

**Blackstone Alternative Investment Funds plc**  
**78 Sir John Rogerson's Quay**  
**Dublin 2**  
**Ireland**

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**This document is important and requires your immediate attention. If you are in any doubt as to the action you should take you should seek advice from your investment consultant, tax adviser and/or legal adviser as appropriate.**

**If you have sold or transferred all of your shares in the Blackstone Diversified Multi-Strategy Fund (the "Fund"), a sub-fund of Blackstone Alternative Investment Funds plc (the "Company"), please pass this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee as soon as possible.**

**Unless otherwise defined herein, all capitalised terms used herein shall bear the same meaning as capitalised terms used in the prospectus for the Company dated 14 December 2017, as may be amended and supplemented from time to time (the "Prospectus"). A copy of the Prospectus is available upon request during normal business hours from the Company.**

**Please note that the Central Bank has not reviewed this letter.**

Dear Shareholder,

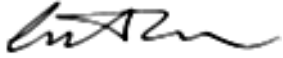
**Re: Annual general meeting ("AGM") and update to investment policy of the Fund**

We refer to the upcoming AGM of the Company to be held on 24 September 2018. In this regard, please find enclosed the AGM notice and related proxy form.

We would also like to take this opportunity to inform you of a proposed update to the investment policy of the Fund. As set out in the addendum to the Prospectus dated 4 July 2018, the Fund may invest in floating rate commercial loans in the form of participations in, or assignments of, such loans ("Loan Participations"). The Fund is currently permitted to invest up to 10% of its Net Asset Value in Loan Participations. Subject to any required amendment to the Prospectus and any related regulatory approvals, it is proposed to increase this limit so as to permit the Fund to invest up to 20% of its Net Asset Value in Loan Participations. The Investment Manager believes that increasing the limit on investment in Loan Participations will assist the Fund in pursuing its investment objective of seeking capital appreciation. Increasing this limit is not intended to change the liquidity profile of the Fund. Any amendment to the Prospectus to facilitate this change will be referred to in the next periodic report of the Fund following such amendment.

Should you have any questions relating to the above, you should contact the Company, Blackstone Alternative Investment Advisors LLC or alternatively you should contact your investment consultant, tax adviser and/or legal adviser as appropriate.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'M. A. M.', written in a cursive style.

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Director  
For and on behalf of  
Blackstone Alternative Investment Funds plc