

BLACKSTONE ALTERNATIVE INVESTMENT FUNDS

AUDIT COMMITTEE CHARTER

Adopted March 13, 2013

This charter sets forth the purpose, authority and responsibilities of the Audit Committee of the Board of Trustees (the “Board”) of Blackstone Alternative Investment Funds (the “Trust”).

Purposes

The Audit Committee of the Board (the “Committee”) has, as its primary purpose, oversight responsibility with respect to: (a) the adequacy of the accounting and financial reporting processes, policies and practices of each series of the Trust (each, the “Fund”); (b) the integrity of the Fund’s financial statements and the independent audit thereof; (c) the adequacy of the Fund’s overall system of internal controls and, as appropriate, the internal controls of certain service providers; (d) the Fund’s compliance with certain legal and regulatory requirements; (e) determining the qualification and independence of the Fund’s independent auditors; and (f) the Fund’s internal audit function, if any.

The function of the Committee is oversight; it is the responsibility of the Fund’s investment adviser (the “Adviser”) to maintain appropriate systems for accounting and internal control, and the independent auditors’ responsibility to plan and carry out a proper audit.

Authority

The Committee has been duly established by the Board and shall have the resources and authority appropriate to discharge its responsibilities, including the authority to retain counsel and other experts or consultants at the expense of the Fund and to approve the fees payable to such advisors and any other terms of their retention. The Committee has the authority and responsibility to retain and to terminate the Fund’s independent auditors. In connection therewith, the Committee must evaluate the independence of the Fund’s independent auditors and receive the auditors’ specific representations as to their independence.

Composition and Term of Committee Members

The Committee shall be comprised of members who are “Independent,” which term shall mean a trustee: (i) who is not an “interested person,” as defined in the Investment Company Act of 1940, as amended, of the Fund; and (ii) who has not accepted directly or indirectly any consulting, advisory, or other compensatory fee from the Fund (other than fees for serving as a Trustee or member of the Committee or any other committee of the Board). The members of the Board shall designate one member to serve as Chairman of the Committee (the “Chairman”).

Each member of the Committee shall serve until a successor is appointed.

The Board shall determine whether: the Committee has at least one member who is an “audit committee financial expert” (“ACFE”), as such term is defined in the rules adopted from time to time under Section 407 of the Sarbanes-Oxley Act of 2002.¹ The designation of a person as an ACFE is not intended to impose any greater responsibility or liability on that person than the responsibility and liability imposed on such person as a member of the Committee. In accordance with the Securities and Exchange Commission’s safe harbors for “audit committee financial experts,” no Audit Committee member designated as an “audit committee financial expert” shall (i) be deemed an “expert” for any purpose, including without limitation for purposes of Section 11 of the Securities Act of 1933, as amended, or (ii) have any duty, obligation or liability that is greater than the duties, obligations and liability imposed beyond those imposed on such person as a member of the Board or the Audit Committee if he or she was not so designated. Additionally, designation of an Audit Committee member as an “audit committee financial expert” shall in no way affect the duties, obligations or liability of any other member of the Audit Committee, or the Board, not so designated.

Meetings

The Committee shall meet on a regular basis, no less frequently than semi-annually, and is empowered to hold special meetings as circumstances require. Periodically, the Committee shall meet with personnel responsible for management of the Fund to discuss the Fund’s annual audited financial statements and semi-annual financial statements. Periodically, the Committee should meet separately with personnel responsible for management of the Fund, the Fund’s administrator or custodian and independent auditors to discuss any matters that the Committee, or any of these persons or firms, believes should be discussed privately. The Committee may request any officer or employee of the Adviser or the Fund’s legal counsel (or counsel to the independent trustees) or independent auditors to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee.

Minutes of each meeting will be taken and circulated to all members of the Committee in a timely manner.

¹ An “audit committee financial expert” is an individual who, in the determination of the Board, has acquired the following attributes:

- (i) an understanding of generally accepted accounting principles and financial statements;
- (ii) the ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves;
- (iii) experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the registrant’s financial statements, or experience actively supervising one or more persons engaged in such activities;
- (iv) an understanding of internal control procedures for financial reporting; and
- (v) an understanding of audit committee functions.

An individual may have acquired these attributes through any of the following:

- (i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant, or auditor or experience in one or more positions that involve the performance of similar functions;
- (ii) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor, or person performing similar functions;
- (iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing, or evaluation of financial statements; or
- (iv) other relevant experience.

Instruction 2(b) to Item 3 of Form N-CSR.

Any action of the Committee may be taken by (i) the vote of a majority of the Committee members present, whether in person or otherwise, at the meeting at which such action is considered or (ii) by written consents or consents submitted electronically by a majority of the Committee members then in office (or such greater number as may be required by the Trust's Agreement and Declaration of Trust (as amended), its Bylaws (as amended) or applicable law).

Duties and Powers and of the Committee

The duties and powers of the Committee include, but are not limited to, the following:

- bear direct responsibility for the appointment, compensation, retention and oversight of the work of the Fund's independent auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Fund, and the independent auditors must report directly to the Committee;
- if and when the Fund prepares a proxy statement that relates to the election of Trustees of the Fund, prepare any audit committee report to be included in such proxy statement as required by Item 407(d)(3)(i) of Regulation S-K;
- set the compensation of the independent auditors, such amount to be paid by the Fund;
- evaluate the independence of the Fund's independent auditors, including whether the auditors provide any consulting services to the Adviser or its affiliated companies, and receive the auditors' specific representations as to their independence;
- to the extent required by applicable law, pre-approve: (i) all audit and non-audit services that the Fund's independent auditors provide to the Fund, and (ii) all non-audit services that the Fund's independent auditors provide to the Adviser and any entity controlling, controlled by, or under common control with the Adviser that provides ongoing services to the Fund, if the engagement relates directly to the operations and financial reporting of the Fund; provided that the Committee has implemented policies and procedures by which such services can be pre-approved other than by the full Committee prior to their ratification by the Committee (see Exhibit B).
- meet with the Fund's independent auditors, including private meetings, as necessary to (i) review the arrangements for and scope of the annual audit, including the audit procedures to be utilized in the review of the Fund's financial statements, and any special audits; (ii) discuss any matters of concern relating to the Fund's financial statements, including any adjustments to such statements recommended by the auditors, or other results of the audit(s); (iii) consider the auditors' comments with respect to the Fund's financial policies, procedures and internal accounting controls and responses of personnel responsible for management of the Fund thereto; and (iv) review the form of opinion the auditors propose to render to the Trustees and the members of the Fund;
- review reports prepared by the Fund's independent auditors detailing the fees paid to the Fund's independent auditors for: (i) audit services (includes all services necessary to perform an audit, services provided in connection with statutory and regulatory filings or

engagements and other services generally provided by independent auditors, such as comfort letters, statutory audits, attest services, consents and assistance with, and review of, documents filed with the Securities and Exchange Commission (“SEC”)); (ii) audit-related services (covers assurance and due diligence services, including, employee benefit plan audits, due diligence related to mergers and acquisitions, consultations and audits in connection with acquisitions, internal control reviews and consultations concerning financial accounting and reporting standards); (iii) tax services (services performed by a professional staff in the accounting firm’s tax division, except those services related to the audit, including tax compliance, tax planning and tax advice) and (iv) other services (includes financial information systems implementation and design).

- ensure that the Fund’s independent auditors prepare and deliver annually to the Committee a written statement (the “Auditors’ Statement”) describing: (i) the auditors’ internal quality control procedures; (ii) any material issues raised by the most recent internal quality control review or peer review of the auditors, or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditors, and any steps taken to deal with any such issues; and (iii) all relationships between the independent auditors and the Fund, including each non-audit service provided to the Fund and the matters set forth in PCAOB Rule 3526;
- receive and review a written report (or update, with respect to a semi-annual filing), as of a date 90 days or less prior to the filing of the Fund’s annual (or semi-annual) report with the SEC, to the Committee from the Fund’s independent auditors regarding any: (i) critical accounting policies to be used; (ii) alternative accounting treatments that have been discussed with personnel responsible for management of the Fund along with a description of the ramifications of the use of such alternative treatments and the treatment preferred by the independent auditors; (iii) material written communications between the auditor and personnel responsible for management of the Fund; and (iv) all non-audit services provided to any entity in the Fund’s investment company complex (excluding non-audit services provided to The Blackstone Group, L.P. and its affiliates) that were not pre-approved by the Committee;
- review matters relating to the Fund’s internal controls and annual and semi-annual financial reporting process, including results of the annual audit. Review internal accounting controls relating to the activities of the Fund’s custodian and administrator and the Adviser through the periodic review of reports, discussions with appropriate officers and consideration of reviews provided by internal audit staff;
- meet with the Fund’s internal auditors (or other personnel responsible for the internal audit function), if any, following an internal audit of the Fund to discuss significant risks and exposures, if any, to the Fund’s risk management processes and system of internal controls, and the steps taken to monitor and minimize such risks;
- review of any issues brought to the Committee’s attention by independent auditors or personnel responsible for management of the Fund, including those relating to any deficiencies in the design or operation of internal controls which could adversely affect

the Fund's ability to record, process, summarize and report financial data, any material weaknesses in internal controls and any fraud, whether or not material, that involves personnel responsible for management of the Fund or other employees who have a significant role in the Fund's internal controls;

- review and evaluate the qualifications, performance and independence of the lead partner of the Fund's independent auditors;
- require the Fund's independent auditors to report any instance of an audit partner of those auditors earning or receiving compensation based on that partner procuring engagements with the Fund to provide any services other than audit, review or attest services;
- resolve any disagreements between the personnel responsible for management of the Fund and independent auditors concerning the Fund's financial reporting;
- to the extent there are Trustees who are not members of the Committee, report its activities to the full Board on a regular basis and make such recommendations with respect to the above and other matters as the Committee may deem necessary or appropriate;
- discuss with management and the independent auditors, prior to the printing and distribution of the Fund's annual or semi-annual report, the Fund's audited annual financial statements or semi-annual financial statements, as applicable, including any narrative discussion concerning the Fund's financial condition and investment performance and, if appropriate, recommend the publication of the Fund's financial statements in the Fund's annual or semi-annual report, as applicable;
- discuss the Fund's earnings press releases, financial information and earnings guidance provided to analysts and ratings agencies, if any;
- review policies with respect to risk assessment and risk management;
- if and to the extent that the Fund intends to have employees, review hiring policies for employees or former employees of the Fund's independent accountants;
- establish and maintain the procedures set forth in Exhibit A regarding: (i) the receipt, retention and treatment of complaints received by the Fund or the Adviser regarding accounting, internal accounting controls or auditing matters; and (ii) the confidential, anonymous submission by employees of the Fund, the Adviser, any sub-adviser, administrator, principal underwriter or provider of accounting-related services of concerns regarding questionable accounting or auditing matters; and
- review such other matters as may be appropriately delegated to the Committee by the Board.

Annual Performance and Charter Evaluation

The Committee shall perform a review and evaluation, at least annually, of the performance of the Committee and its members, including reviewing the compliance of the Committee with this charter. The Committee shall conduct such evaluations and reviews in such manner as it deems appropriate in its judgment.

EXHIBIT A

WHISTLEBLOWER PROCEDURES

A. Responsibilities of Audit Committee of the Board of Trustees (the “Audit Committee”) With Respect to Specified Complaints

1. The Audit Committee shall receive, retain, investigate and act on complaints and concerns of Covered Persons² (“Reports”) regarding:
 - (a) questionable accounting, internal accounting controls and auditing matters, including those regarding the circumvention or attempted circumvention of internal accounting controls or that would otherwise constitute a violation of the Fund’s accounting policies (each an “Accounting Allegation”);
 - (b) compliance with legal and regulatory requirements (“Legal Allegation”); and
 - (c) retaliation against Covered Persons who make Accounting Allegations or Legal Allegations (“Retaliatory Act”).
2. In the discretion of the Audit Committee, responsibilities of the Audit Committee created by these procedures may be delegated to the Chairman of the Audit Committee.

B. Procedures for Receiving Reports

1. Any Report that is made directly to personnel responsible for management of the Fund, whether openly, confidentially or anonymously, shall be promptly reported to the Audit Committee.
2. Each Report forwarded to the Audit Committee by personnel responsible for management of the Fund and each Report that is made directly to the Audit Committee, whether openly, confidentially or anonymously, shall be reviewed by the Audit Committee, members of which may, in their discretion, consult with personnel responsible for management of the Fund who is not the subject of the allegation and who may have appropriate expertise to assist the Audit Committee. The Audit Committee shall determine whether the Audit Committee or personnel responsible for management of the Fund should investigate the Report, taking into account the considerations set forth in Section C below.

² For purposes of these Procedures, “Covered Person” means officers of the Fund, employees of the Fund’s investment adviser that provide services on behalf of that entity to the Fund, employees of the Fund’s sub-advisers that, pursuant to agreements with the investment adviser, provide services to or on behalf of the Fund, and employees of the Fund’s custodian, administrator, transfer agent and other third-party agents that, pursuant to agreements with the Trust, provide services to or on behalf of the Fund.

(a) If the Audit Committee determines that personnel responsible for management of the Fund should investigate the Report, the Audit Committee shall notify the Fund's CCO in writing of that conclusion. Personnel responsible for management of the Fund shall thereafter promptly investigate the Report and shall report the results of their investigation, in writing, to the Audit Committee. Personnel responsible for management of the Fund shall be free in their discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

(b) If the Audit Committee determines that it should investigate the Report, the Audit Committee shall promptly determine what professional assistance, if any, it needs in order to conduct the investigation. The Audit Committee shall be free in its discretion to engage outside auditors, counsel or other experts to assist in the investigation and in the analysis of results.

C. Considerations Relative To Whether the Audit Committee or Personnel Responsible for Management of the Fund Should Investigate a Report

In determining whether personnel responsible for management of the Fund or the Audit Committee should investigate a Report, the Audit Committee shall consider, among any other factors that are appropriate under the circumstances, the following:

1. *Who is the alleged wrongdoer?* If an executive officer, senior financial officer or other high management official is alleged to have engaged in wrongdoing, that factor alone may militate in favor of the Audit Committee conducting the investigation.
2. *How serious is the alleged wrongdoing?* The more serious the alleged wrongdoing, the more appropriate that the Audit Committee should undertake the investigation. If the alleged wrongdoing would constitute a crime involving the integrity of the financial statements of the Fund, that factor alone may militate in favor of the Audit Committee conducting the investigation.
3. *How credible is the allegation of wrongdoing?* The more credible the allegation, the more appropriate that the Audit Committee should undertake the investigation. In assessing credibility, the Audit Committee should consider all facts surrounding the allegation, including but not limited to whether similar allegations have been made in the press or by analysts.

D. Protection of Whistleblowers

Consistent with the policies of the Fund, the Audit Committee shall not retaliate, and shall not tolerate any retaliation by personnel responsible for management of the Fund or any other person or group, directly or indirectly, against anyone who, in good faith, makes an Accounting Allegation or Legal Allegation, reports a Retaliatory Act or provides assistance to the Audit Committee, personnel responsible for management of the Fund or any other person or group, including any governmental, regulatory or law enforcement body, investigating a Report. The Audit Committee shall not, unless compelled by judicial or other legal process, reveal the

identity of any person who makes an Accounting Allegation or Legal Allegation or reports a Retaliatory Act and who asks that his or her identity as the person who made such Report remain confidential and shall not make any effort, or tolerate any effort made by any other person or group, to ascertain the identity of any person who makes a Report anonymously.

E. Records

The Audit Committee shall retain for a period of seven years all records relating to any Accounting Allegation or Legal Allegation or report of a Retaliatory Act and to the investigation of any such Report.

F. Procedures for Making Complaints

In addition to any other avenue available to a Covered Person, any Covered Person may report to the Audit Committee openly, confidentially or anonymously any Accounting Allegation or Legal Allegation or report of a Retaliatory Act. Accounting Allegations, Legal Allegations and reports of a Retaliatory Act can be made orally or in writing to the Chairman of the Audit Committee. Such Reports can also be made directly to personnel responsible for management of the Fund openly, confidentially or anonymously by contacting the Fund's CCO in writing or in person.

EXHIBIT B

AUDIT AND NON-AUDIT SERVICES PRE-APPROVAL POLICIES AND PROCEDURES

A. Purpose

Under the Sarbanes-Oxley Act of 2002 (the “Act”), the Audit Committee (the “Committee”) of the Board of Trustees of Blackstone Alternative Investment Funds (the “Trust”) is responsible for the appointment, compensation and oversight of the work of the Trust’s independent auditor (“the Independent Auditor”). As part of this responsibility, the Committee is required to pre-approve all audit and non-audit services performed by the Independent Auditor in order assure that they do not impair the auditor’s independence. To implement these provisions of the Act, the Securities and Exchange Commission (the “SEC”) has issued rules specifying the types of services that the Trust’s independent auditor may not provide to the Trust, as well as rules relating to the Committee’s administration of the engagement of the independent auditor. Under these rules, the SEC has provided that a permissible approval of audit and non-audit services can take the form of either (i) an express approval of a particular engagement, or (ii) a pre-approval (where a specific type of service is authorized, generally subject to a fee maximum). Pre-approvals are permitted under SEC rules, subject to policies and procedures. Accordingly, the Committee has adopted these Audit and Non-Audit Services Pre-Approval Policies and Procedures, which set forth the procedures and the conditions pursuant to which services for the Trust may be performed by the Independent Auditor under pre-approvals.

B. General Pre-Approval Policies

It is the policy of the Committee that audit and non-audit services to be performed by the Independent Auditor be pre-approved only when in the best interests of the Fund’s shareholders and fully consistent with applicable law and, particularly, the maintenance of the Independent Auditor’s independence. In granting any pre-approval, consideration shall be given to: (i) the qualifications of the auditor to perform the services involved; (ii) the proposed costs (which may be presented as an estimate or based on professional time charges subject to a ceiling) of the services and the reasonableness thereof; (iii) the permissibility of the services under applicable rules and guidance of the SEC; (iv) the effect, if any, of the performance of the proposed services on the auditor’s independence; (v) the effect of the compensation for the proposed services on the auditor’s independence; and (vi) the effect, if any, of the proposed services on the Trust’s ability to manage or control risk or to improve audit quality.

While non-audit services may include reviewing and/or validating procedures or work products of the Trust, they may not include the production or modification of such procedures or work products. While non-audit services may include market research and strategic insights, such services shall be limited to factual reports and shall not include recommendations. No pre-approval shall be made in a manner that would constitute a delegation to the Trust’s management.

Unless a type of service has received general pre-approval, it will require specific pre-approval by the Committee if it is to be provided by the Independent Auditor or (if the

engagement relates directly to the operations and/or financial reporting of the Funds) their service affiliates.

C. Pre-Approval of Audit Services to the Fund

The Committee shall approve the engagement of the Independent Auditor for each fiscal year (the “Engagement”). In approving the Engagement, the Committee shall obtain, review, and consider information concerning the proposed Independent Auditor sufficient to enable the Committee to make a reasonable evaluation of the Independent Auditor’s qualifications and independence.

Unless otherwise in accordance with applicable law, the Engagement shall require that the Independent Auditor be selected by the vote, cast in person, of a majority of the members of the Board who are not “interested persons” of the Trust (as defined in Section 2(a)(19) of the Investment Company Act of 1940) (the “Independent Trustees”).

D. Pre-Approval of Non-Audit Services to the Funds and to Service Affiliates

The SEC has specifically identified ten types of prohibited non-audit services for which the Committee will not engage the Independent Auditor: (i) bookkeeping or other services related to the accounting records or financial statements; (ii) financial information systems design and implementation; (iii) appraisal or valuation services; (iv) fairness opinions or contribution-in-kind reports; (v) actuarial services; (vi) internal audit outsourcing services; (vii) management or human resources functions; (viii) broker-dealer and investment banking services; and (ix) legal services and expert services unrelated to the audit. The Committee may pre-approve the provision of types or categories of non-audit services to the Funds and service affiliates that do not fall into the prohibited non-audit services outlined above.

E. Procedures for Pre-Approval by the Committee

Requests for pre-approval shall (i) be in writing and may be made by either the Independent Auditor or by management of the Trust; (ii) be made to the full Committee at regularly scheduled meetings thereof (or at a special meeting of the Committee set to coincide with regular meetings of the Trust’s Board of Trustees) whenever practicable; (iii) identify the nature of the services to be provided in a manner sufficiently specific to allow evaluation of the considerations identified above in Section B above; (iv) include an estimated budget (or budgeted range) of fees, where possible; and (v) include an assessment by the independent auditor of their independence should the request be granted and the proposed services rendered.

Requests for pre-approval may include, but are not limited to, the following services: (i) audit engagement, particularly for interim periods; (ii) preparation of fund tax returns; (iii) review and consents with respect to use of reports in post-effective amendments to the registration statements of the Trust; (iv) review of IRS shareholder materials; (v) review and validation of fund procedures (*e.g.*, valuation, interfund lending, etc.), and (vi) market research and strategic insights.

Pre-approvals will be granted for a period of no more than one year. The Committee's action on a request for pre-approval shall be recorded in the Committee's minutes and reported to the full Board of Trustees.

Where it has been determined by the Committee's Chairman that consideration of a request for pre-approval by the full Committee would not be timely, the Chairman may determine that the request be presented to a member(s) of the Committee appointed by the Committee as its delegate for this purpose.

F. Amendment

These Policies and Procedures may be amended or revoked at any time by the Committee.

G. Recordkeeping

The Trust shall maintain a written record of all decisions made by the Committee or by pursuant to these Policies and Procedures, together with appropriate supporting material. A copy of these Policies and Procedures and of any amendments to these Policies Procedures shall be maintained and preserved permanently in an easily accessible place at the principal offices of the Trust. The written records of decisions made by the Committee shall be maintained and preserved for six years from the end of the fiscal year in which the actions recorded were taken, for at least the first two years in an easily accessible location at the principal offices of the Trust.

Adopted March 13, 2013