

Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of February 28, 2019

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 non-traditional or "alternative" investment strategies. Blackstone allocates the Fund's assets among investment sub-advisers with experience managing alternative investment strategies and among Investment Funds and also manages a portion of the Fund's assets directly. In pursuing the Fund's investment objective, Blackstone focuses on the preservation of capital and seeks to maintain an investment portfolio with, on average, lower volatility relative to the broader equity markets.

Fund highlights

Fund assets ⁶	\$7,170.02 million
Inception date	June 16, 2014
Investment advisor	Blackstone Alternative Investment Advisors, LLC
Eligible investors	US taxable & tax-exempt
Liquidity	Daily
CUSIP	09257V201

Fund terms (Share Class D)⁷

Management Fee	1.88%
Gross Expense Ratio	2.86%
Net Expense Ratio	2.20%

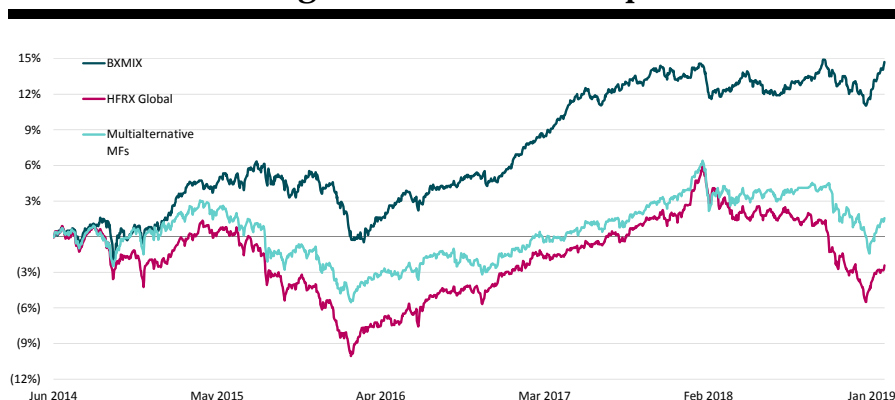
Portfolio managers

Name	Years at Blackstone
Gideon Berger	17 Years
Min Htoo	2 Years
Robert Jordan	8 Years
Ian Morris	9 Years
Alberto Santulin	16 Years
Stephen Sullens	18 Years

Fund net performance^{1,2,3,4,5}

	As of 12/31/2018			As of 02/28/2019					Inception to Date Statistics			
	YTD	1 Yr	ITD	MTD	QTD	YTD	1 Yr	ITD	St Dev.	Beta	Alpha	Sharpe
BXMIX	(1.52%)	(1.52%)	2.46%	1.13%	3.86%	3.86%	3.33%	3.20%	3.10%	-	-	0.78
HFRX Global Hedge Fund Index	(6.72%)	(6.72%)	(0.93%)	0.63%	2.77%	2.77%	(4.10%)	(0.32%)	3.55%	0.53	3.36%	(0.31)
Barclays Gbl Agg Index	(1.20%)	(1.20%)	0.32%	(0.58%)	0.94%	0.94%	(0.57%)	0.51%	4.76%	(0.09)	3.28%	(0.06)
MSCI World TR Index	(8.20%)	(8.20%)	4.45%	3.06%	11.11%	11.11%	1.00%	6.66%	11.37%	0.16	2.05%	0.52

Alternative strategies cumulative net performance^{1,2}



1. Performance is presented through February 28, 2019. 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. Additional information and performance data current to the most recent month-end is available at www.bxmix.com.

2. None of the indices presented are benchmarks or targets for the Fund. 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 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 28, 2019.

7. Gross expense ratio represents the expense ratio applicable to investors. Net expense ratio represents the Specified Expenses as of March 31, 2018. "Specified Expenses" is defined to include all expenses incurred in the business of the Fund with the exception of: (i) distribution or servicing fees, (ii) acquired fund fees and expenses, (iii) brokerage and trading costs, (iv) interest payments (including any interest expenses, commitment fees, or other expenses related to any line of credit of the Fund), (v) taxes, (vi) dividends and interest on short positions, and (vii) extraordinary expenses (in each case, as determined in the sole discretion of the Adviser). Please see the Fund's Prospectus at www.bxmix.com.

Sub-adviser allocations¹

Manager	Strategy	Sub-strategy	Classification
Active Sub-Advisors			
HealthCor	Equity Hedge	Equity Long Short	Equity
Endeavour	Equity Hedge	Equity Market Neutral	
Two Sigma Advisers	Equity Hedge	Equity Market Neutral	
Bayview	Relative Value	Fixed Income - Asset Backed	Credit
Good Hill	Relative Value	Fixed Income - Asset Backed	
Sorin	Relative Value	Fixed Income - Asset Backed	
BRESSA ⁽¹⁾	Relative Value	Fixed Income - Asset Backed	
Caspian	Event Driven	Distressed/Restructuring	
Boussard & Gavaudan	Event Driven	Multi-Strategy	Multi-Asset
Magnetar ⁽¹⁾	Event Driven	Risk Arbitrage	
Emso	Macro	Discretionary Thematic	
NWI	Macro	Discretionary Thematic	
IPM	Macro	Systematic Diversified	
D.E. Shaw	Multi-Strategy	N/A	
BAIA-Direct ⁽²⁾	Multi-Strategy	N/A	
Inactive Sub-Advisors⁽³⁾			
Cerberus	Relative Value	Fixed Income - Asset Backed	Inactive
Waterfall	Relative Value	Fixed Income - Asset Backed	
Nephila	Event Driven	Reinsurance	
H2O	Macro	Discretionary Thematic	
GSA	Macro	Systematic Diversified	

1. Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliate benefits The Blackstone Group L.P. and any redemption or reduction of such allocation would be detrimental to The Blackstone Group L.P., creating potential conflicts of interest in allocation decisions. For a discussion of this and other conflicts, please see the Additional Disclosure section at the end of this document.

2. BAIA manages a portion of the Fund's assets directly. Such investments include allocations to BAIA's systematic risk premia trading strategy, funds managed by Glenview Capital Management LLC, EJP Capital LLC, Aeolus Capital Management Ltd., opportunistic credit trades and hedging. BAIA allocations are subject to change and BAIA's fees on directly managed assets are not reduced by a payment to a sub-adviser.

3. Inactive managers are not currently managing any Fund assets. Allocations may change at any time without notice.

Monthly net performance^{4,5}

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD			
													BXMIX	HFRX Gbl	Bardays Gbl	MSCI World
2014	-	-	-	-	-	0.50%	(0.40%)	0.90%	0.30%	(0.59%)	0.30%	(0.19%)	0.80%	(1.40%)	(3.45%)	0.86%
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%	(3.64%)	(3.15%)	(0.32%)
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%	2.50%	2.09%	8.15%
2017	1.67%	0.77%	0.96%	1.52%	1.12%	(1.01%)	0.93%	0.92%	(0.09%)	0.92%	(0.64%)	(0.05%)	7.20%	5.99%	7.39%	23.07%
2018	0.28%	(1.30%)	0.38%	0.94%	(1.49%)	(0.09%)	0.94%	0.28%	1.21%	(1.57%)	0.09%	(1.15%)	(1.52%)	(6.72%)	(1.20%)	(8.20%)
2019	2.70%	1.13%											3.86%	2.77%	0.94%	11.11%

4. None of the indices presented are benchmarks or targets for the Fund. Indices are unmanaged and investors cannot invest in an index. Please see end of document for additional disclosures regarding indices presented.

5. Performance is presented through February 28, 2019. Net performance is net of the Gross Expense Ratio less waived expenses. 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. Additional information and performance data current to the most recent month-end is available at www.bxmixon.com. BXMIX launched on June 16, 2014 and thus performance for June 2014 is limited to June 16 through June 30.

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.bxmixon.com. All investors are urged to carefully read the prospectus and the summary prospectus in its entirety before investing.

Glossary of Terms

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 90 day T-Bill – 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.

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.

The following information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice. If you are an individual retirement investor, contact your financial advisor or other fiduciary unrelated to BAIA about whether any given investment idea, strategy, product or service described herein may be appropriate for your circumstances.

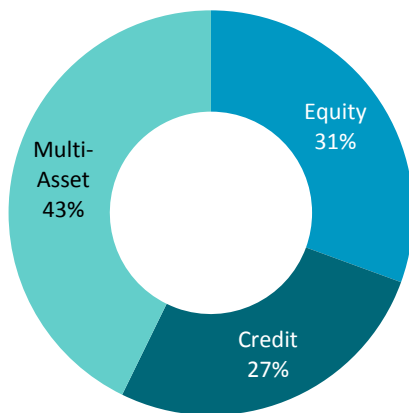
Blackstone Alternative Multi-Strategy Fund (BXMIX)

As of February 28, 2019

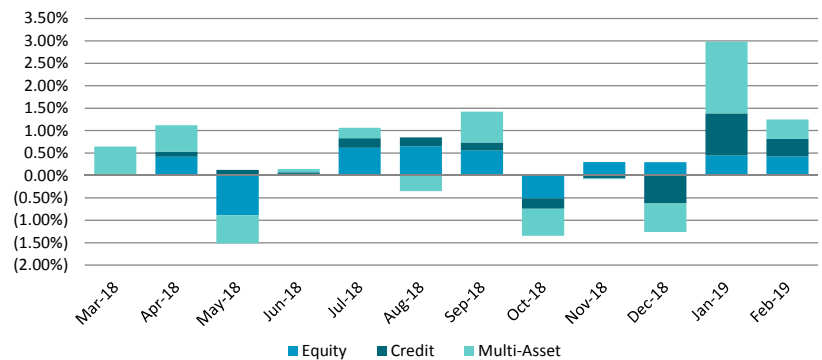
Performance summary^{1,2,3}

Sub-Strategy Performance	Allocation at 2/28/2019		MTD		QTD		YTD		Trailing 12 Months		ITD Cumulative Performance	
	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution	Return	Attribution
Equity	30.57%	1.14%	0.42%	2.37%	0.88%	2.37%	0.88%	5.98%	2.36%	30.37%	11.33%	
Credit	26.65%	1.23%	0.39%	4.34%	1.34%	4.34%	1.34%	4.99%	1.28%	31.65%	9.05%	
Multi-Asset	42.78%	0.81%	0.43%	3.82%	2.04%	3.82%	2.04%	3.74%	1.99%	17.44%	6.84%	
Cash & Other			(0.12%)		(0.40%)		(0.40%)		(2.29%)		(11.24%)	
Net Return			1.13%		3.86%		3.86%		3.33%		15.98%	

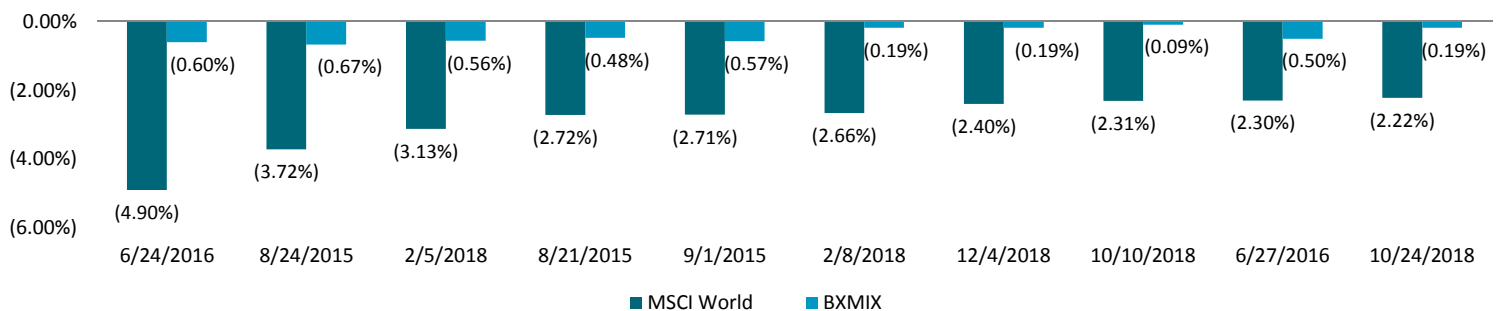
Portfolio Allocations²



Trailing 12 month sub-strategy attribution^{1,2,3}



BXMIX performance on worst 10 trading days for MSCI World since inception⁴



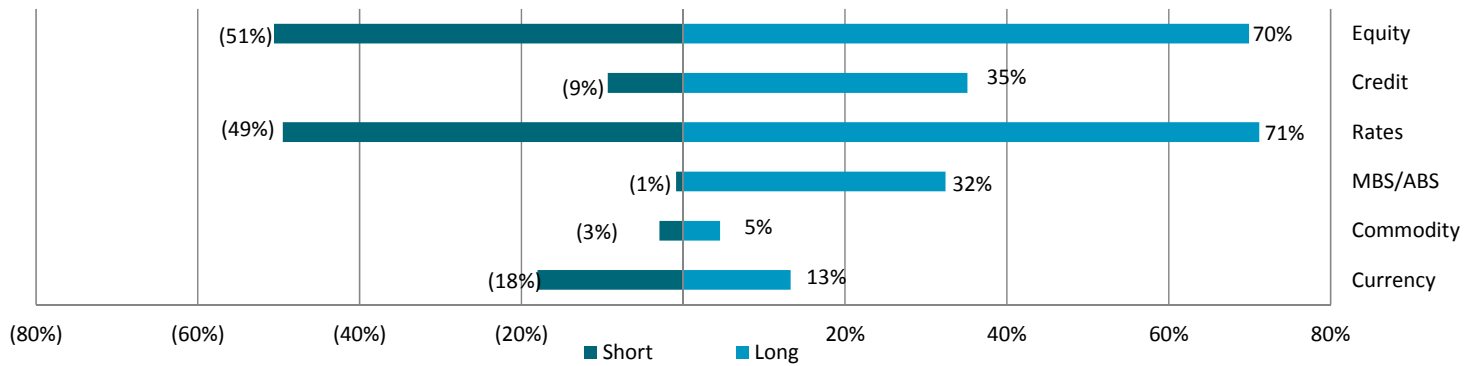
Because of the broadly diversified and low beta nature of the portfolio, BXMIX is not expected to participate in the full upside of broader equity markets. From 06/16/14 to 2/28/19, on the ten best MSCI World TR trading days, the average daily returns for the MSCI World TR and BXMIX were 2.07% and 0.42% respectively. The MSCI World TR is not a benchmark or target for the Fund. Please see important Disclosure Information at the end of this presentation.

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.bxmix.com or by calling 855-890-7725. Data is from June 16, 2014 to February 28, 2019.

- Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
- Portfolio allocations include exposure to certain BAIA-Direct investments. Equity allocation includes Equity Long/Short and Equity Market Neutral sub-strategies, funds managed by Glenview Capital Management LLC, and equity hedges. Credit allocation includes Fixed Income – Asset Backed, Fixed Income – Corporate, and Distressed/Restructuring sub-strategies, funds managed by EJP Capital LLC, and opportunistic credit trades. Multi-Asset is comprised of Discretionary Thematic, Systematic Diversified, Risk Arbitrage, and Multi-Strategy sub-strategies, and funds managed by Aeolus Capital Management Ltd and BAIA's systematic risk premia trading strategy.
- Sub-strategy allocations exclude exposures to Fund level cash, hedging and expenses and are adjusted pro-rata to equal 100%.
- Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for the Fund, but rather are disclosed to allow for comparison of the Fund's performance to that of well-known and widely recognized indices. Indices are unmanaged and investors cannot invest in indices. Please see important Disclosure Information at the end of this presentation.

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.

Asset class exposure¹



Geographic exposure¹

	Long	Short	Net
US/Canada	125.75%	(57.05%)	68.70%
Core Europe	68.32%	(52.06%)	16.26%
Peripheral Europe	2.48%	(0.42%)	2.06%
Lat. Am./Caribbean	8.42%	(1.21%)	7.20%
Middle East/Africa	4.88%	(1.47%)	3.41%
Japan	3.53%	(2.32%)	1.21%
Asia general	9.91%	(12.24%)	(2.33%)
China/HK/Taiwan	3.16%	(4.49%)	(1.33%)
Total	226.45%	(131.27%)	95.19%

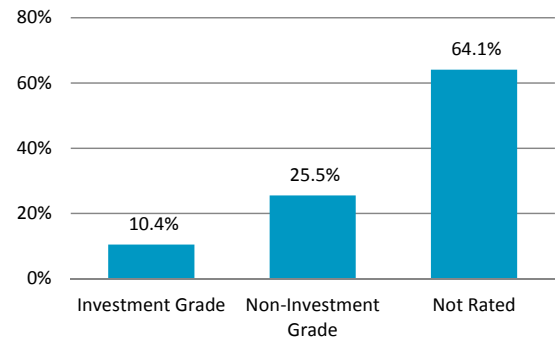
Currency exposure¹

Region	Long	Short	Net
Asia general	2.55%	(1.23%)	1.32%
China/HK/Taiwan	0.00%	(0.13%)	(0.13%)
Core Europe	5.37%	(12.38%)	(7.01%)
Japan	2.44%	(0.90%)	1.54%
Latin America	0.70%	(0.07%)	0.63%
Middle East/Africa	0.00%	(0.25%)	(0.25%)
Peripheral Europe	0.05%	(0.21%)	(0.16%)
US/Canada	2.17%	(2.88%)	(0.71%)
Total	13.27%	(18.04%)	(4.77%)

Equity exposure – sector breakdown¹

	Long	Short	Net
Energy	2.06%	(1.84%)	0.22%
Materials	1.42%	(1.23%)	0.19%
Industrials	4.43%	(1.59%)	2.84%
Consumer Discretionary	5.87%	(6.61%)	(0.74%)
Consumer Staples	1.66%	(1.38%)	0.28%
Health Care	10.97%	(6.12%)	4.86%
Financials	6.80%	(5.65%)	1.14%
Real Estate	1.25%	(1.60%)	(0.35%)
Information Technology	8.87%	(4.18%)	4.70%
Communication Services	3.03%	(2.66%)	0.37%
Utilities	1.35%	(0.62%)	0.72%
Index**	19.40%	(17.12%)	2.28%
Unclassified***	2.83%	(0.00%)	2.83%
Total	69.94%	(50.58%)	19.35%

Fixed income ratings^{1,2}



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.

**Comprised of index futures, options on index futures, ETFs, and ETF options

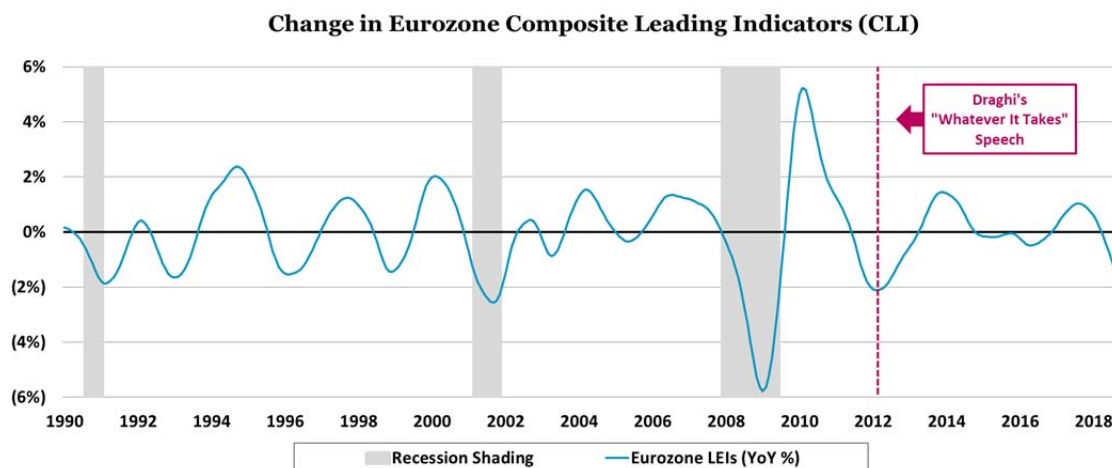
***Do not have a GICS sector assigned

February Market Commentary

After posting its first negative year in a decade in 2018, the S&P 500 continued its rebound in February culminating in its best 2-month start in roughly three decades¹ (+11.48%). While this may sound like good news for most investors, financial news outlets were quick to point out that U.S. stocks fell on the last three consecutive days of the month, for the first three-day loss this year², implying that there may be some cracks in the recent risk-on sentiment. While the bulls have had plenty of reason to celebrate over the last ten years, what risks might bears be keeping their eyes on to confirm their suspicions?

One event on the horizon that might be cause for concern is U.S. corporate earnings growth. According to a recent FactSet report, of the 99 companies in the S&P 500 that issued EPS guidance for Q1 2019, 73 issued negative EPS guidance³. Much of the strong earnings growth exhibited to date has been supported by corporate tax cuts and a pro-business government. One trending viewpoint is that companies have exhausted these temporary boosts and are now beginning to adjust back to normalcy. However, a competing view is that companies tend to guide analysts lower at the start of the quarter so that they can beat expectations. As Joe Zidle, Blackstone's Chief Investment Strategist, points out in his recent essay⁴, even if a corporate profits recession were to hit in 2019, it would not necessarily spell the end of this economic expansion. Corporate profits ebb and flow over much shorter cycles than economic cycles, and profits growth can contract briefly without necessarily resulting in an economic recession.

Outside of the U.S., there have been plenty of indicators suggesting the onset of a global slowdown which could affect U.S. equity markets. In China, the trade war with the U.S. has taken its toll, as the People's Bank of China (PBOC) has already injected nearly ¥2.2 trillion into the economy to stimulate the economy above 6% growth⁵. In Europe, the European Central Bank (ECB) may have to take a page out of China's book soon, as recessionary conditions are evident in Italy, and France and Germany are likely to fall into recession this year as well⁴. Many European leading indicators are at levels not seen since 2012 (see the chart below), when Mario Draghi famously said the ECB would do whatever it takes to avoid falling into a recession.



Source: OECD Europe Leading Indicators CLI Amplitude Adjusted SA, as of 11/30/18. Euro Area recession shading based on Centre for Economic Policy Research data.

¹ The Wall Street Journal: <https://www.wsj.com/articles/global-stocks-slip-after-u-s-north-korea-summit-collapses-11551344796>

² Bloomberg News: <https://www.bloomberg.com/news/articles/2019-02-27/asian-stocks-set-for-muted-start-treasuries-slip-markets-wrap>

³ FactSet: Earnings Insight (March 1st, 2019)

⁴ Blackstone's Joe Zidle: <https://www.blackstone.com/insights/article/a-mid-cycle-s-pause>

⁵ Evercore ISI: Taxes, Davos, CCTV & Autos, Currency (January 10th, 2019)

While it is yet to be seen whether the bulls or the bears are right about the future of financial markets, everyone can agree that the prospects of this decade-long bull market are as uncertain as they have ever been. In these kinds of unsure markets, active managers may be able to provide value. We maintain that active alternative investment strategies, such as those employed by BXMIX, may provide a stream of returns that are less dependent on broader markets.

Review of February Fund Performance

The investment objective of the Blackstone Alternative Multi-Strategy Fund (the “Fund” or “BXMIX”) is to seek capital appreciation. The Fund aims to achieve its objective by allocating assets among a variety of investment sub-advisers, each with experience managing non-traditional or “alternative” investment strategies and by managing assets directly (via BAIA⁶). In February, the Fund’s Class I share class returned 1.13%⁷ net of fees and expenses versus 0.63% and -0.58% for the HFRX Global Hedge Fund and Barclays Global Aggregate Bond indices, respectively, and versus 3.21% and 3.06% for the S&P 500 and MSCI World indices, respectively⁸.

Equity Strategies

Equity strategies (+1.14%)⁹ were a significant contributor to Fund performance in February. Gains were led by Equity Market Neutral sub-strategies. Additionally, exposure to the Materials sector contributed gains for the month, driven primarily by strong performance in a company which posted better than expected revenue in a sub-business. This accretive position was partially offset by another exposure in the Health Care sector that dropped as pressure continued to build on the pharmacy benefit manager (PBM) rebate model, threatening to limit rebates to PBMs from drug companies in exchange for favorable placement on formularies. This pain was exacerbated by the specter of domestic policymakers reviving a “Medicare for all” solution.

The portfolio’s broad-based equity hedge was the biggest detractor as equity markets continued to rally. Additionally, short exposure to a Financials company hurt the portfolio as the entire sector rose, though the sub-adviser remains convinced in its view that the stock is overvalued at the current price.

Credit Strategies

Credit strategies (+1.23%)⁹ were the largest contributor to Fund performance for the month. Fixed Income – Asset Backed sub-strategies were the largest source of gains, as a series of commercial mortgage backed securities (CMBS) indices tightened, reflecting a continuing recovery from the fourth quarter sell-off. Additionally, exposure to corporate credit contributed to returns, particularly in the Telecommunications,

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⁷ Performance is shown net of the Gross Expense Ratio less waived expenses for Class I shares. 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 above. Information is estimated and unaudited. For a summary of Fund performance of other share classes, please refer to the Fund’s website: www.bxmixon.com.

⁸ Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks or targets for the Fund, but rather are disclosed to allow for comparison of the Fund’s performance to that of well-known and widely recognized indices. The indices may include holdings that are substantially different than investments held by the Fund and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from the Fund. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends. Indices are unmanaged and investors cannot invest in indices.

⁹ Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.

Health Care, and Utilities sectors. Finally, exposure to trust preferred securities (TruPs) CDOs continued to contribute positive performance.

Though the credit portfolio as a whole was positive, there were some minor detractors within individual sub-advised portfolios. Small corporate credit exposures experienced pain as a loan to a hospital services company declined due to delayed reporting and a loan to a foreign software company was marked down amidst the loss of a major revenue contract. Additionally, a loan to a sovereign government experienced a minor decline during the month.

Multi-Asset Strategies

Multi-Asset strategies (+0.81%)⁹ contributed positively to February performance. Multi-Strategy sub-strategies were the largest contributor to gains in the month, as exposures to high-yield European credit, European equities, and energy positions added to positive performance. These gains were offset by commodity positions, long U.S. government rates, and short global equity positions. Further, equity quantitative trading suffered as the market rally in the latter half of February was marked by low volume, short covering, and outflows from both active and passive funds.

Discretionary Thematic exposures contributed positively as positive news rippled through emerging markets – in Egypt there was a better than expected inflation reading, in Nigeria the incumbent won the presidential election and ostensibly stabilized the government, and in Brazil there were favorable headlines on pension reform. On the other hand, systematic diversified strategies were the largest detractor this month, with one large negative attribution coming from a short position in sovereign bonds.

Fund Commentary Change

Based on client feedback and industry standards, we will issue commentary at a quarterly cadence beginning in March 2019. Fact cards and detailed exposure information will continue to be made available on a monthly basis via our publicly available website (www.bxmix.com).

Opinions expressed reflect the current opinions of BAIA as of the date of this material only. Past performance may not be a reliable guide to future performance. The value of BXMIX 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. The Fund may shift allocations among sub-advisers, strategies and sub-strategies at any time. Certain of the information provided herein has been obtained from or derived from the Fund's sub-advisers. BAIA does not guarantee the accuracy or completeness of such information.

Important 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.bxmixon.com. 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. **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. **Barclays Global Aggregate 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. **HFRI Global Hedge Fund Index:** HFRI Global Hedge Fund Index is 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. The methodology is based on defined and predetermined rules and objective criteria to select and rebalance components to maximize representation of the Hedge Fund Universe. **MSCI World TR 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 23 developed markets in the world.

Indices are unmanaged and investors cannot invest in an index. Indices are provided for illustrative purposes only. They have not been selected to represent appropriate benchmarks for BXMIX, but rather are disclosed to allow for comparison of BXMIX's performance to that of well-known and widely recognized indices. The indices may include holdings that are substantially different than investments held by BXMIX and do not reflect the strategy of the Fund. Comparisons to indices have limitations because indices have risk profiles, volatility, asset composition and other material characteristics that may differ from BXMIX. The indices do not reflect the deduction of fees or expenses. In the case of equity indices, performance of the indices reflects the reinvestment of dividends.

Conflicts of Interest

Blackstone and the Sub-Advisers have conflicts of interest that could interfere with their management of the Fund. These conflicts, which are disclosed in the Fund's Statement of Additional Information, include, without limitation:

Selection of Sub-Advisers. Blackstone compensates the Sub-Advisers out of the management fee it receives from the Fund. This could create an incentive for Blackstone to select Sub-Advisers with lower fee rates.

Financial Interests in Sub-Advisers and Service Providers. Blackstone, the Sub-Advisers, and their affiliates have financial interests in asset managers and financial service providers. Allocating to an affiliate (or hiring such entity as a service provider) benefits The Blackstone Group L.P. and the relevant Sub-Adviser and redemptions from an affiliate (or terminating such entity as a service provider) would be detrimental to The Blackstone Group L.P. and the relevant Sub-Adviser. For example:

- Blackstone Strategic Capital Advisors L.L.C. ("BSCA"), an affiliate of BAIA, manages certain funds (the "BSCA Funds") that acquire equity interests in established alternative asset managers (the "Strategic Capital Managers"). One of the Strategic Capital Managers in which the BSCA Funds have a minority interest is Magnetar Capital Partners L.P., a control affiliate of Magnetar Asset Management LLC, a sub-adviser for the Fund. The Fund will not participate in any of the economic arrangements between the BSCA Funds and any Strategic Capital Manager with which the Fund invests.
- Blackstone Real Estate Special Situations Advisors L.L.C. ("BRESSA"), an affiliate of BAIA and an indirect wholly-owned subsidiary of The Blackstone Group L.P., serves as a Sub-Advisor Sub-Adviser. BRESSA invests primarily in liquid, commercial and residential real estate-related debt instruments.
- Blackstone utilizes technology offered by Arcesium LLC ("Arcesium") to provide certain middle- and back-office services and technology to the Fund. The parent company of a Sub-Adviser owns a controlling, majority interest in Arcesium and Blackstone Alternative Asset Management L.P. owns a non-controlling, minority interest in Arcesium.

Other Activities of Blackstone or the Sub-Advisers. The activities in which Blackstone, the Sub-Advisers, or their affiliates are involved in on behalf of other accounts may create conflicts of interest or limit the flexibility that the Fund may otherwise have to participate in certain investments. For example, if Blackstone or a Sub-Adviser comes into possession of material non-public information with respect to a company, then Blackstone or the relevant Sub-Adviser generally will be restricted from investing in securities issued by that company. Further, Blackstone generally will be restricted from investing in portfolio companies of its affiliated private equity business.

Allocation of Investment Opportunities. Blackstone and the Sub-Advisers (or their affiliates) manage other accounts and have other clients with investment objectives and strategies that are similar to, or overlap with, the investment objective and strategy of the fund, creating potential conflicts of interest in investment and allocation decisions. These conflicts of interest are exacerbated to the extent that the other clients are proprietary or pay higher fees or performance-based fees.

The following information has not been provided in a fiduciary capacity under ERISA, and it is not intended to be, and should not be considered as, impartial investment advice. If you are an individual retirement investor, contact your financial advisor or other fiduciary unrelated to BAIA about whether any given investment idea, strategy, product or service described herein may be appropriate for your circumstances.

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