

Blackstone Alternative Investment Funds plc
(an umbrella fund with segregated liability between sub-funds)
(the “Company”)

Annual report on the implementation of the Shareholder Rights Directive Engagement Policy of the Company (the “Policy”) for the year to 30 June 2023 (the “Period”) pursuant to Chapter 8B 1110G(4) of the European Union (Shareholders Rights) Regulations 2020 (the “Regulations”)

1. Introduction

The Policy was adopted by the Company on 18 June 2019 following the enactment of the revised Shareholder Rights Directive (“SRD II”) which required asset managers to develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement in their investment strategy. The Policy applies to the Company’s investments in companies which have their registered office in an European Union member state (a “Member State”) and the shares of which are admitted to trading in a regulated market situated or operating in a Member State (“investee companies”). SRD II and the Regulations require that the Company discloses on an annual basis how the Policy has been implemented. Defined terms have the meaning given to them in the Policy, which is available at www.bxdms.com the (“Fund Website”).

2. Implementation of the Policy during the Period

The Company’s activities (including those conducted by Blackstone Alternative Investment Advisors LLC (the “Investment Manager”) acting as investment manager on behalf of the Company) during the Period were conducted in line with the Policy. For the avoidance of doubt, the Company does not assume any responsibility for the investee company’s conduct of its business or compliance with its legal, regulatory, corporate governance and other obligations. In addition, please note that the Fund does not promote environment or social characteristics or pursue a sustainable investment objective within the meaning of Article 8 or Article 9 of the EU Sustainable Finance Disclosure Regulation (2019/2088), and the underlying investments of the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

3. Exercise of voting rights and other rights attached to shares¹

The Company has adopted a policy in relation to the exercise of voting rights (the “Voting Rights Policy”), and this policy was adhered to during the Period. The Investment Manager exercises voting rights on behalf of the Company in accordance with the Voting Rights Policy. The Company has hired Institutional Shareholder Services Inc. (“ISS”) to provide research and recommendations in accordance with ISS’ benchmark proxy voting guidelines and sustainability proxy voting guidelines (the “ISS Policy”) adopted by the Company.

The Investment Manager has delegated proxy voting authority relating to portfolio holdings of the Company with respect to assets allocated to an investment adviser appointed by the Investment Manager, (a “Sub-Adviser”), to the Sub-Adviser (a “Voting Sub-Adviser” and collectively, (the “Voting Sub-Advisers”), to be exercised in accordance with the proxy voting policies adopted by the Voting Sub-Adviser. For any assets that carry voting rights not allocated to a Sub-Adviser, proxy voting

¹ Chapter 8B 1110(G)(3)(d) and 1110(G)(4) of the Regulations.

authority has been delegated to the Investment Manager who will exercise its voting rights in accordance with the ISS Policy.

See Appendix A for a summary of voteable items during the Period.

4. **Disclosure to institutional investors²**

In order to comply with its obligations under the Regulations, the Investment Manager is disclosing the following details in respect of the investment arrangements in place with institutional investors during the Period. For the purposes of SRD II, institutional investors are life assurance companies authorised under the EU's Solvency II Directive³ and occupational pension schemes falling within the scope of the EU's Directive on Institutions for Occupational Retirement Provision⁴ (the "Institutional Investors").

4.1 ***How the Investment Strategy and its implementation complies with the investment arrangement and contributes to the medium to long-term performance of the assets of the Institutional Investor or of the Fund***

The assets of each Institutional Investor that invests in the Fund are represented by a direct or indirect interest in shares of the Fund. The net asset value of the shares of the Fund is determined by the performance of the Investment Strategy of the Fund.

The Investment Strategy of 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. The Investment Manager currently considers that a full market cycle is approximately five years but, given that market cycles are not static, this may change over time.

The Investment Manager 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. The Investment Manager also manages a portion of the Fund's assets directly.

Details of the performance of the Fund are available at the Fund Website.

4.2 ***Key material medium to long-term risks associated with the investments, portfolio composition, turnover and turnover costs, and the Company's policy on securities lending and how it is applied to fulfil engagement activities, if applicable, particularly at the time of the general meeting of the investee companies***

Key material medium to long-term risks associated with the investments

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

² Chapter 8B 1110(I) and 1110(J) of the Regulations.

³ Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

⁴ Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs).

investment objective and policy details, see the “Investment Objectives and Policies” section in the supplement for the Fund (the “Supplement”).

In the normal course of business, the Fund may engage in investment activity that is subject to certain inherent risks, such as market price risk, interest rate risk, credit and counterparty risk, foreign investment risk, and liquidity risk. Additional risks associated with each type of investment are described within the disclosures on the relevant investment type, as well as in the disclosures on financial derivative instruments and efficient portfolio management in the Prospectus and Supplement. Risks associated with the investments are also disclosed in the section entitled “Risk Factors” in the Supplement and under “Principle Risks” in the annual report and financial statements and the interim financial statements (the “**Periodic Reports**”) of the Fund. Copies of the foregoing documents are available on the Fund Website.

Portfolio composition, turnover and turnover costs

Details of the portfolio composition together with a summary of the material portfolio changes and associated costs are available in the Periodic Reports and monthly fact cards of the Fund available on the Fund Website.

Policy on securities lending and how it is applied to fulfil engagement activities, if applicable, particularly at the time of the general meeting of the investee companies

Details of the Fund’s use of securities lending are set out in the Prospectus in the sections entitled “Investment Techniques and Instruments”, “Repurchase Agreements, Reverse Repurchase Agreements and Stocklending Agreements” and “Securities Financing Transactions Regulation Disclosure”. Any engagement activities undertaken by the Fund relating to securities lending during the Period were conducted in accordance with the Policy, including, where relevant, in relation to voting activity of the Fund at general meetings of the investee companies.

4.3 ***Whether investment decisions have been made based on evaluation of medium to long-term performance of the investee company, including non-financial performance***

Investment decisions by the Company during the Period were based on a variety of factors as described in the Supplement and the Policy which may include an evaluation of the medium to long-term performance of an investee company, including an evaluation of the non-financial performance of the investee company.

4.4 ***Whether conflicts of interests have arisen in connection with engagements activities and how the Company has dealt with them***

Disclosures in relation to conflicts of issues relevant to the Fund (including in connection with any engagement activities pursuant to the Policy) are set out in the section entitled “Conflicts of Interest and Best Execution” of the Prospectus and the Periodic Reports which are available on the Fund Website and, where relevant, the Form ADV of the Investment Manager which is available at <https://adviserinfo.sec.gov>.

Appendix A

Blackstone Alternative Investment Funds plc

Annual report on the implementation of the Shareholder Rights Directive Engagement Policy of the Company

Period: 01 July 2022 – 30 June 2023

Meeting Overview

Category	Number	Percentage
Number of votable meetings	40	
Number of meetings voted	40	100.00%
Number of meetings with at least 1 vote Against, Withhold or Abstain	2	5.00%

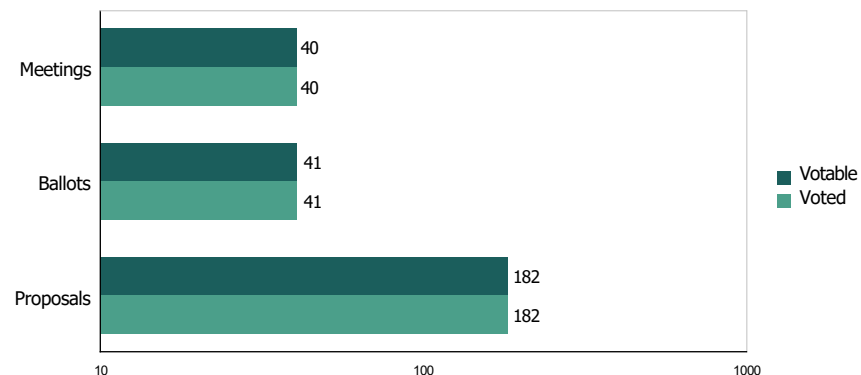
Ballot Overview

Category	Number	Percentage
Number of votable ballots	41	
Number of ballots voted	41	100.00%

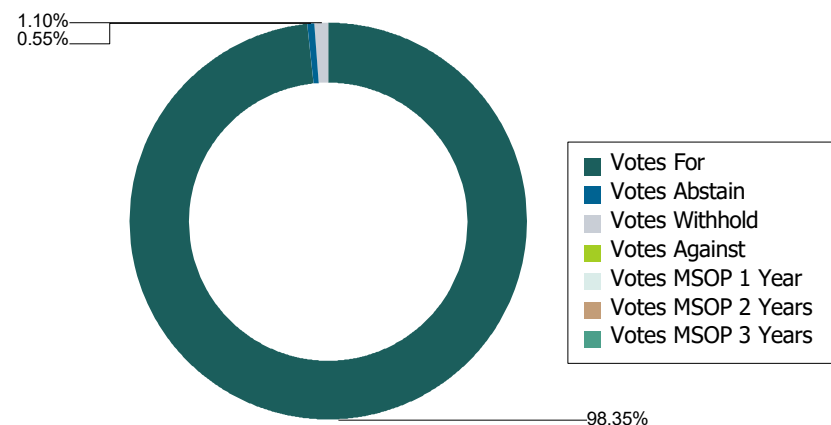
Proposal Overview

Category	Number	Percentage
Number of votable items	182	
Number of items voted	182	100.00%
Number of votes FOR	179	98.35%
Number of votes AGAINST	0	0.00%
Number of votes ABSTAIN	1	0.55%
Number of votes WITHHOLD	2	1.10%
Number of votes on MSOP Frequency 1 Year	0	0.00%
Number of votes on MSOP Frequency 2 Years	0	0.00%
Number of votes on MSOP Frequency 3 Years	0	0.00%
Number of votes With Policy	107	58.79%
Number of votes Against Policy	75	41.21%
Number of votes With Mgmt	179	98.35%
Number of votes Against Mgmt	3	1.65%
Number of votes on MSOP (exclude frequency)	0	0.00%
Number of votes on Shareholder Proposals	0	0.00%

Voting Statistics

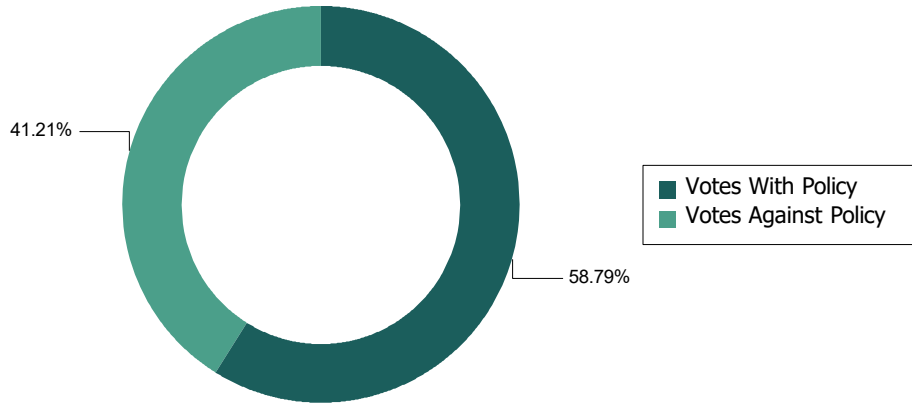


Vote Cast Statistics

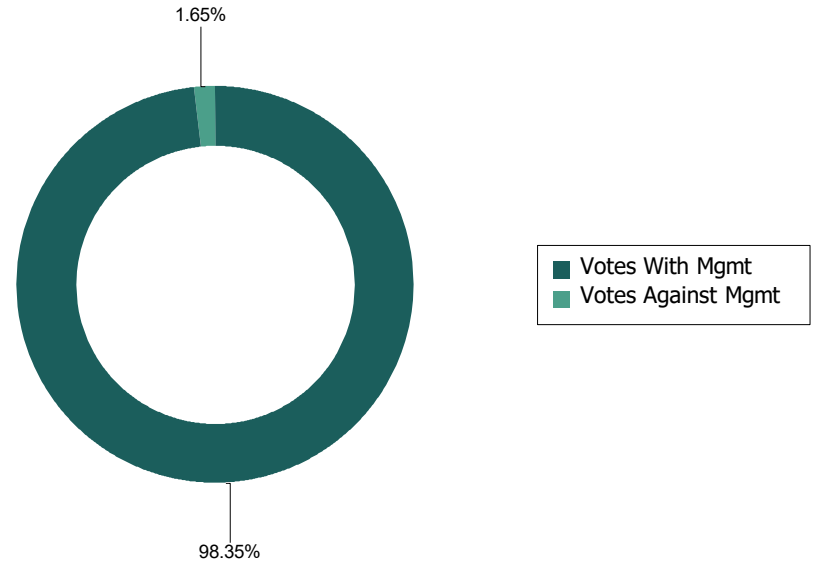


Note: "MSOP" frequency = Management Say On Pay frequency proposal votes allow shareholders to determine whether, going forward, the "say-on-pay" vote to approve compensation should occur every one, two, or three years. For all calculations in this report, only ballots in status Confirmed or Sent are considered voted. All other ballot statuses are considered unvoted. Do Not Vote instructions are not considered voted and re-registration events are not included. Notwithstanding the above, each unique vote cast is counted within all calculations. In cases of different votes submitted for an individual agenda item, votes cast are discretely counted by vote cast (For, Against, etc.) per proposal. This may result in voting totals exceeding the number of votable items. Withhold vote instructions, predominantly seen in the US market for companies using a plurality vote standard, denote a contrary vote opinion on director elections; for further information, please review ISS' policy guidelines : <https://www.issgovernance.com/policy-gateway/voting-policies>

Vote Alignment with Policy



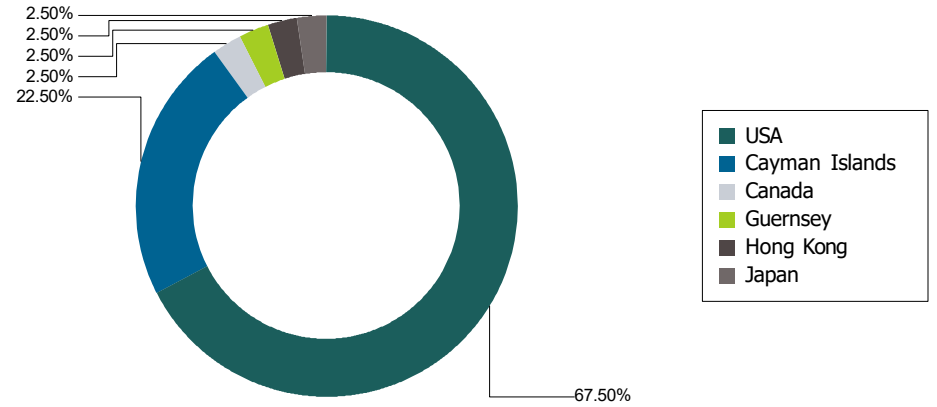
Vote Alignment with Management



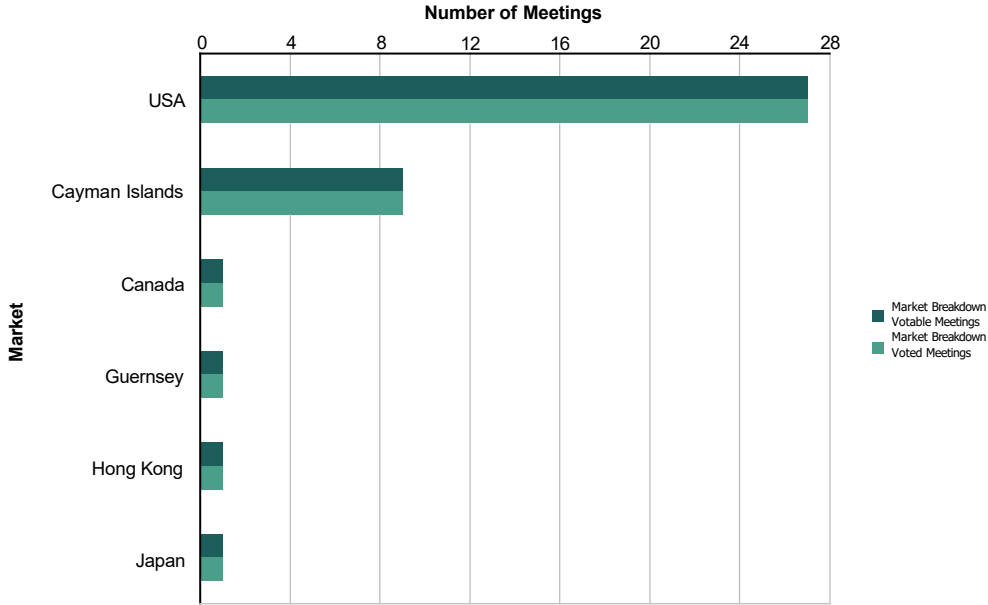
Market Breakdown

Market	Votable Meetings	Voted Meetings	Percentage
USA	27	27	100.00%
Cayman Islands	9	9	100.00%
Canada	1	1	100.00%
Guernsey	1	1	100.00%
Hong Kong	1	1	100.00%
Japan	1	1	100.00%

Meetings Voted by Market



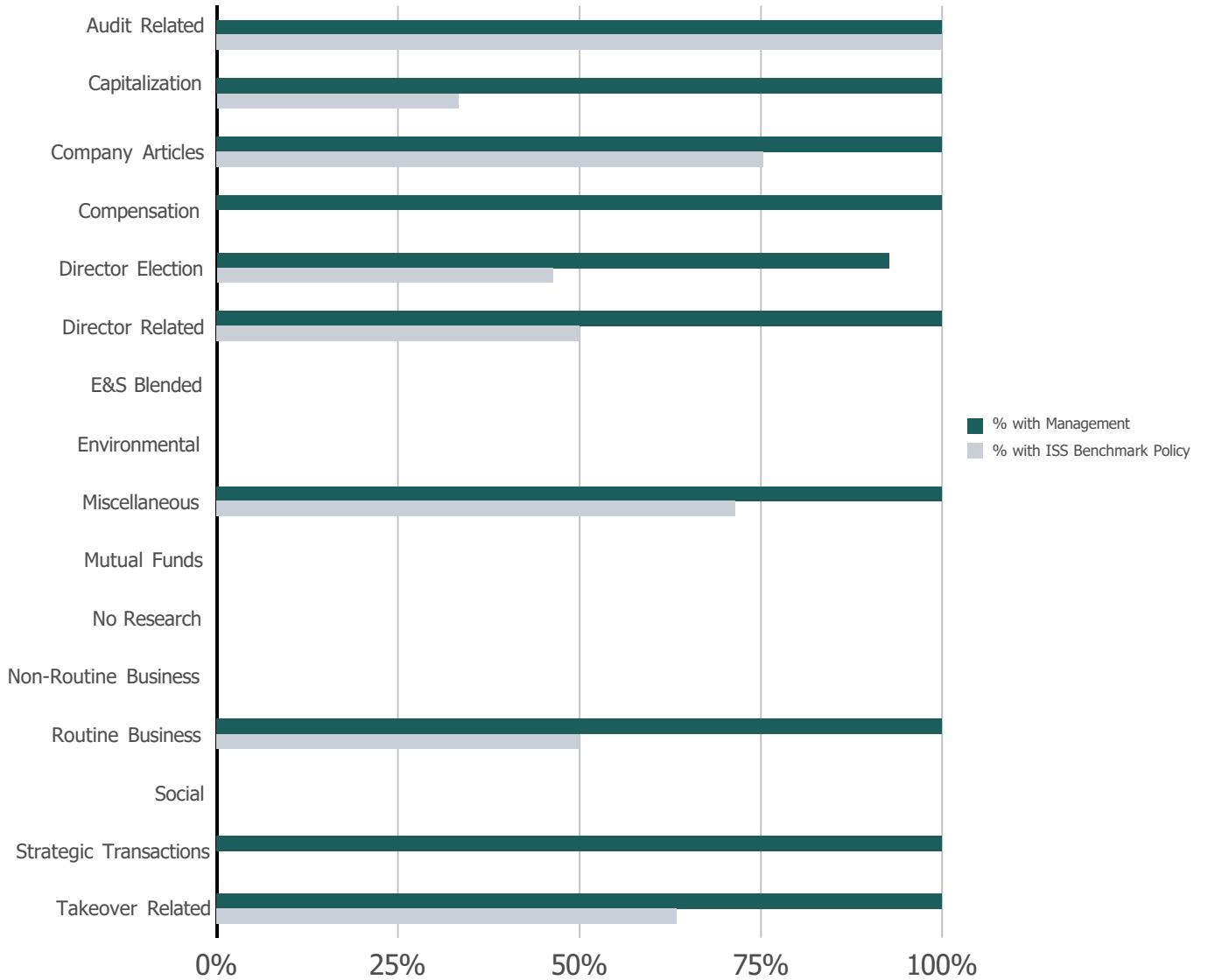
Market Voting Statistics



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Reporting Period: 01-Jul-2022 to 30-Jun-2023

Votes Cast on Management Proposal Categories



- › Comparing the votes cast in support of Management proposals, ISS Benchmark Policy recommendations across the major proposal categories provides insight into the positioning of votes on proposals submitted by Shareholders against the aforementioned benchmarks.
- › Votes cast during the reporting period were least in line with management on Director Election matters, where only 93% of votes followed management recommendations.
- › Across categories, votes cast on management proposals show the closest alignment to the ISS Benchmark Policy guidelines.