Blackstone Alternative Multi-Strategy Fund (BXMIX)

Blackstone

As of June 30, 2019

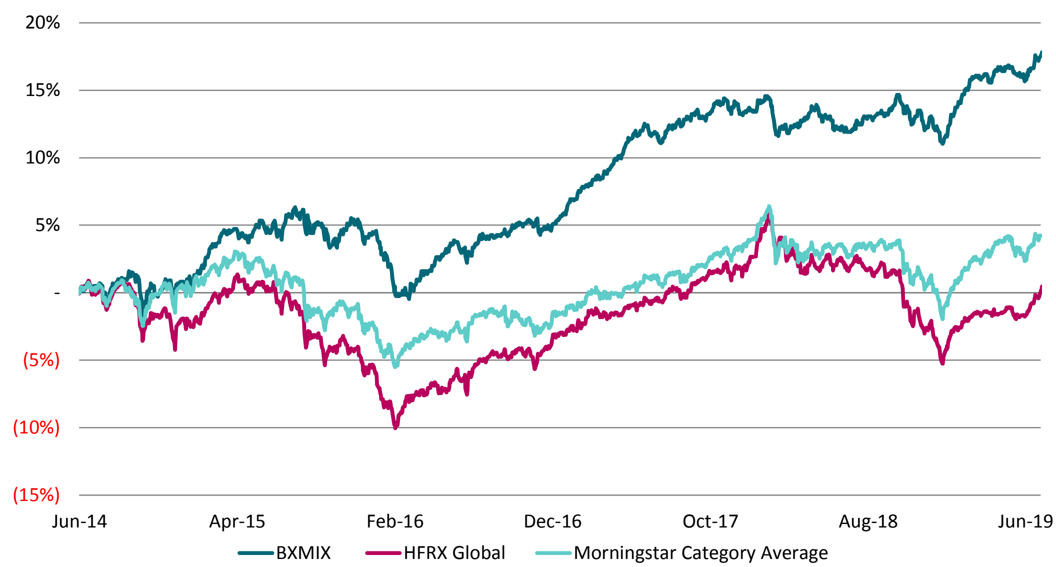
Investment Approach

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 Net Performance[1,2,3,4,5]

	As of June 30, 2019						*Inception to Date Statistics*			
	MTD	**QTD**	**YTD**	**1 Yr**	**5 Yr**	**ITD**	**St. Dev.**	**Beta**	**Alpha**	**Sharpe**
BXMIX	**1.49%**	**1.30%**	**5.11%**	**4.88%**	**3.16%**	**3.23%**	**3.06%**			**0.77**
HFRX Global	1.61%	1.58%	4.22%	(1.95%)	(0.11%)	(0.04%)	3.48%	0.53	2.74%	(0.26)
Barclays Global Agg	2.22%	3.29%	5.57%	5.85%	1.20%	1.42%	4.67%	(0.09)	2.35%	0.11
MSCI World TR	6.63%	4.20%	17.38%	6.94%	7.21%	7.37%	11.27%	0.16	1.21%	0.58
Morningstar Category Average	1.85%	1.05%	5.13%	1.38%	0.76%	0.83%	3.56%	0.57	2.29%	(0.02)

Alternative Strategies Cumulative Net Performance[1,2]



Fund Highlights[6]

Fund assets (Mn)	$7,998.08
Inception date	June 16, 2014
Investment advisor	Blackstone Alternative Investment Advisors, LLC
Eligible investors	US taxable & tax-exempt
Liquidity	Daily
CUSIP	09257V201

Fund Terms (Class I)[7]

As of Date	3/31/2018
Expense Ratio	2.86%

Portfolio Managers

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

1. Performance is presented through June 30, 2019. Net performance is net of the 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 and are annualized. 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 June 30, 2019.

7. Through August 31, 2021 Blackstone Alternative Investment Advisers LLC has 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. Expense Ratio represents the expense ratio applicable to investors and is comprised of the management fees, other expenses and acquired fund fees and expenses as noted in the Fund's Prospectus. The Expense Ratio net of Excluded Expenses was 2.20%. "Excluded Expenses" are expenses excluded from reimbursement by the Investment Adviser which include: (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 Allocations

Manager	Strategy	Sub-strategy	Classification
Active Sub-Advisers			
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
BRESSA[(1)]	Relative Value	Fixed Income - Asset Backed	
Good Hill	Relative Value	Fixed Income - Asset Backed	
GSO[(1)]	Relative Value	Fixed Income - Asset Backed	
Sorin	Relative Value	Fixed Income - Asset Backed	
Caspian	Event Driven	Distressed/Restructuring	
Boussard & Gavaudan	Event Driven	Multi-Strategy	Multi-Asset
Sage Rock	Event Driven	Multi-Strategy	
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-Advisers [(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, EJF Capital LLC, Aeolus Capital Management Ltd. and opportunistic trades. 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]

													YTD			
	Jan	**Feb**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**	**BXMIX**	**HFRX Glbl**	**Barclays Glbl**	**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%	(0.09%)	0.84%	(1.01%)	1.49%	-	-	-	-	-	-	**5.11%**	**4.22%**	**5.57%**	**17.38%**

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 June 30, 2019. Net performance is net of the 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.bxmix.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.bxmix.com. All investors are urged to carefully read the prospectus and the summary prospectus in its entirety before investing.

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 contains 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)

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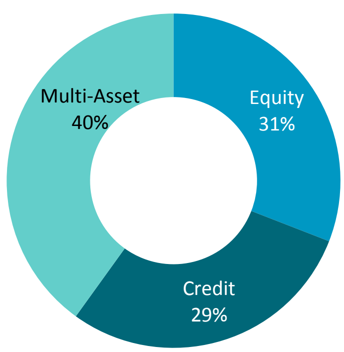
As of June 30, 2019

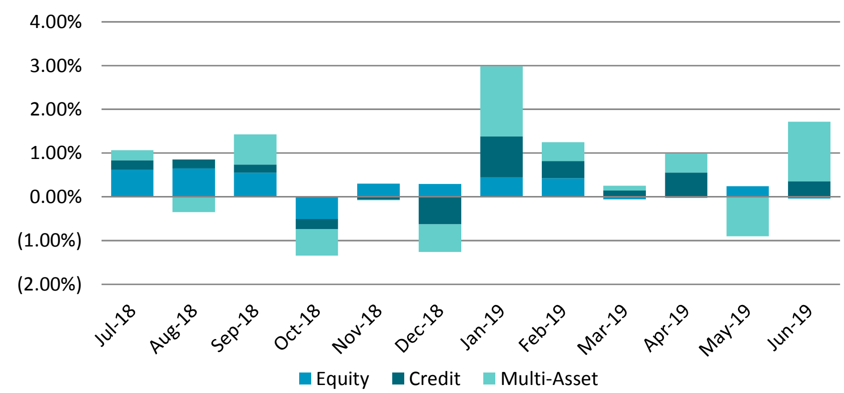
Performance summary[1,2]

Sub-Strategy Performance	Allocation at 6/28/2019	MTD Return	MTD Attribution	QTD Return	QTD Attribution	YTD Return	YTD Attribution	Trailing 12 Months Return	Trailing 12 Months Attribution
Equity	30.89%	(0.11%)	(0.04%)	0.48%	0.18%	2.72%	1.00%	7.45%	2.92%
Credit	29.06%	1.00%	0.36%	2.63%	0.91%	7.55%	2.43%	6.84%	2.09%
Multi-Asset	40.05%	2.66%	1.35%	1.76%	0.88%	5.87%	3.07%	4.49%	2.36%
Cash & Other			(0.18%)		(0.67%)		(1.39%)		(2.49%)
Net Return			1.49%		1.30%		5.11%		4.88%

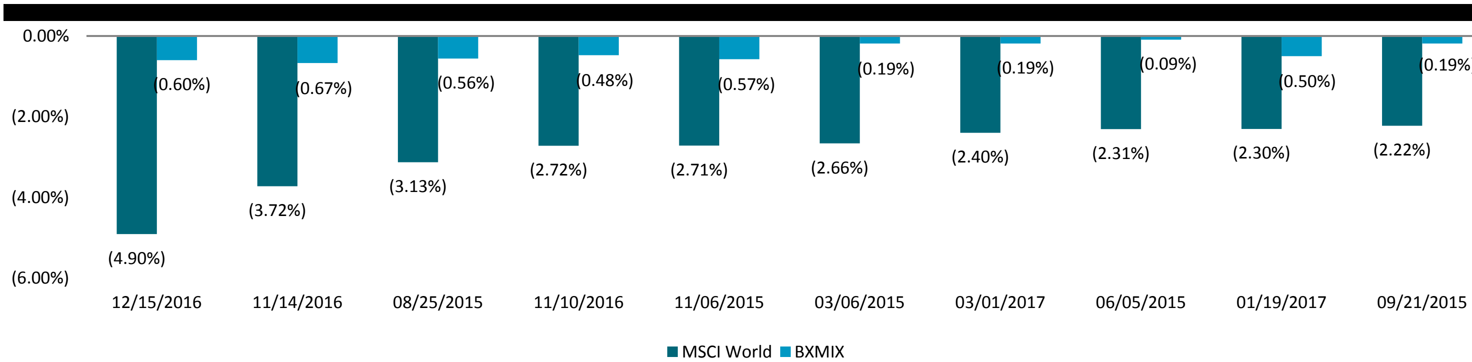
Portfolio Allocations[1]



Trailing 12 month sub-strategy attribution[1,2]



BXMIX performance on worst 10 trading days for MSCI World since inception[3]



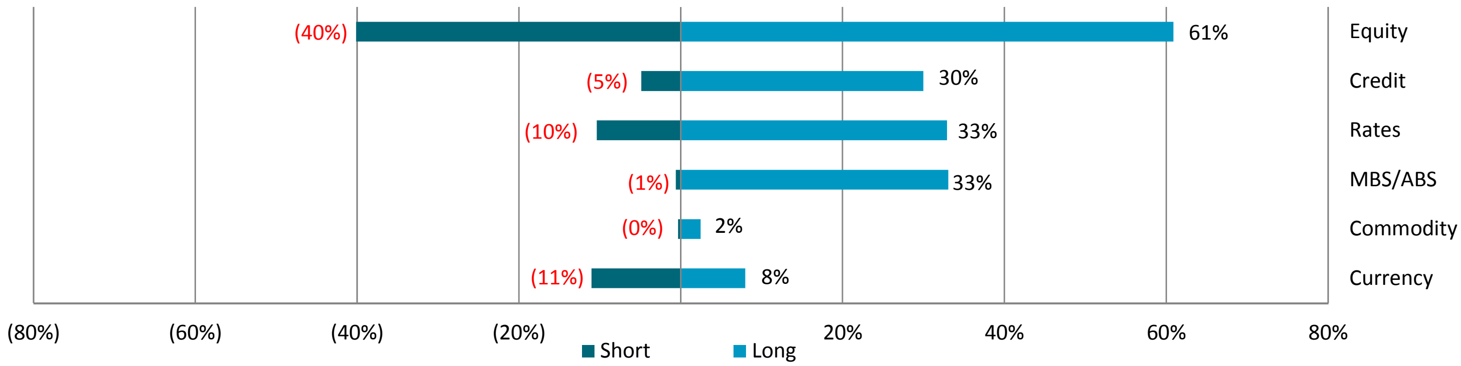
Because of the broadly diversified and low beta nature of the portfolio, BXMIX is not expected to participate in the full upside of broader equity markets. From June 16, 2014 to June 28, 2019, on the ten best MSCI World TR trading days, the average daily returns for the MSCI World TR and BXMIX were 2.28% and 0.41% 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 June 28, 2019.

1. 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 EJF 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%.
2. Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.
3. *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 exposure[1]



Geographic exposure[1]

	Long	Short	Net
US/Canada	116.88%	(38.76%)	78.12%
Core Europe	23.62%	(17.87%)	5.75%
Peripheral Europe	3.48%	(0.35%)	3.13%
Lat. Am./Caribbean	8.38%	(1.07%)	7.30%
Middle East/Africa	5.37%	(1.16%)	4.21%
Japan	1.38%	(2.35%)	(0.97%)
Asia general	7.19%	(4.43%)	2.76%
China/HK/Taiwan	0.93%	(1.36%)	(0.43%)
Total	**167.23%**	**(67.36%)**	**99.87%**

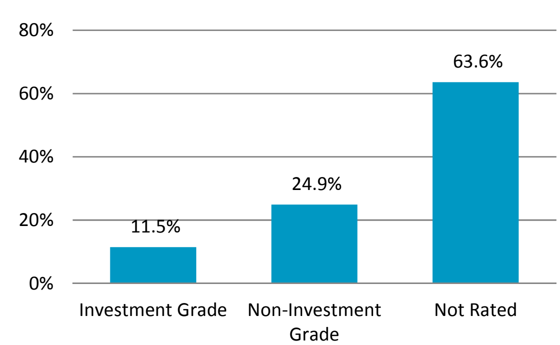
Currency exposure[1]

Region	Long	Short	Net
Asia general	5.15%	(0.32%)	4.83%
China/HK/Taiwan	0.00%	(0.14%)	(0.14%)
Core Europe	2.55%	(6.81%)	(4.25%)
Japan	0.01%	(2.25%)	(2.24%)
Latin America	0.26%	-	0.26%
Middle East/Africa	0.00%	(0.21%)	(0.21%)
Peripheral Europe	0.00%	(0.16%)	(0.16%)
US/Canada	0.00%	(1.15%)	(1.14%)
Total	**7.97%**	**(11.04%)**	**(3.07%)**

Equity exposure – sector breakdown[1]

	Long	Short	Net
Energy	1.79%	(1.31%)	0.48%
Materials	0.80%	(1.35%)	(0.55%)
Industrials	3.48%	(0.96%)	2.53%
Consumer Discretionary	5.04%	(3.30%)	1.74%
Consumer Staples	0.95%	(1.03%)	(0.09%)
Health Care	13.07%	(5.53%)	7.55%
Financials	5.81%	(6.01%)	(0.20%)
Real Estate	0.63%	(1.19%)	(0.56%)
Information Technology	9.09%	(5.33%)	3.76%
Communication Services	2.39%	(2.51%)	(0.12%)
Utilities	0.81%	(0.43%)	0.38%
Index**	15.52%	(11.19%)	4.33%
Unclassified***	1.52%	(0.00%)	1.52%
Total	**60.88%**	**(40.12%)**	**20.76%**

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

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Blackstone

As of June 30, 2019

Fund Net Performance[1,2]

	As of June 30, 2019						Inception to Date Statistics			
	MTD	QTD	YTD	1 Yr	5 Yr	ITD	St. Dev.	Beta	Alpha	Sharpe
BXMIX	**1.49%**	**1.30%**	**5.11%**	**4.88%**	**3.16%**	**3.23%**	**3.06%**			**0.77**
HFRX Global HF Index	1.61%	1.58%	4.22%	(1.95%)	(0.11%)	(0.04%)	3.48%	0.53	2.74%	(0.26)
Barclays Global Agg Index	2.22%	3.29%	5.57%	5.85%	1.20%	1.42%	4.67%	(0.09)	2.35%	0.11
MSCI World Index	6.63%	4.20%	17.38%	6.94%	7.21%	7.37%	11.27%	0.16	1.21%	0.58
Morningstar Category Average	1.85%	1.05%	5.13%	1.38%	0.76%	0.83%	3.56%	0.57	2.29%	(0.02)

Q2 2019 Market Commentary

Following a bout of volatility in May, global equity markets recouped their losses in June and ultimately helped the MSCI World Index achieve its strongest first half since 1997. Despite concerns over an ongoing trade war with China, the U.S. was a significant contributor to year-to-date gains, as a dovish shift in sentiment from the Federal Reserve ("Fed") indicated an increased likelihood of interest rate cuts in 2019 and helped propel the S&P 500 Index to a new record high.

The Fed's signal for lower rates followed the receipt of a mixed bag of economic data. Real GDP growth came in at a solid 3.1% for Q1[3], though it is expected to fall significantly below that mark in Q2[4]. Positive news came on the jobs front, where the economy added 224,000 jobs in June following a modest gain of 72,000 the month prior[5]; however, economists noted that average hourly earnings growth remains slow compared to previous cycles, especially given the low unemployment rate[6]. Despite the strong rebound in job creation in June, unemployment ticked up slightly to 3.7% during the second quarter, which alone is not a reason for worry, but is important to monitor given its importance within the context of Fed policy.

Perhaps more concerning, though, were manufacturing levels. For the second month in a row, the June U.S. Manufacturing PMI estimates came in at lower levels than the economy has experienced since September 2009[7], which is tough timing, given that consumer confidence hit its lowest mark since September 2017[8]. Uncertainty around the aforementioned trade war almost certainly contributed to the data, but nonetheless, questions regarding potential cracks in the economy remain.

One impact of the recent ease in monetary policy worth monitoring is the U.S. bond market. Like its equity counterpart, the price of domestic bonds appreciated in Q2 (Barclays U.S. Agg: +3.1%) following the Fed's indication of an increased

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[2] Inception to Date statistics are as of BXMIX's inception on June 16, 2014 through June 30, 2019. Measures beta or alpha of BXMIX are to the respective index.

[3] Source: Bureau of Economic Analysis

[4] Source: Federal Reserve Bank of Atlanta

[5] Source: Bureau of Labor Statistics

[6] Source: American Institute for Economic Research

[7] Source: IHS Markit (June 2019)

[8] Source: Consumer Confidence Survey® (June 2019)

likelihood for rate cuts later this year. This move did not surprise policy makers, who expect an inverse relationship between bond prices and interest rates, but it did occur alongside a noteworthy event: an inversion of the yield curve.

For those unfamiliar with the term, "yield curve" refers to the spread between interest rates on short- and long-term bonds of the same credit quality. Under normal market conditions, the yield curve is upward-sloping to reflect markets' requirement of greater compensation for higher levels of risk. Given that bonds with longer-dated maturities are exposed to additional risks like changes in interest rates and inflationary pressures that would potentially reduce the value of coupon payments, it is natural that investors would expect to be compensated more to assume those risks.

Following a brief inversion in late March, the U.S. 3-Month and 10-Year Treasury yield curve inverted again on May 23 and has remained downward-sloped since then. This means that the annual coupon paid to investors holding 10-Year U.S. Treasuries (2.00%) is lower than that paid to holders of 3-Month U.S. Treasuries (2.18%), and hence, investors are paid less for making riskier, longer-term U.S. treasury investments[9]. Many economic studies have highlighted the predictive power of the U.S. treasury yield curve in forecasting recessions, which it has done successfully for each elongated period of economic decline since 1970[10]. As this new market dynamic continues to take shape, we maintain that alternative investment strategies may help in weathering potentially volatile market conditions in the future.

Review of Q2 2019 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 BAIA[11]). In Q2, the Fund's Class I share class returned 1.30%[12] net of fees and expenses versus 1.58% for the HFRX Global Hedge Fund Index, 3.29% for the Barclays Global Aggregate Bond Index and 4.20% for the MSCI World index[13].

Equity Strategies

Equity strategies (+0.48%)[14] generated gains in Q2 as stock markets continued their upward trajectory. The Fund's exposure to Equity Market Neutral sub-strategies led gains, benefitting from the positive performance of quantitative strategies. Exposure to the Financials sector was slightly positive, as gains in April and May offset pain in June. One factor influencing sector performance was monetary policy, as financials companies can be sensitive to interest rates. To that effect, one of the Fund's biggest sector losers was a bank that traded down with rate expectations.

Exposure to the Health Care sector detracted for Q2 within the equity portfolio, as gains in the long book were offset by losses on short positions. One of the Fund's largest detractors in the Health Care sector was a short position in a pharmaceutical company, which moved against the sub-adviser managing the position after news broke regarding the company's potential acquisition. On the positive side, one of the largest contributors was a diagnostics and research company.

Credit Strategies

Credit strategies (+2.63%)[14] were the largest contributor to Fund performance in the second quarter. Exposure to credit risk transfer bonds benefited from periodic spread tightening throughout the quarter, which encouraged the sale of a select portion of seasoned bonds.

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[9] As of June 30, 2019.
[10] Source: Federal Reserve Bank of Chicago
[11] 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, EJF Capital LLC and Aeolus Capital Management Ltd., and opportunistic 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.
[12] Performance is presented through June 30, 2019. Net performance is net of the 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. Information is estimated and unaudited. Additional information and performance data current to the most recent month-end is available at www.bxmix.com.
[13] **Indices are provided for illustrative purposes only. They have not been selected to represent 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. Please see end of document for additional disclosures regarding indices presented.**
[14] Sub-strategy performance is shown gross of all fees and expenses. Performance is estimated and unaudited.

Positive performance was also driven by carry and the periodic tightening of commercial mortgage backed securities ("CMBS") indices. After spreads on synthetic CMBS indices widened during May's uptick in market volatility, the Fund increased its purchasing volume. Additional gains resulted from exposures to portfolios of credit and auto loans.

Within Fixed Income – Corporate sub-strategies, the largest contributors to Fund performance were positions in a U.S. utility company, a specialty store retailer and a global technology and communications company. The largest detractor within the sub-strategy was an exposure to the bonds and loans of a commercial bank that is in the midst of a legal battle and traded down in the second quarter on revised expectations for an extended litigation timeline. Despite the short-term losses of the position, the sub-adviser maintains conviction in the bank's ability to cover its future liabilities.

Multi-Asset Strategies

Multi-Asset strategies (+1.78%)[14] also ended the quarter in positive territory. Multi-Strategy sub-strategies were the largest contributor to gains, as the Fund's sub-advisers generated positive performance across their underlying credit, emerging market and interest rate strategies. Event Driven strategies, like risk arbitrage, produced slight gains. These merger-linked strategies, which attempt to exploit pricing inefficiencies caused by corporate events by taking long positions in target companies and selling acquirers short, benefited from acquisition activity in Q2. Top contributors within these strategies included pairs of healthcare providers, technology companies and semiconductor manufacturers, while leading detractors were combinations of telecommunications, pharmaceutical and financial services companies.

Discretionary Thematic sub-strategies delivered positive performance in Q2, driven primarily by long exposure to emerging market sovereign debt. The Fed's shift toward a more dovish tone was a boon to the asset class, given that potentially lower U.S. interest rates would reduce foreign governments' borrowing costs on dollar-denominated debt.

Though the Multi-Asset portfolio as a whole was positive, there were some detractors. Systematic Diversified sub-strategies posted negative performance, as these strategies were hurt by exposure to developed market currencies. Short positions on global bonds also experienced losses, though shorts on the U.S. Dollar helped offset some of the pain.

Sub-Advisers and Strategies Added/Removed

At Blackstone, we believe that managing the optimal mix of strategies across the portfolio and adjusting it over time are key to generating returns in different market environments. Over the course of the second quarter of 2019, we added two new sub-advisers.

Q2 2019 Sub-Adviser Additions:

1. Sage Rock (Sage Rock Capital Management LP): Sage Rock is an event driven manager with a focus on special situations investing. Sage Rock's sub-strategy seeks to capture the embedded value of Special Purpose Acquisition Company ("SPAC") units (comprised of common stock, warrants and rights). The SPACs sub-strategy involves systematically buying positions in a broad range of outstanding SPAC units and future SPAC unit IPOs, and generally holding the associated common stock, warrants and rights until the completion of a deal.

2. GSO DFM (GSO / Blackstone Debt Funds Management LLC)[15]: GSO DFM, a wholly-owned subsidiary of The Blackstone Group Inc. and an affiliate of BAIA, is an investment adviser within Blackstone's global credit investment platform, GSO Capital Partners LP ("GSO"). GSO DFM's strategy for the Fund is focused primarily on investments in below-investment grade corporate credit. GSO DFM is focused on generating risk-adjusted returns with a strong emphasis on capital preservation across various credit instruments including bank loans, high yield bonds and collateralized loan obligation ("CLO") securities.

[15] Blackstone and its affiliates have financial interests in asset managers. Any allocation by Blackstone to a subsidiary or other affiliates (such as GSO) 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.

For further detail on these sub-advisers and others within the Fund, please see “BXMIX Sub-Adviser Profiles” in the “Literature” section of our website, www.bxmix.com.

Sub-adviser and strategy additions and terminations are normal events in Blackstone’s hedge fund investment process and result from our dynamic evaluation of the top down assessment of the opportunity set for hedge fund strategies as well as the bottom up evaluation of a manager’s ability to deliver alpha in a given environment.

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.bxmix.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.

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. 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. **Long Exposure:** A long position occurs when an individual owns securities. **Short Exposure:** 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. **Beta***:* A measure of the volatility, or systemic risk, of a security or a portfolio in comparison to the market as a whole. **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. **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.

Glossary of Indices
Market indices obtained through Bloomberg. HFR Indices obtained through HFR Asset Management. **Bloomberg Barclays Global Agg Bond Index:** a flagship measure of global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers. **HFRX 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 falling within four principal strategies: equity hedge, event driven, macro/CTA, and relative value arbitrage. Strategies are asset weighted based on the distribution of assets in the hedge fund industry. **MSCI World TR Index:** a market capitalization weighted index designed to provide a broad measure of large and mid-cap equity performance across 23 developed markets countries. **Morningstar Multialternative Category:** represents the average performance of mutual funds categorized as "multialternative" funds by Morningstar, Inc. These funds use a combination of alternative strategies such as taking long and short positions in equity and debt, trading futures, or using convertible arbitrage, among others.

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. Index data is obtained from unaffiliated third parties and is subject to subsequent adjustments. Blackstone makes no assurances as to the accuracy or completeness thereof.

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.*
- *GSO / Blackstone Debt Funds Management LLC ("GSO DFM"), an affiliate of BAIA and an indirect wholly-owned subsidiary of The Blackstone Group L.P., serves as a Sub-Adviser. GSO DFM invests primarily in below investment grade corporate credit.*
- *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.

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

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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