

Blackstone Alternative Investment Funds plc
(an umbrella fund with segregated liability between sub-funds)
(the “Company”)
Shareholder Rights Directive Engagement Policy and Cross-Border Distribution Regulation
Investor Rights Disclosure

1. Introduction

- 1.1 Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC (together with the relevant national implementing regulations in Ireland, the “SRD”) requires “asset managers” to develop and publicly disclose an engagement policy that describes how they integrate shareholder engagement in their investment strategy. As a self-managed UCITS investment company authorised in accordance with Directive 2009/65/EC, the Company is an asset manager and has adopted this policy in accordance with the SRD.
- 1.2 This policy seeks to describe how the Company integrates shareholder engagement in its investment strategy. It applies to the Company’s investments in companies which have their registered office in a 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”). This policy describes how the Company monitors investee companies in respect of the matters set out in section 2 below (the “relevant matters”. In this policy, the “Company” shall be deemed to refer, as appropriate, to each fund under management by the Company, including the sub-fund, Blackstone Diversified Multi-Strategy Fund, and/or the investment manager(s) responsible for the implementation of the Company’s investment strategy. Nothing in this policy shall modify or qualify the Company’s investment objective and policies as set out in the prospectus and key investor information document (the “Investment Strategy”).
- 1.3 This policy will be available free of charge on the Company’s website at www.bxdms.com.

2. Monitoring of relevant matters affecting investee companies

- 2.1 The Company shall, to the extent determined appropriate by the Company and having regard to, among other things, the Investment Strategy and the nature and size of its exposure to the relevant investee company, monitor the investee company’s approach towards matters such as the investee company’s business strategy, financial and non-financial performance and risk, capital structure, and social, environmental impact and corporate governance. The Company may base such monitoring on a variety of sources and mechanisms including, without limitation:
- (a) reviewing financial and non-financial information such as annual reports, financial statements and public announcements released on the relevant regulated market by the investee company; and
 - (b) engaging in dialogue with the board of directors and management of the investee company; and
 - (c) considering third party analysis of the investee company, wider market developments and competitors of the investee company.

- 2.2 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,

3. Engagement with investee companies

- 3.1 The Company may, at its discretion and having regard to the Investment Strategy, engage with the investee company when the Company has concerns about any of the relevant matters.
- 3.2 In such case, the Company may seek to engage with the investee company by way of dialogue with its board of directors or management and/or take any one or more of the following actions:
- (a) express concerns with the investee company's advisors;
 - (b) meet with the chairman or other board members of the investee company;
 - (c) submit resolutions and speak at shareholder meetings or vote against, or abstain from voting on, resolutions at shareholder meetings;
 - (d) reduce, or dispose of its holding in, or otherwise adjust its exposure to, the investee company; and
 - (e) undertake such other engagement as it determines to be appropriate in the circumstances.

4. Exercise of voting rights and other rights attached to shares

- 4.1 Pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (together, the "UCITS Rules"), the Company has adopted a policy in relation to the exercise of voting rights.
- 4.2 Blackstone Alternative Investment Advisors LLC ("the Investment Manager") exercises voting rights on behalf of the Company pursuant to a delegation of authority by the Company. The Investment Manager subscribes to Institutional Shareholder Services, Inc.'s ("ISS") Sustainability Research, which provides proxy voting data, analyses and recommendations based on ISS's Sustainability Policy, as amended from time to time. The Investment Manager has, in turn, delegated proxy voting authority relating to portfolio holdings of the Fund with respect to assets allocated to a sub-adviser that carry voting rights, 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 the Investment Manager will exercise its voting rights in accordance with ISS's Sustainability Policy.
- 4.3 The Company intends to exercise any other rights attaching to shares in investee companies in a manner consistent with the Investment Strategy.

5. **Cooperation and communication with other shareholders and stakeholders in investee companies**

5.1 The Company may, at its discretion and having regard to the Investment Strategy, enter into dialogue and/or collaborate with shareholders and other stakeholders in investee companies (e.g. employees, suppliers, creditors, etc.).

5.2 Any such collaboration must be carried out in accordance with the applicable law and regulation and the Company's policy on conflicts of interest.

6. **Management of actual and potential conflicts of interest**

6.1 The Company has adopted a conflicts of interest policy in accordance with the UCITS Rules which identifies, with reference to the collective portfolio management activities carried out by or on behalf of the Company, the circumstances which constitute or may give rise to a conflict of interest entailing a material risk of damage to the interests of the Company and sets out procedures to be followed and measures to be adopted to manage such conflicts.

6.2 In addition, the Company has adopted a connected party transaction policy as required under the UCITS Rules which require that any transaction carried out with a "connected party" of the Company must be: (a) conducted at arms' length; and (b) in the best interests of shareholders in the Company. A "connected party" includes the Investment Manager and the Company's depositary, the delegates and sub-delegates of the Investment Manager and depositary, and any associated or group company of the foregoing.

7. **Annual disclosure on implementation of this policy and review of policy**

7.1 The Company shall, to the extent required by applicable law and regulation, disclose on its website at www.bxdms.com and/or by other means, on an annual basis:

(a) how it has implemented this policy, including a general description of voting behaviour, an explanation of the most significant votes and the use of services of proxy advisors; and

(b) how it cast votes in the general meetings of investee companies. Such a disclosure may exclude votes that are insignificant due to the subject matter of the vote or the size of the holdings in the investee company.

7.2 The board of directors of the Company and the relevant Designated Person(s) will review this policy, as appropriate and on at least an annual basis.

8. **Cross-Border Distribution Regulation - disclosure on investor rights**

8.1 Article 4(3) of Regulation (EU) 2019/1156 of the European Parliament and of the Council of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings (the "**Cross-Border Distribution Regulation**") provides that marketing communications referred to under the Cross-Border Distribution Regulation shall specify where, how and in which language investors or potential investors in the Company can obtain a summary of investor rights and shall provide a hyperlink to such a summary, which shall include, as appropriate, information on access to collective redress mechanisms at European Union and national level in the event of litigation. It is intended that the following summary will be available, in English, free of charge on the Company's website at www.bxdms.com.

- 8.2 The legal relationship between an investor and the Company is a contractual one, governed principally by the application form executed by the investor when subscribing for shares in the Company and the constitutional document. As an investor in the Company, an investor has various rights which derive from:
- (a) the application form, the constitutional document, and other relevant documents of the Company; and
 - (b) Applicable Law and Regulation which in this regard includes, but is not limited to, the Companies Act 2014, the UCITS Rules, the Irish Data Protection Acts 1988 to 2018, the General Data Protection Regulation (Regulation (EU) 2016/679), the EU ePrivacy Directive 2002/58/EC, each as amended or replaced from time to time.
- 8.3 Such rights may include, but are not limited to, the right to participate in changes in the net asset value of such investor's shares; the right to a share of any dividends or distributions paid out by the Company; the right to attend at general meetings of the shareholders of the Company and to vote on any motion tabled at such meetings; subject to certain conditions, the right to call a general meeting of investors in the Company; the right to request the redemption of the investor's shares by the Company and certain rights in respect of how the Company uses the investor's personal data. The exercise by an investor of these rights is strictly subject to the terms and conditions of the relevant Company documents and/or legislation from which these rights derive. The foregoing is only a brief summary of examples of the rights of an investor in relation to the Company. For a more detailed description of their rights vis-à-vis the Company, investors should consult their own legal advisor.
- 8.4 Both the subscription agreement between an investor and the Company and the constitutional document are governed by Irish law. In the event that an investor believes they have suffered loss as a result of the actions or inactions of the Company or any relevant UCITS management company, an investor may seek to take proceedings against such parties in the Irish courts or, in certain circumstances, in the courts of another jurisdiction. Whether the judgement of a foreign court will be recognised and enforced against the Company or a UCITS management company in Ireland will depend on the circumstances of the case and will be subject to the relevant national and international law that governs such matters in Ireland. At present, pending implementation of Directive (EU) 2020/1828 on representative actions for consumers, there are no recognised means, in Ireland or at a European Union level, by which an investor who may have suffered a loss as result of the actions or inactions of the Company or the UCITS management company may seek collective redress.