

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Blackstone

Blackstone Diversified Multi-Strategy Fund

a sub-fund of Blackstone Alternative Investment Funds plc

Class I (GBP) Distributing Shares

ISIN: IE00BN8SYD72

Objective and Investment Policy

Objective

The objective of the Fund is to seek capital appreciation.

Investment Policy

Blackstone Alternative Investment Advisors LLC, the investment manager of the Fund ("BAIA"), allocates the Fund's assets among several discretionary and non-discretionary investment sub-advisers with experience managing and/or advising non-traditional or "alternative" investment strategies. BAIA also manages a portion of the Fund's assets directly. BAIA's allocation process aims to combine strategies and sub-advisers in a way that produces an investment portfolio that is diversified across strategies and asset classes.

The Fund invests in a wide range of assets, which may include equity securities (shares), debt securities (bonds) and financial instruments that derive their value from other underlying instruments ("FDI"). The Fund's investments may be located anywhere in the world, may have any market capitalization and may belong to any industry sector. The Fund may use FDI for investment or non-hedging purposes as well as for hedging purposes (e.g., to reduce risk or generate additional income).

For full investment objective and policy details, see "Investment Objectives and Policies" in the Supplement for the Fund available from www.bxdms.com.

The Fund is actively managed and uses the MSCI World Total Return Index, Barclays Global Aggregate Index and HFRX Global Hedge Fund Index for performance comparison purposes only. While a proportion of the Fund's assets may be components of and have similar weightings to

one or more of the referenced indices, BAIA and the sub-advisers may use their discretion to invest a significant proportion of the Fund in assets which are not included in, or with different weightings to, the indices. There is no guarantee that the Fund's performance will match or exceed any reference index.

Recommendation: The Fund is suitable for investors seeking capital appreciation over a full market cycle and who are prepared to accept a moderate level of volatility.

Buying and Selling Shares

You can buy and sell shares in the Fund on any day (other than Saturdays, Sundays and days on which banks are closed in Dublin or London) on which the New York Stock Exchange is open. The price you pay or receive will be based on net asset value per share on the day the shares are bought or sold.

The minimum initial purchase and minimum holding is GBP5,000,000. The minimum subsequent purchase is GBP100,000.

Distribution Policy

This Class intends to pay distributions out of the net income of the Fund on or about 31 March. These distributions will be automatically reinvested in the Class unless you request otherwise.

Transaction Costs

The costs of buying and selling the Fund's investments are charged to the Fund, which reduces its returns.

Risk and Reward Profile

Lower risk

Potentially lower reward

Higher risk

Potentially higher reward



You can earn returns in excess of the risk-free interest rate only by taking on risk. Over the longer term, greater risk can potentially produce higher returns. The risk indicator above shows the Fund's risk/reward profile. Risk level 1 signals a low risk of losing money but typically offers limited potential rewards. At risk level 7, the risk of losing money is much higher, but the potential rewards are typically much greater. Note that even investments in the lowest risk category are not entirely free of risk.

The risk indicator was calculated incorporating simulated and historical data and may not be a reliable indication of the future risk profile of the Fund.

The risk category shown is not a target or guarantee and may shift over time.

Why is this Fund in this category?

The Fund is in category 3 because variations in the price of its units are typically low. The Fund invests across many different types of assets that should provide diverse exposure, which may result in the Fund carrying lower risk and offering potentially lower rewards than other categories.

Are there any other particular risks?

The Fund may also be exposed to other significant risks that the risk indicator does not adequately capture. These may include:

- General economic and market conditions can affect the price and volatility of investments.
- The success of the Fund depends upon BAIA's skill in determining the Fund's allocation to strategies and in selecting sub-advisers. There can be no guarantee that sub-advisers will adhere to the investment strategy for which they were selected, or that such strategy will be successful.

- Certain investment techniques and FDI may increase the adverse impact to the Fund. In particular, there is a risk of infinite loss when using an FDI that derives its value from other assets decreasing.
- BAIA and sub-advisers have conflicts of interest that could interfere with their management of the Fund, including the allocation of time and investment opportunities. Further, BAIA and sub-advisers may make investment or hedging decisions that conflict or offset other investments in the Fund.
- Some transactions may give rise to a form of economic leverage. Increases and decreases in the value of the Fund's portfolio will be magnified when the Fund uses leverage.
- Increased legal, tax and other regulatory developments may adversely impact the ability of BAIA and the sub-advisers to utilize certain investment techniques or invest in certain assets.
- The Fund may invest in countries or through other investment funds that are subject to a weak legal or financial framework, as a result of which it can be hard to enforce ownership rights or repatriate funds.
- The Fund may invest in currencies other than its base currency. The success of measures to protect the Fund or a Class against currency movements cannot be certain.
- The Fund is dependent on BAIA, sub-advisers and other service providers for certain investment management, operational and financial support services. A deficiency in any of these services may have an adverse impact on the Fund.
- The insolvency of any institutions providing services such as safekeeping of assets or acting as counterparty to derivatives or other instruments, may expose the Fund to financial loss.
- Some securities held by the Fund may be difficult to sell, or less liquid, particularly during times of market turmoil. If the Fund is forced to sell a less liquid asset to meet redemptions or other cash needs, the Fund may be forced to sell at a loss.

For further information on the risks faced by the Fund, see "Risk Factors" in the Prospectus and Supplement for the Fund, available from www.bxdms.com.

Charges for this Fund

The charges you pay are used to cover the cost of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges that may be taken before or after you invest

Entry charge	none
Exit charge	none

This is the maximum that might be taken out of your money before it is invested and before the proceeds of your investment are paid out.

Charges taken from the Fund over a year

Ongoing charge	1.75%
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Charges taken from the Fund under certain specific conditions

Performance fee	15.00% a year of any returns the Class achieves above any losses carried forward from previous periods plus any additional sub-adviser performance fee (see opposite), subject to a maximum of 4.95% of the net asset value of the Class. In the Fund's last financial year the performance fee was 0.71% of the share Class.
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The entry and exit charges shown are maximum figures. In some cases, you might pay less – you can find this out from your financial advisor.

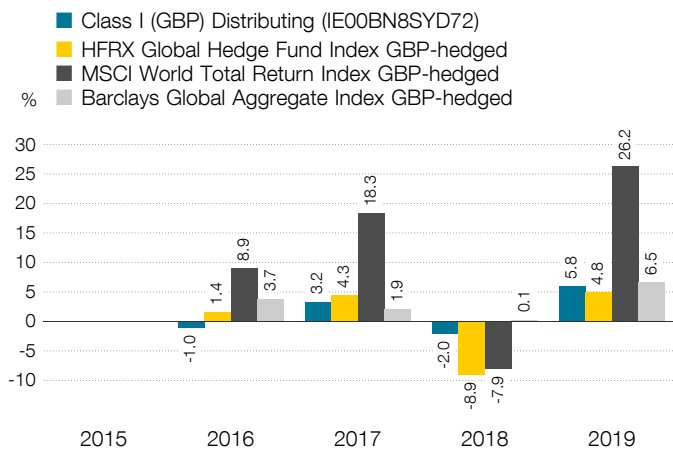
- A charge of up to 5% may be payable when switching shares from the Fund to another Sub-Fund.

The ongoing charges figure is based on expenses for the year ending December 2019. This figure may vary from year to year. It excludes performance fees and portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

BAIA compensates the sub-advisers out of the fees it receives from the Fund. Such compensation may include a performance fee of up to 20% of a sub-adviser's positive performance which may be measured against the sub-adviser's performance benchmark (which may be different to those mentioned under "Investment Objective and Policy" above) and/or a hurdle rate. If, as of any performance period, the sum of all sub-advisers' performance fees exceeds the performance fee received by BAIA from the Fund, the Fund will pay an additional amount ("additional sub-adviser performance fee") to BAIA to cover the shortfall. Any such additional sub-adviser performance fee will be deducted from BAIA's performance fee before it is paid in subsequent performance periods.

For further information about fees and expenses, see "Fees" in the Supplement for the Fund, available from www.bxdms.com.

Past Performance



Past performance is not a reliable indicator of future results.

The past performance shown here takes account of ongoing charges. Any entry/exit fees are excluded from the calculation of past performance.

The Fund was launched on 01/07/2014.

The share class of the Fund was launched on 02/07/2015.

Performance is shown only where full calendar-year performance history is available.

Past performance has been calculated in GBP and is expressed as a percentage change of the Fund's net asset value at each year end.

Practical Information

Depository

State Street Custodial Services (Ireland) Ltd.
78 Sir John Rogerson's Quay, Dublin 2, Ireland

The representative and paying agent of the Fund in Switzerland is

Société Générale, Paris, Zurich Branch,
Talacker 50, P.O. Box 5070, CH-8021 Zürich, Switzerland

The Prospectus, the key investor information documents, the Constitution and the annual and semi-annual reports of the Fund may be requested without cost at the offices of the Swiss representative.

Further Information

Further information about the Fund can be obtained from the Prospectus, the Supplement and the latest annual and half-yearly reports. These documents are available free of charge in English. These can be found, along with other information, such as share prices, on the Fund's website at www.bxdms.com.

The Fund is a sub-fund of Blackstone Alternative Investment Funds plc ("BAIF"), an umbrella investment company established as a UCITS. This document and the Supplement are specific to the Fund. The Prospectus, annual and half-yearly reports are prepared for BAIF and relate to all its sub-funds.

Information on the current remuneration policy of the Fund, including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits is available at www.bxdms.com. A paper copy of the information is available free of charge upon request from BAIA.

Segregated Liability

Under Irish law, BAIF is an umbrella fund with segregated liability between its sub-funds (i.e., the Fund's assets are held separately from the assets of other sub-funds within BAIF and will not be used to discharge the liabilities of such other sub-funds).

Price Publication and Other Information

The last published prices of units in the Fund and other information on the Fund, including how to buy or sell shares, are available from www.bxdms.com.

Tax Legislation

BAIF is subject to the tax laws and regulations of Ireland. This might have an impact on your investments depending on your country of residence. For further details, you should consult your tax adviser.

Liability Statement

BAIF may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus and the Supplement.

Switching between Sub-Funds and Classes

Shares other than I (GBP) Distributing are offered in the Fund, as set out in the Prospectus. You may switch from any sub-fund or Class to another sub-fund or Class, provided that the conditions for accessing the target Class are met. For more details about how to switch between sub-funds/Classes, please refer to the Prospectus, which is available at www.bxdms.com.