to, loss of all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

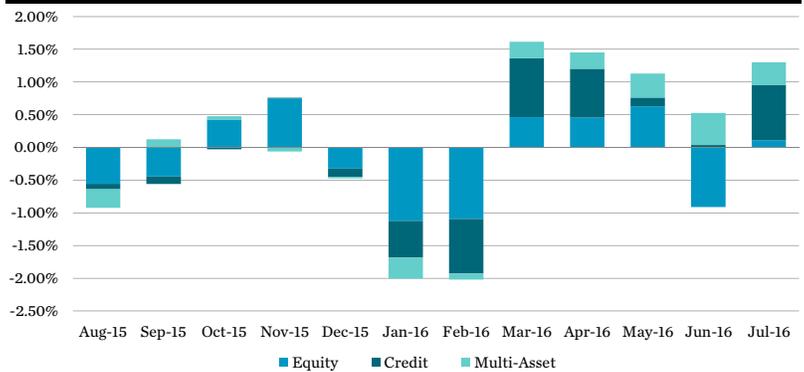
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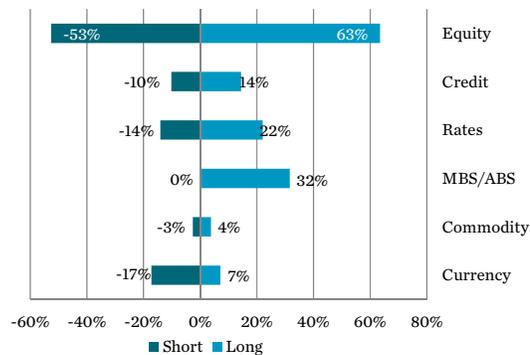
Sub-strategy summary



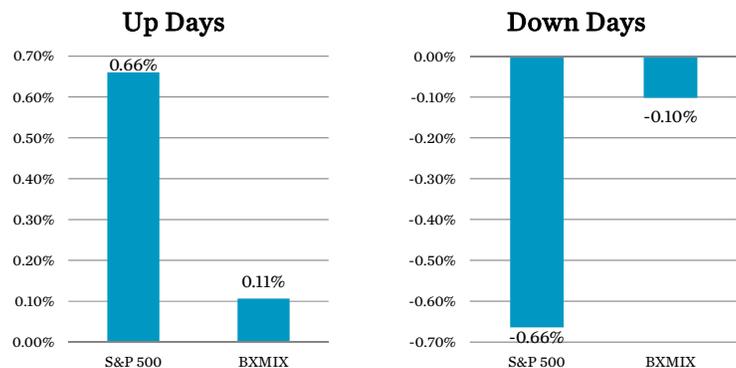
Trailing 12 month gross strategy attribution^{1,5}



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	92.35%	56.03%	36.32%
Core Europe	27.12%	24.04%	3.08%
Peripheral Europe	7.08%	1.05%	6.02%
Lat. Am./Caribbean	6.98%	0.51%	6.46%
Middle East/Africa	1.34%	2.39%	-1.06%
Japan	4.36%	5.04%	-0.68%
Asia general	2.18%	5.50%	-3.32%
China/HK/Taiwan	1.00%	2.25%	-1.24%
Total	142.40%	96.81%	45.59%

Equity exposure – sector breakdown³

	Long	Short	Net
Energy	1.27%	1.26%	0.01%
Materials	2.55%	1.99%	0.56%
Industrials	3.23%	2.50%	0.73%
Consumer Discretionary	8.62%	5.43%	3.19%
Consumer Staples	2.90%	2.11%	0.79%
Healthcare	12.38%	5.83%	6.55%
Financials	4.31%	4.24%	0.07%
Technology	7.67%	3.44%	4.23%
Telecom	2.07%	1.00%	1.07%
Utilities	0.39%	0.43%	-0.04%
Unclassified ⁵	18.06%	24.42%	-6.36%
Total	63.45%	52.65%	10.80%

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 July 31, 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

July Market Commentary

It wasn't just the sweltering heat across much of the United States that led to a hot July. Stocks started heating up too. The S&P 500 hit an all-time high on July 22nd, capping a week of better-than-expected corporate earnings reports that drove up stock prices. But investors are beginning to question some of these equity valuations and whether the recent rally is justified.

More than half of the S&P 500 companies had reported second-quarter earnings by the end of July with 71% beating estimates¹. At the surface, this appears to be a strong economic indicator; however, in reality, it is largely the result of a lower bar being set for corporate earnings during this cycle. Roughly 75% of S&P 500 companies typically meet or beat analyst expectations². Actual Q2 figures still reveal a decline in earnings which, if sustained by the end of the reporting season, would mark the fifth consecutive quarterly drop¹. Thus, the equity rally appears to be a classic case of price/earnings multiple expansion, perhaps driven partly by continued loose monetary policy.

As expected, the U.S. Federal Reserve ("Fed") left the target Fed Funds rate unchanged on July 27th, citing inflation levels that remain below the Fed's 2% target. Signs of a strengthening labor market and moderate economic expansion did leave the door open for a potential rate hike in September, but investors don't seem to believe that it will actually happen. Fed Fund futures indicate the chances of a rate hike to be only 18% in September and 21% in November³. The market may be focused on the fact that U.S. GDP continues to grow at a frustratingly slow pace and business spending remains soft. A future Fed rate hike may require a prolonged steady flow of positive economic data as well as calm markets.

Looking across the pond, the aftermath of the Brexit vote was almost as much of a surprise as the vote itself. The fact that U.K. equity indices, including domestically-oriented ones such as the FTSE 250, are pretty much back to where they were before the vote was largely unexpected. This is especially true given the enormity of the event, which increasingly looks like it may be triggering a U.K. recession with negative consequences for the rest of Europe. If so, more ECB easing may be required. That, coupled with the Italian referendum on Senate reforms later this year, suggests risks in Europe may be rising.

The second half of 2016, at least for now, looks markedly different from where we started this year. Although the big market movers of six months ago (fears of a hard landing in China, falling commodity prices and lack of liquidity in credit markets) have been pushed to the back burner, heightened risks remain in the global economy. Pockets of dislocation may continue, particularly due to the ongoing risks emanating from Europe, and we at Blackstone are monitoring for opportunities to allocate capital during those episodic pullbacks. BXMIX, with multiple hedge fund strategies and investment styles, and with an aim of capturing opportunities across asset classes and geographies, may offer stability to a broader portfolio during periods of market volatility.

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 July, the Fund's Class I share class⁴ returned 1.10% net of fees and expenses versus 3.69% and 4.25% for the S&P 500 and MSCI World Indices, respectively, and versus 0.75% for the Barclays Global Aggregate Bond Index.

Equity Strategies

Equity strategies contributed to performance with Equity Long/Short strategies posting gains and Equity Market Neutral Strategies ending the month mixed. Healthcare and financials, two of our highest net sector exposures, rallied on the back of several strong earnings results in biotech, medtech and bank sub-sectors. Materials, telecom and technology shorts generated negative alpha as some of the underlying stocks rallied on the back of continued strength in these sectors and also due to better-than-expected quarterly results. We maintain our cautious view on equities given mixed fundamental data, geopolitical uncertainty (i.e. Brexit implications and the upcoming U.S. presidential election), high valuations, depressed Q2 earnings and lowered year-end guidance. This is an environment in which it is increasingly important to have skilled, fundamental stock-pickers that can source attractive long and short opportunities through deep, bottoms-up analysis.

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1. *Source: FactSet Earnings Insight, July 29, 2016.*
 2. *Gryta, Thomas, Serena Ng, and Theo Francis. "Companies Routinely Steer Analysts to Deliver Earnings Surprises." The Wall Street Journal 4 Aug. 2016.*
 3. *Based on CME Group 30-Day Fed Fund futures prices as of August 8, 2016.*
 4. *For a summary of Fund performance of other share classes, please refer to the Fund's website: <http://www.blackstone.com/bxmix>*

Performance data quoted represents past performance and does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost and current performance may be lower or higher than the performance data quoted. Information about BXMIX, including current month-end performance, is available on BXMIX's website at www.blackstone.com/bamsf/ or by calling 855-890-7725.

Performance commentary

Credit Strategies

Credit strategies were the largest contributors of gains in July and were also a source of positive alpha on the month. Government-sponsored enterprise (“GSE”) credit risk transfer bonds and certain asset-backed credit exposures experienced gains on the back of positive carry and higher mark-to-market moves. The portfolio also benefited from corporate bond exposures in energy, gaming and media sectors. Losses in the Credit book were primarily due to weakness in commercial mortgage-backed securities index hedges. We are currently focused on opportunities in collateralized loan obligations, which continue to trade at cheap levels, and our sub-advisers are seeing attractive entry points.

Multi-Asset Strategies

Multi-Asset strategies generated positive performance on the whole, with Multi-strategy exposures generating strong gains and Macro strategies posting mixed results. Certain special situations, financials, industrials and Japanese index exposures contributed to performance. Systematic sub-strategies benefited from carry strategies, while momentum strategies were mixed and value strategies detracted from performance. From an asset class perspective, systematic strategies in fixed income were the best performers, while FX was mixed and commodities detracted. We still think that there are ample opportunities in emerging markets and that, despite this year’s strong rally, emerging markets’ growth premium to developed markets could widen into next year. Additionally, the risk premia between certain sovereign and quasi-sovereign entities has become dislocated as low commodity prices have put the financial position of several state-owned entities under pressure while also affecting the respective government’s fiscal dynamics. As markets question the ability of governments to materially support these quasi-sovereign entities, the yields between them and their underlying sovereign entities has grown wider, and the price action on the debt of some of the quasi-sovereign entities doesn’t reflect the fundamentals and the strategic importance of the entity to the country. This has resulted in potential investment opportunities, and we are focused on those in Brazil, Argentina, Greece and Venezuela.

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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>

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

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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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