

BLACKSTONE ALTERNATIVE INVESTMENT FUNDS

345 Park Avenue, New York, NY 10154

IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF INFORMATION STATEMENT

July 17, 2017

As a shareholder of Blackstone Alternative Multi-Strategy Fund (the “Fund”), a series of Blackstone Alternative Investment Funds (the “Trust”), you are receiving this Notice regarding the internet availability of an Information Statement relating to the selection and approval of certain sub-advisers for the Fund. This Notice presents only an overview of the more complete Information Statement that is available to you on the internet or, upon request, by mail. We encourage you to access and to review all of the important information contained in the Information Statement. As described below, the Information Statement is for informational purposes only. You do not need to take any action in connection with the selection and approval of the sub-advisers.

Summary of Information Statement

The Information Statement describes how Blackstone Alternative Investment Advisors LLC (“BAIA”), the Fund’s investment adviser, seeks to achieve the Fund’s investment objective by, in part, allocating the Fund’s assets among investment sub-advisers with experience managing alternative investment strategies. At BAIA’s recommendation, the Trust’s Board of Trustees (the “Board”) has recently approved FT AlphaParity, LLC (“FT AlphaParity”)⁽¹⁾, Gracian Capital LLC (“Gracian”), H2O AM LLP (“H2O”), and Magnetar Asset Management LLC (“Magnetar”) as sub-advisers to the Fund. BAIA subsequently terminated FT AlphaParity prior to the completion of this Information Statement. The Information Statement provides information about each of these sub-advisers.

BAIA, pursuant to the terms of exemptive orders received from the Securities and Exchange Commission on April 2, 2013 and March 13, 2017, may enter into and materially amend sub-advisory agreements with sub-advisers that are either unaffiliated with BAIA or that are directly or indirectly wholly-owned subsidiaries of The Blackstone Group, L.P. without seeking the approval of the Fund’s shareholders, so long as certain conditions are satisfied. BAIA’s selection of FT AlphaParity, Gracian, H2O and Magnetar does not require shareholder approval.

Therefore, we are not asking you for a proxy, and you are requested not to send us a proxy.

By sending you this Notice, the Fund is notifying you that it is making the Information Statement available to you via the internet in lieu of mailing you a paper copy. You may print and view the Information Statement on the Fund’s website at <http://www.blackstone.com/bamsf>. The Information Statement will be available on the website for at least 90 days after the date of this Notice. If you want to receive a paper copy of the Information Statement, you must request one. **There is no charge to you for requesting a copy.** You may request a paper copy or PDF via email of the Information Statement by writing the Fund, c/o BAIA, 345 Park Avenue, New York, NY 10154, or by calling (toll-free) 1-855-890-7725, by August 31, 2017. If you do not request a paper copy or PDF via email by that date, you will not otherwise receive a paper or email copy. You can obtain a free copy of the annual and semi-annual reports of the Fund, when available, by writing or contacting the Fund at the address or number above or visiting the Fund’s website.

Please note: Only one Notice is being delivered to multiple shareholders who share an address unless the Fund has received contrary instructions from one or more of the shareholders. Upon request to the telephone number or address listed above, the Fund will promptly deliver a separate copy of this Notice to a shareholder at a shared address to which a single copy of this Notice was delivered.

⁽¹⁾ FT AlphaParity is the successor to AlphaParity, LLC, which served as a sub-adviser to the Fund from the Fund’s inception through the acquisition of AlphaParity, LLC by Franklin Templeton Investments in February 2017.