



Alternatives
Access Fund

Blue Sky Alternatives Access Fund Limited

ACN 168 941 704

Entitlement Offer Information Booklet

Details of a 1 for 3 non-renounceable entitlement offer at \$1.00 per Share to raise approximately \$20 million before Offer Costs.

Last date for acceptance and payment:
5:00pm (AEST) on 1 May 2015

If you are an Eligible Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

JOINT LEAD MANAGERS AND AUTHORISED INTERMEDIARIES

ORD MINNETT

Morgans IN ALLIANCE WITH **CIMB**

Important Notices

This Information Booklet is dated 13 April 2015. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA Corporations Act (as notionally modified by ASIC Class Order 08/35). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before you decide to participate in the Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

The Company may make additional announcements after the date of this Information Booklet and throughout the period that the Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares or Top-Up Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

Intermediary authorisation

The Company does not hold an Australian Financial Services Licence (AFSL) under the Corporations Act. Accordingly, the Entitlement Offer will be made pursuant to an arrangement between the Company and Ord Minnett Limited (AFSL 237 121) and Morgans Corporate Limited (AFSL 235 407) (**Authorised Intermediaries**), as holders of Australian Financial Services Licences under section 911A(2)(b) of the Corporations Act. The Company has authorised the Authorised Intermediaries to make offers to arrange for the issue of New Shares under the Entitlement Offer and the Company will only issue the New Shares in accordance with those offers and no others.

Ord Minnett (AFSL 237 121) and Morgans (AFSL 235 407) (together, the Joint Lead Managers) will manage the Entitlement Offer on behalf of the Company.

The Joint Lead Managers' functions should not be considered as an endorsement of the Entitlement Offer, nor a recommendation of the suitability of the Entitlement Offer for any Shareholder or investor. The Joint Lead Managers do not guarantee the success or performance of the Company or the returns (if any) to be received by Shareholders and investors. Neither the Joint Lead Managers nor any other licensee is responsible for, or has caused the issue of, this Information Booklet.

No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Information Booklet is not to be distributed in, and no offer of New Shares or Top-Up Shares is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet in other jurisdictions may be restricted by law and therefore persons who come into possession of this Information Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia or New Zealand.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand).

This Information Booklet has not been registered, filed with or approved by a New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This Information Booklet is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Important Notices

Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 6. All references to currency are to Australian dollars and all references to time are to Australian Eastern Standard Time, unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. The Company considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares or dealing with Entitlements under this Information Booklet or the subsequent disposal of any New Shares. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer. The Legal Adviser has not authorised, permitted or caused the issue of this Information Booklet.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you.

The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and regulatory bodies. You can obtain access to personal information that the Company holds about you. To make a request for access to your personal information held by (or on behalf of) the Company, please contact the Company through the Share Registry.

Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by the Company or any of its officers.

Past performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Future performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the management of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward looking statements. Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

Risks

Refer to the 'Risk factors' section of the Investor Presentation included in sections 2 and 4 of this Information Booklet for a summary of general and specific risk factors that may affect the Company.

Chairman's letter

13 April 2015

Dear Shareholder

On behalf of the Board of Blue Sky Alternatives Access Fund Limited (**Company**), I am pleased to write to you, as a shareholder of the Company, to offer you the opportunity to participate in the Company's recently announced 1 for 3 non-renounceable entitlement issue of new ordinary shares in the Company (**New Shares**) at an issue price of \$1.00 per New Share (**Entitlement Offer**).

Entitlement Offer

On 13 April 2015, the Company announced its intention to raise up to approximately \$20 million through a 1 for 3 Entitlement Offer.

The proceeds from the Entitlement Offer will be used to continue to build a diversified and actively-managed portfolio of Alternative Assets. With the capital raised from the initial public offer (**IPO**) of the Company now fully deployed or committed, the Company is seeking to raise additional capital through the Entitlement Offer to take advantage of a strong flow of attractive investment opportunities across its Alternative Assets classes. The deployment of the funds raised from the Entitlement Offer will be consistent with the Company's investment strategy as detailed in its IPO Prospectus lodged with the ASX in 2014.

The Company maintains its objective to achieve an attractive return for Shareholders driven by dividend income and an increase in the value of the Company's net tangible assets.

Under the Entitlement Offer, Eligible Shareholders have the opportunity to subscribe for New Shares at the Issue Price of \$1.00. This represents a discount of 9.4% to the ten day volume-weighted average price (**VWAP**) of the Company's Shares traded on the ASX over the ten days up to and including 10 April 2015.

The number of New Shares you are entitled to subscribe for under the Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in this Information Booklet. If you take up your Entitlement, you can also apply for additional shares under a **Top-Up Facility** (refer to section 3.2 of this Information Booklet for more information).

Any shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility may be offered to sophisticated or professional investors under a **Shortfall Facility** (refer to section 1.4 for more information).

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradable on the ASX or otherwise transferable.

I encourage you to consider this Offer carefully.

Other information

This Information Booklet contains important information, including:

- the Investor Presentation referred to above, which was released to the ASX on 13 April 2015, and which provides information on the Company, the Entitlement Offer and key risks for you to consider;
- instructions on how to apply, detailing how to participate in the Entitlement Offer if you choose to do so, and a timetable of key dates; and
- a personalised Entitlement and Acceptance Form which details your Entitlement and the process for taking up your Entitlement.

The Entitlement Offer closes at 5pm (AEST) on Friday, 1 May 2015.

Please read in full the details on how to submit your application which are set out in this Information Booklet. For further information regarding the Entitlement Offer, please call the Company on (07) 3270 7500 between 8:00am to 5:00pm (Brisbane time) Monday to Friday, or visit our website at:

<http://www.blueskyfunds.com.au/alternativesfund/>

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Entitlement Offer.

On behalf of the Board of the Company, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Sincerely



John Kain

Chairman
Blue Sky Alternatives Access Fund Limited

Summary of Entitlement Offer

Entitlement Offer

Ratio	1 New Share for every 3 existing Company ordinary shares
Offer Price	\$1.00 per New Share
Size	Approximately 20 million New Shares
Total gross proceeds	Up to approximately \$20 million

Key dates

Activity	Date
Announcement of the Entitlement Offer	13 April 2015
Information Booklet lodged with the ASX	13 April 2015
Ex Date The date from which Shares commence trading without the entitlement to participate in the Entitlement Offer	15 April 2015
Record Date The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer	7:00pm, 17 April 2015
Information Booklet and Entitlement and Acceptance Form despatched	20 April 2015
Entitlement Offer opening date The first day for Applications under the Entitlement Offer including Applications under the Top-Up Facility	20 April 2015
Entitlement Offer Closing Date The final day for Applications under the Entitlement Offer including Applications under the Top-Up Facility	5:00pm, 1 May 2015
Deferred settlement trading New Shares issued under the Entitlement Offer expected to commence quotation on the ASX on a deferred settlement basis	4 May 2015
Company notifies the ASX of under subscriptions and Shortfall (if any)	6 May 2015
Allotment of New Shares issued under the Entitlement Offer	8 May 2015
Company notifies the ASX that the allotment of New Shares under the Entitlement Offer has occurred	By 12:00pm, 8 May 2015
Normal Trading New Shares issued under the Entitlement Offer expected to commence quotation on the ASX on a normal T+3 basis	11 May 2015

All references to time are to Australian Eastern Standard Time (AEST), which is the time applicable in Sydney, New South Wales.

This Timetable is indicative only and subject to change without notice. The Directors may vary these dates, subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

For any enquiries, or if you have lost your Entitlement and Acceptance Form and would like a replacement form, you should contact the Company on (07) 3270 7500 between 8:00am to 5:00pm (Brisbane time) Monday to Friday. Alternatively, contact your stockbroker, solicitor, accountant or other professional advisor.

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1. Description and effect of the Offer

1.1. Overview

The **Entitlement Offer** is a pro rata non-renounceable offer of approximately 20,131,934 New Shares at \$1.00 per New Share to raise up to approximately \$20 million (before Offer Costs).

The number of New Shares to which you are entitled is shown in the accompanying Entitlement and Acceptance Form. You can subscribe for all, or part, of your Entitlement to New Shares. Refer to section 1.2 for more details of the Entitlement Offer.

The proceeds of the Entitlement Offer will be applied principally to undertake additional investments in Alternative Assets. The Company maintains its objective to achieve an attractive return for Shareholders driven by dividend income and an increase in the value of the Company's net tangible assets. Refer to section 1.5 for more details regarding use of funds.

Any New Shares not taken up by the Closing Date may be made available to Eligible Shareholders who have already taken up their full Entitlement, under a **Top-Up Facility**. Refer to section 1.3 for more details of the Top-Up Facility.

Any shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility may be offered to sophisticated or professional investors under a **Shortfall Facility**. Refer to section 1.4 for more details of the Shortfall Facility.

1.2. Entitlement Offer

The Entitlement Offer constitutes an offer to Eligible Shareholders only (refer to section 1.12 for eligibility criteria). The Entitlement Offer will raise approximately \$20 million (before Offer Costs).

Eligible Shareholders who are on the Company's share register on the Record Date are entitled to acquire 1 New Share for every 3 Shares held on the Record Date (**Entitlement**). The Issue Price of \$1.00 per New Share represents a discount of 9.4% to the ten day volume-weighted average price (**VWAP**) of the Company's Shares traded on the ASX over the ten days up to and including 10 April 2015. Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet. Eligible Shareholders may subscribe for all or part of their Entitlement.

The Company, in consultation with the Joint Lead Managers, reserves the right to determine whether a shareholder is an Eligible Shareholder or an Ineligible Shareholder.

Eligible Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are identified in the Investor Presentation in section 2 and further in section 4.

1.3. Issue of additional Shares under Top-Up Facility

Any New Shares not taken up by the Closing Date may be made available to those Eligible Shareholders who took up their full Entitlement and applied for additional New Shares under the Top-Up Facility (in accordance with the procedure set out in section 3.2).

There is no guarantee that such Shareholders will receive the number of New Shares applied for under the Top-Up Facility, or any. There is no cap on the number of additional New Shares that Eligible Shareholders may apply for under the Top-Up Facility, although the number of New Shares available under the Top-Up Facility will not exceed the total number of New Shares not taken up by Eligible Shareholders pursuant to their Entitlements. The Directors reserve the right to allot and issue New Shares under the Top-Up Facility at their discretion.

1.4. Shortfall Facility

A shortfall will arise if applications received for New Shares under the Entitlement Offer (including after the completion of the Top-Up Facility (if any) and the Entitlements of Ineligible Shareholders) are less than the number of New Shares offered (**Shortfall**).

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place Shortfall Shares within 3 months after the Closing Date to either existing or New Shareholders at their discretion. If issued, Shortfall Shares will be issued at a price not less than the Issue Price of New Shares under the Entitlements Offer. Shareholders will not receive any payment or value for the Entitlements not taken up under the Entitlement Offer that are subsequently taken up under the Shortfall Facility.

1.5. Use of funds

The proceeds from the Entitlement Offer will be used to continue to build on the Company's diversified and actively-managed portfolio of Alternative Assets. With the capital raised from the initial public offer (IPO) of the Company now fully deployed or committed, the Company is seeking to raise new capital under the Entitlement Offer to take advantage of a strong flow of attractive investment opportunities across its Alternative Assets classes.

The Company anticipates that the proceeds of the Entitlement Offer will be substantially invested by the Company within three months of the Closing Date.

The deployment of the funds raised from the Entitlement Offer will be consistent with the Company's investment strategy as detailed in its IPO Prospectus lodged with the ASX in 2014.

The Company maintains its objective to achieve an attractive return for Shareholders, driven by dividend income and an increase in the value of the Company's net tangible assets.

1. Description and effect of the Offer

1.6. Capital structure

Subject to rounding up of fractional Entitlements and depending on the number of Options (if any) that are exercised before the Record Date, the capital structure of the Company following the issue of New Shares is expected to be as follows:

Existing Shares on issue at the date of this Information Booklet	60,395,801
Approximate New Shares issued under this Information Booklet	20,131,934
Approximate total number of Shares after issue of New Shares under this Information Booklet	80,527,735
Amount to be raised under the Offer (before Offer Costs)	\$20,131,934
Options on issue at the date of this Information Booklet	60,387,800

1.7. Dividends

The New Shares will be entitled to receive any dividend in respect of the year ending 30 June 2015, to the extent that any dividend is declared. Risk factors affecting dividends are identified in section 4.

The Board of the Company currently anticipates declaring a partially franked two to three cent per share year end dividend, subject to ongoing investment performance and portfolio realisations.

1.8. Effect on the Company's financial position

The table on the following page presents the Company's historical balance sheet as at 31 December 2014 and 31 March 2015 (**Historical Financial Information**), as well as the pro-forma historical balance sheet as at 31 March 2015 (**Pro-forma Historical Financial Information**) (collectively, **Financial Information**).

The historical balance sheet as at 31 December 2014 has been derived from the interim financial report of the Company for the half year ended 31 December 2014 lodged with the ASX on 23 February 2015. The historical balance sheet as at 31 March 2015 has been derived from the Company's unaudited management accounts. The Historical Financial Information has been prepared in accordance with recognition and measurement principles contained in Australian Accounting Standards.

The Pro-forma Historical Financial Information presented is derived from the historical balance sheet as at 31 March 2015 and based on the assumption that the following pro-forma adjustments had occurred as at that date:

- the Entitlement Offer was fully subscribed raising approximately \$20.13 million;
- Offer Costs of approximately \$0.29 million were incurred by the Company; and
- net proceeds of the Entitlement Offer were approximately \$19.84 million,

(together, the **Pro-forma Adjustments**).

The Pro-forma Historical Financial Information is prepared in a manner which is consistent with the recognition and measurement principles contained in Australian Accounting Standards applied to the historical balance sheet as at 31 March 2015 and the events or transactions to which the Pro-forma Adjustments relate as if those events or transactions had occurred at that date. It assumes full take up under the Entitlement Offer and also assumes that no Options are exercised between the announcement of the Entitlement Offer and the allotment of New Shares under the Entitlement Offer. Accordingly, the Pro-forma Historical Financial Information may not reflect the actual financial position of the Company at the conclusion of the Entitlement Offer.

The Financial Information has been prepared on the basis of the same accounting policies disclosed in the Company's annual financial report available on the Company's website.

1. Description and effect of the Offer

	Historical Balance Sheet as at 31 December 2014	Historical Balance Sheet as at 31 March 2015	Pro-forma adjustments	Pro-forma Historical Balance Sheet as at 31 March 2015
	\$'000	\$'000	\$'000	\$'000
Assets				
Current assets				
Cash and cash equivalents	3,003	2,835	19,681	22,516
Trade and other receivables	39	605	-	605
Other current assets	412	519	-	519
Total current assets	3,454	3,959	19,681	23,640
Non-current assets				
Financial assets at fair value through profit and loss	58,845	59,351	-	59,351
Deferred tax assets	369	68	126	194
Total non-current assets	59,214	59,419	126	59,545
Total assets	62,668	63,378	19,807	83,185
Liabilities				
Current liabilities				
Trade and other payables	2,932	2,947	(31)	2,916
Deferred revenue	201	193	-	193
Total current liabilities	3,133	3,140	(31)	3,109
Total liabilities	3,133	3,140	(31)	3,109
Net assets	59,535	60,238	19,838	80,076
Shareholders' equity				
Issued shares and options	60,396	60,396	20,132	80,528
Less Offer Costs	(1,229)	(1,229)	(294)	(1,523)
Accumulated Profits/ (Losses)	368	1,071	-	1,071
Total equity	59,535	60,238	19,838	80,076

1. Description and effect of the Offer

Significant accounting policies and notes to the Financial Information

Investments

The Company classifies the fair value measurements of financial assets and liabilities using the three level fair value hierarchy as required within the Australian Accounting Standards. To date, all investments are classified as Level 3.

Level 3 inputs are unobservable inputs for an asset or liability. Unobservable inputs have been used to measure fair value where relevant observable inputs and market data are not available.

In the absence of observable market prices, the Company values its investments using valuation methodologies applied on a consistent basis. For certain investments, limited market activity may exist. In this case, the Company's determination of fair value is based on the best information available in the circumstances, and may incorporate the Company's own assumptions and involve a significant degree of judgement.

As the Company invests in unlisted funds, market prices are not readily observable for all investments made by the Company. The calculation of the fair value for the various asset classes is discussed below.

The fair values of the below unlisted funds are calculated in accordance with the Company's Investment Valuation Policy (approved and adopted by the Board on 11 July 2014), which is available on the Company's website.

The table below shows the financial assets by class measured and recognised at fair value classified as level 3 according to the fair value hierarchy at 31 March 2015 and 31 December 2014:

	31-Mar-15 \$'000	31-Dec-14 \$'000
Financial assets		
Unlisted private equity funds	12,894	12,991
Unlisted venture capital funds	3,836	3,845
Unlisted hedge funds	5,315	7,061
Unlisted real assets funds	22,273	22,196
Unlisted private real estate funds	15,033	12,752
Total financial assets	59,351	58,845

This document sets out the Company's policy regarding the valuation of the Company's investments in each asset class, as follows:

(i) Private equity and venture capital

The assets held within each private equity and venture capital fund in which the Company has invested (**Private Equity and Venture Capital Funds**) are valued by an independent third party at least annually. In addition, at the end of each month BSAF Management Pty Ltd (**Manager**) (or a related party thereof) is responsible for valuing each Private Equity and Venture Capital Fund asset. In the event that the Manager believes there may have been a material change in the value of a Private Equity and Venture Capital Fund asset in between the annual independent valuations, an interim valuation is performed by the Manager. The above mentioned valuations are adopted by the Manager when calculating the unit price for each Private Equity and Venture Capital Fund. A discount for illiquidity of the units is also incorporated into the valuation. Given each Private Equity and Venture Capital Fund does not have an observable market price, these funds are recorded as Level 3 investments.

The valuations require the Manager to make certain assumptions regarding model inputs, with the key assumptions being the forecast earnings used and earnings multiples to apply. In relation to the forecast earnings used, a 10% increase/(decrease) would result in an increase/(decrease) of approximately \$962,000 in the fair value of the Private Equity and Venture Capital Fund investments. In relation to the earnings multiples applied, an increase/(decrease) in the earnings multiples of one, within the range of multiples used of between five and seven times earnings, would result in an increase/(decrease) of approximately \$1,571,000 in the fair value of the Private Equity and Venture Capital Fund investments.

(ii) Hedge Funds

The assets held within each Hedge Fund are valued by a third party fund administrator based on observable market prices. These valuations are used by the fund administrator to determine a unit price for each Hedge Fund which is reviewed and approved by the Manager. Given each Hedge Fund does not have an observable market price (in contrast to the assets held within each Hedge Fund), Hedge Funds are recorded as Level 3 investments.

The assets held within the Hedge Fund in which the Company has invested are a portfolio of futures across bonds, interest rate, currency, commodity and equity markets. These assets are revalued regularly based on observable market prices quoted on a number of trading platforms and exchanges.

As such, the Manager has made no significant assumptions regarding fair value as the value of the underlying assets have quoted prices in active markets. However, a discount for illiquidity has been incorporated into the valuation. A 10% increase/(decrease) in the value of the assets held within the Hedge Fund in which the Company invested would result in an increase/(decrease) of approximately \$531,000 in the fair value of the Hedge Fund investment.

1. Description and effect of the Offer

(iii) Real assets – water fund

The assets held within the water fund in which the Company has invested (**Water Fund**) are valued by a third party expert based on observable market prices in the Australian water entitlements market. These valuations are used by the Water Fund's third party administrator to determine a unit price which is reviewed and approved by the Manager. Given the Water Fund does not have an observable market price, the Water Fund is recorded as a Level 3 investment.

As such, the Manager has made no significant assumptions regarding fair value as the value of the underlying assets have observable market prices. However, a discount for illiquidity has been incorporated into the valuation. A 10% increase/(decrease) in the value of the assets held within the Water Fund would result in an increase/(decrease) of approximately \$1,611,000 in the fair value of the Company's Water Fund investment.

(iv) Real assets (excluding Water Fund)

The assets held within all real assets funds in which the Company has invested (excluding the Water Fund) (**Real Assets Funds**) are valued using the same approach as outlined for the Private Equity and Venture Capital Funds. As such, investments in Real Assets Funds are recorded as Level 3 investments.

For all Real Assets Funds, the only significant assets held within the funds are recently completed investments. In this regard, the Manager has determined that the fair values of the investments are equal to the completion amount paid in relation to the transactions at 31 March 2015. However, inherently this assumes a forecast earnings and an earnings multiple to determine the valuation and therefore the completion amount paid.

The valuations require the Manager to make certain assumptions regarding model inputs, with the key assumptions being the forecast earnings used and earnings multiples to apply. In relation to the forecast earnings used, a 10% increase/(decrease) would result in an increase/(decrease) of approximately \$616,000 in the fair value of the Real Asset Funds. In relation to the earnings multiples applied, an increase/(decrease) in the earnings multiples of one would result in an increase/(decrease) of approximately \$660,000 within the range of multiples used of between five and seven times earnings.

(v) Private real estate

The value of each private real estate fund in which the Company has invested (**Private Real Estate Fund**) is determined by the Manager and by an independent third party at least annually using a discounted cash flow methodology or another industry standard approach if applicable. Reference is made to a number of project development milestones when determining the value, including whether the purchase of land is unconditional, the level of pre-sales required in order to secure debt funding and the fixed price nature of construction contracts. The Company has adopted these milestones on the basis that, once they are met, there is a sufficient degree of certainty around the value of the project to support a revaluation. These valuations are adopted by the Manager when calculating a unit price for each Private Real Estate Fund. Given the Private Real Estate Funds do not have an observable market price, the investments in the funds are recorded as a Level 3 investment.

None of the Private Real Estate Funds had achieved all of the project development milestones mentioned above. In addition, the only significant assets held within these funds are either cash or land. In the case of land, the Manager has determined that the settlement amounts paid in relation to the transactions is equal to the fair value at 31 March 2015.

As such, the Manager has made no significant assumptions regarding fair value and has incorporated a discount for illiquidity into the valuation.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy.

	31-Mar-15 \$'000
Beginning of financial period	58,845
Purchase of financial assets held at fair value through profit and loss	2,500
Sale of financial assets held at fair value through profit and loss	(2,500)
Net unrealised gain(loss) recognised during the period	506
End of financial period	59,351

1.9. Net Tangible Assets

The following table presents the Company's net tangible assets per Share based on the Historical Financial Information as well as the Pro-forma Historical Financial Information.

	Historical Balance Sheet as at 31 December 2014	Historical Balance Sheet as at 31 March 2015	Pro-forma adjustments	Pro-forma Historical Balance Sheet as at 31 March 2015
Net Tangible Assets (NTA) per Share (pre tax)	0.9796	0.9963	0.9791	0.9920
Net Tangible Assets (NTA) per Share (post tax)	0.9857	0.9974	0.9854	0.9944
Fully Diluted Net Tangible Assets (NTA) per Share (pre tax)	0.9898	0.9981	0.9948	0.9954
Fully Diluted Net Tangible Assets (NTA) per Share (post tax)	0.9929	0.9987	0.9963	0.9968

1. Description and effect of the Offer

1.10. Underwriting

The Entitlement Offer is not underwritten. Any shortfall under the Entitlement Offer will be allocated to Eligible Shareholders who applied for additional shares under the Top-Up Facility.

If, following the allocation of additional shares under the Top-Up Facility, there are Shortfall Shares, these Shortfall Shares will be offered to sophisticated and professional investors under the Shortfall Facility.

The Shortfall Facility will be managed by Ord Minnett Limited and Morgans Corporate Limited who have been appointed as Joint Lead Managers.

1.11. No minimum subscription

There is no minimum subscription amount.

1.12. Eligibility of Shareholders

The Entitlement Offer is being offered to all Eligible Shareholders.

Eligible Shareholders are Shareholders on the Record Date who:

- (a) have a registered address in Australia, New Zealand or are a Shareholder that the Company has otherwise determined is eligible to participate;
- (b) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States; and
- (c) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

The Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of such Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

The Company, in consultation with the Joint Lead Managers, reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

Existing holders of Options may only participate in the Entitlement Offer in respect of Shares to be issued on exercise of the Options held by them if they exercise their Options and are registered as the holder of the underlying Shares by the Record Date.

The Entitlement Offer may result in a reduction of the exercise price of the Options in accordance with the formula set out in Listing Rule 6.22.

Listing Rule 6.22 operates to reduce the exercise price of the Options in circumstances where the issue price under the relevant pro-rata offer is less than the volume weighted average market price per security of the underlying securities calculated over the five trading days ending on the day before the Ex Date.

Given the Ex Date is not until 15 April 2015 it is not possible at this point to determine the amount of any reduction in the exercise price of the Options.

1.13. Ranking of New Shares

The New Shares issued under the Entitlement Offer will be fully paid and rank equally with Existing Shares.

1.14. Allotment

The Company will make an application within seven days from the date of this Entitlement Offer for quotation of the New Shares on the ASX. Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that allotment of the New Shares under the Entitlement Offer will take place no more than 6 Business Days after the close of the Entitlement Offer.

Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

1.15. Broker handling fee or stamp duty

No brokerage or stamp duty will be payable by Applicants.

A handling fee of 1.00% of the application amount (plus GST) of New Shares (**Broker Handling Fee**) under the Entitlement Offer will be paid by the Company to stockbrokers (being those entities being recognised as full service brokers or non-advisory brokers by the ASX) who submit a valid claim for a Broker Handling Fee on successful Applications.

1.16. Information availability

Eligible Shareholders can obtain a copy of this Information Booklet from the Company website at:

<http://www.blueskyfunds.com.au/alternativesfund/>

or by calling the Company on (07) 3270 7500 between 8:00am to 5:00pm (Brisbane time) Monday to Friday during the Offer period. Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling the Company on (07) 3270 7500 between 8:00am to 5:00pm (Brisbane time) Monday to Friday during the Offer period.

13 April 2015

Entitlement Offer to raise up to approximately \$20 million

Overview

- 1 for 3 non-renounceable entitlement offer to raise up to approximately \$20 million through the issue of approximately 20 million fully paid ordinary shares
- Issue price of \$1.00 per share represents an 8.3% discount to the last traded price of BAF shares

About the Entitlement Offer

Blue Sky Alternatives Access Fund Limited (ASX:BAF) (**Alternatives Fund**) today announced that it will raise up to approximately \$20 million through a 1 for 3 non-renounceable entitlement offer (**Entitlement Offer**) of fully paid ordinary shares in the Alternatives Fund (**New Shares**).

The issue price for the Entitlement Offer will be \$1.00 per New Share (**Issue Price**). The Issue Price represents a 9.4% discount to the ten day volume weighted average price (**VWAP**) of the Company's Shares traded on the ASX over the ten days up to and including 10 April 2015.

The Entitlement Offer is not underwritten.

The proceeds of the Entitlement Offer will be applied in accordance with the investment strategy set out in the replacement prospectus lodged with ASIC on 13 May 2014. It will facilitate additional investments in alternative assets with the aim of providing an attractive return for shareholders in the Company driven by dividend income and an increase in the value of the Company's net tangible assets. The Company intends to take advantage of the current flow of investment opportunities. It is anticipated that the proceeds of the Entitlement Offer will be substantially invested within three months of the closing date of the Entitlement Offer.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 New Share for every 3 existing shares held at 7.00 pm (AEST) on Friday, 17 April 2015 (**Record Date**) at the Issue Price.

The Entitlement Offer will include a top up facility under which eligible shareholders who take up their full entitlement will be invited to apply for additional New Shares in the Entitlement Offer from a pool of those not taken up by other eligible shareholders (**Top Up Facility**). There is no guarantee that applicants under the Top Up Facility will receive all or any of the shares they apply for under the facility.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlements will not receive any value in respect of those entitlements that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value in respect of the entitlements they would have received had they been eligible.

It is expected that approximately 20 million New Shares will be issued as part of the Entitlement Offer. New Shares issued under the Entitlement Offer will rank equally with existing ordinary shares.

Eligible shareholders will receive an information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Entitlement Offer. A copy of the information booklet will also be lodged with ASX.

Those shareholders who the Alternatives Fund determines to be ineligible shareholders will also be notified.

An investor presentation on the Entitlement Offer has been lodged with ASX today and is able to be downloaded from ASX's website, www.asx.com.au and from the company's website <http://www.blueskyfunds.com.au/alternatives-fund>. The investor presentation contains important information, including key risks with respect to the Entitlement Offer.

Key dates*

Activity	Date
Announcement of the Entitlement Offer	13 April 2015
Information Booklet lodged with ASX	13 April 2015
Ex Date The date from which Shares commence trading without the entitlement to participate in the Entitlement Offer	15 April 2015
Record Date The date for determining Entitlements of Eligible Shareholders to participate in the Entitlement Offer	7:00pm (AEST), 17 April 2015
Information Booklet and Entitlement and Acceptance Form despatched	20 April 2015
Entitlement Offer opening date The first day for Applications under the Entitlement Offer including Applications under the Top-Up Facility	20 April 2015
Entitlement Offer Closing Date The final day for Applications under the Entitlement Offer including Applications under the Top-Up Facility	5:00pm (AEST), 1 May 2015
Deferred settlement trading New Shares issued under the Entitlement Offer expected to commence quotation on ASX on a deferred settlement basis	4 May 2015
Company notifies ASX of under subscriptions and Shortfall (if any)	6 May 2015
Allotment of New Shares issued under the Entitlement Offer	8 May 2015
Normal Trading New Shares issued under the Entitlement Offer expected to commence quotation on ASX on a normal T+3 basis	11 May 2015

All references to time are to Australian Eastern Standard Time (**AEST**), which is the time applicable in Brisbane, Queensland.

**This Timetable is indicative only and subject to change without notice. The Directors may vary these dates, subject to the Listing Rules. An extension of the Closing Date will delay the anticipated date for issue of the New Shares.*

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Further information contact:

Jane Prior
Company Secretary
Blue Sky Alternatives Access Fund Limited
T: +61 7 3270 7500

About the Alternatives Fund

The Alternatives Fund is a listed investment company that invests in a diverse range of alternative assets including private equity and venture capital, real assets, private real estate and hedge funds. We are the only listed investment company on the ASX that allows investors to make a strategic allocation to a diverse portfolio of directly managed alternative assets. Listed on the ASX on 16 June 2014, investments are made by BSAAF Management Pty Limited (**Manager**) on behalf of the Alternatives Fund with the aim of providing an attractive return for shareholders, driven by dividend income and an increase in the Alternatives Fund's net tangible assets.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The Alternatives Fund does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.



BLUE SKY ALTERNATIVES ACCESS FUND LIMITED (ASX:BAF)

ENTITLEMENT OFFER

April 2015

DISCLAIMER

This presentation has been prepared by Blue Sky Alternatives Access Fund Limited ('BSAAF'). The information in this presentation is of a general nature and does not purport to be complete, nor does it contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act.

An investment in BSAAF's shares is subject to known and unknown risks, many of which are beyond the control of BSAAF. In considering an investment in BSAAF's shares, investors should have regard to (amongst other things) the risks outlined in this presentation and in the Entitlement Offer Information Booklet.

This presentation contains statements, opinions, projections, forecasts and other material (forward looking statements), based on various assumptions. Those assumptions may or may not prove to be correct. None of BSAAF, its respective officers, employees, agents, advisers nor any other person named in this presentation makes any representation as to the accuracy or likelihood of fulfilment of the forward looking statements or any of the assumptions upon which they are based.

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Not an offer in the US: This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This presentation may not be distributed or released in the United States. The securities in the proposed offering have not been and will not be registered under the US Securities Act of 1933, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in the proposed offering may not be offered, or sold, directly or indirectly, in the United States, except in a transaction exempt from, or subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

CONTENTS

1	Executive summary
2	Why alternatives?
3	About BSAAF
4	About Blue Sky
5	Current BSAAF investment portfolio
6	Offer structure and key dates

EXECUTIVE SUMMARY

- Blue Sky Alternatives Access Fund Limited (ASX:BAF) ('BSAAF') is a listed investment company on the Australian Securities Exchange that allows investors to invest in a diverse portfolio of actively managed alternative assets
- BSAAF is managed by a wholly-owned subsidiary of Blue Sky Alternative Investments Limited (ASX:BLA) ('Blue Sky')
- BSAAF has announced a non-renounceable 1 for 3 Entitlement Offer to raise up to approximately \$20 million
- New shares under the Entitlement Offer are to be issued at \$1.00, an 8.3% discount to the last closing price on 10 April 2015 (\$1.09) and a 9.4% discount to the 10-day volume-weighted average price ending on 10 April 2015 (\$1.10)
- Shares issued under the Entitlement Offer will participate in any year end dividend as and when declared. The Board of BSAAF currently anticipates declaring a partially franked 2 to 3 cent per share year end dividend, subject to ongoing investment performance and portfolio realisations

USE OF PROCEEDS

- Blue Sky continues to see a strong flow of investment opportunities across its alternative asset classes
- Having fully deployed or committed the capital raised at IPO, proceeds of the Entitlement Offer will provide BSAAF with additional capital for new investment opportunities in Blue Sky managed funds with the aim of achieving an attractive return for shareholders, driven by dividend income and an increase in BSAAF's NTA
- It is anticipated that the proceeds of the Entitlement Offer will be substantially invested within a 3 month period

The Entitlement Offer closes at 5pm AEST on Friday, 1 May 2015

WHY ALTERNATIVES?

WHY ALTERNATIVES?

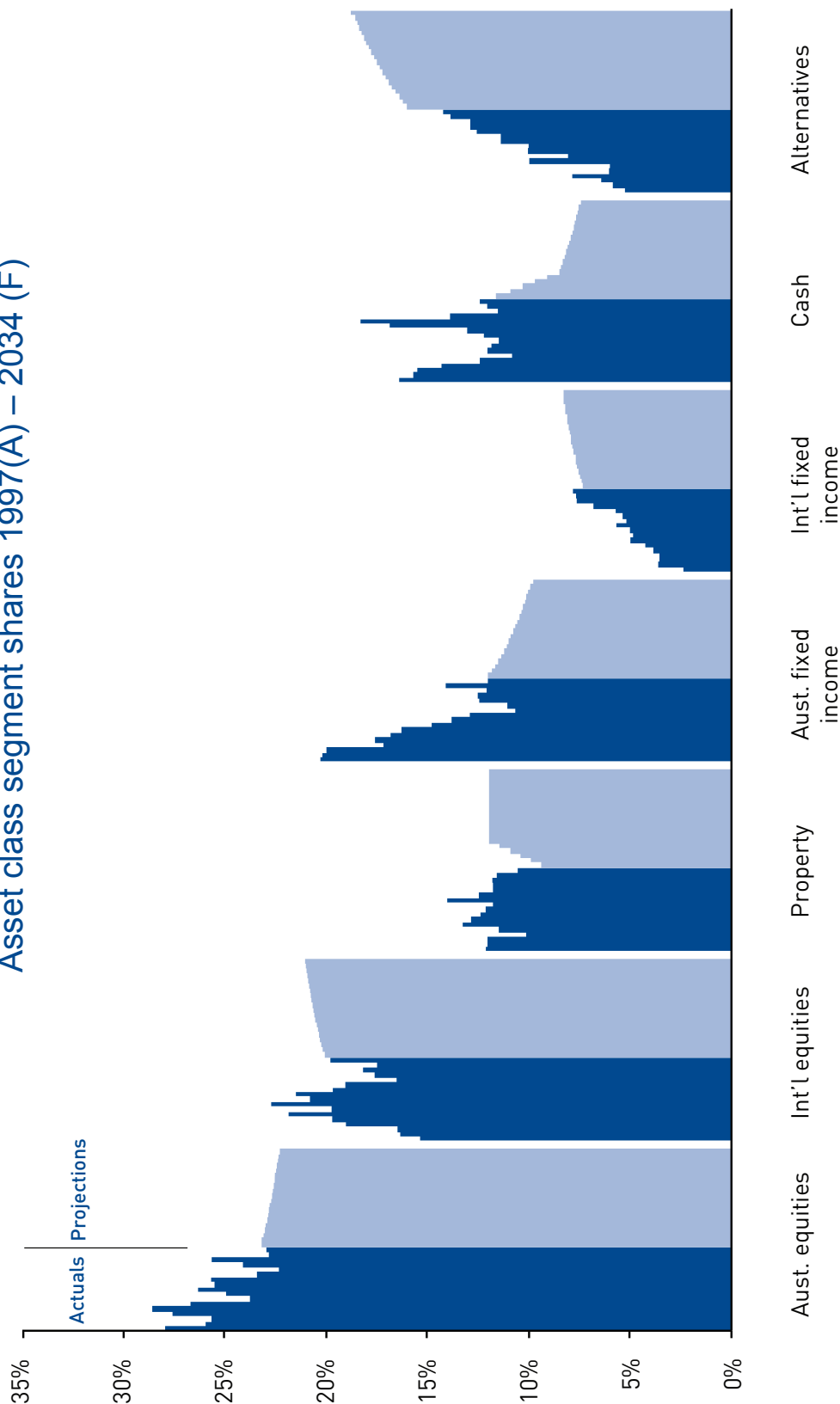
- Alternatives are used to **enhance risk/return characteristics** of investment portfolios
 - Increase diversification
 - Reduce overall volatility in an investment portfolio (given low correlations to more traditional investments)
 - Potential for delivery of attractive returns through periods of under performance in listed equities and bonds
- Potential for **strong returns**
 - Ability to selectively invest in private markets where pricing may be less efficient than public markets
- Alternative asset managers' **incentives are typically based on absolute returns** (not relative returns)

“Over the next five years, net flows in the global alternatives market are expected to grow at an average annual pace of 5 percent, dwarfing the 1 to 2 percent expected annual pace for industry as a whole. By 2020, alternatives could comprise about 15 percent of global industry assets.”

McKinsey & Company – Capturing the Next Wave of Growth in Alternative Investments (2014)

ALTERNATIVES ARE THE FASTEST GROWING ASSET CLASS IN AUSTRALIA

Asset class segment shares 1997(A) – 2034 (F)



Allocations to alternatives have almost quadrupled from 1997 to 2014 (including growth of 35% in the last 12 months).¹

1. Rainmaker Roundup – Edition 68 (December 2014)

ABOUT BSAAF

BLUE SKY ALTERNATIVES ACCESS FUND

ABOUT THE ALTERNATIVES FUND

Blue Sky Alternatives Access Fund Limited ('Alternatives Fund' or 'BSAAF') is a listed investment company that invests in a range of alternative assets including:

- Private equity and venture capital;
- Real assets;
- Private real estate; and
- Hedge funds.

The Alternatives Fund is a listed investment company on the Australian Securities Exchange ('ASX') that allows investors to invest in a diverse portfolio of actively managed alternative assets.

The Alternatives Fund is listed on the ASX under the code BAF, with options in the Alternatives Fund trading under the code BAFO.

OBJECTIVES OF THE ALTERNATIVES FUND

The primary objectives of the Alternatives Fund are to:

- Deliver long term absolute returns to shareholders, comprised of both capital appreciation and a dividend yield (franked to either 100% or the maximum extent possible);
- Provide investors with access to a diverse range of alternative assets; and
- Provide investors with the ability to invest in alternative assets through an ASX listed structure that is more readily accessible and liquid than is typical for many alternative assets.

Note: Past performance is not a reliable indicator of future performance. Historical returns reflect the historical performance of Blue Sky funds only and do not relate to the past or future performance of the Alternatives Fund, and should not be relied upon as an indicator of future performance of the Alternatives Fund. Historical returns include a mix of realised and unrealised returns.

BSAAF INVESTMENT HIGHLIGHTS

BSAAF provides investors:

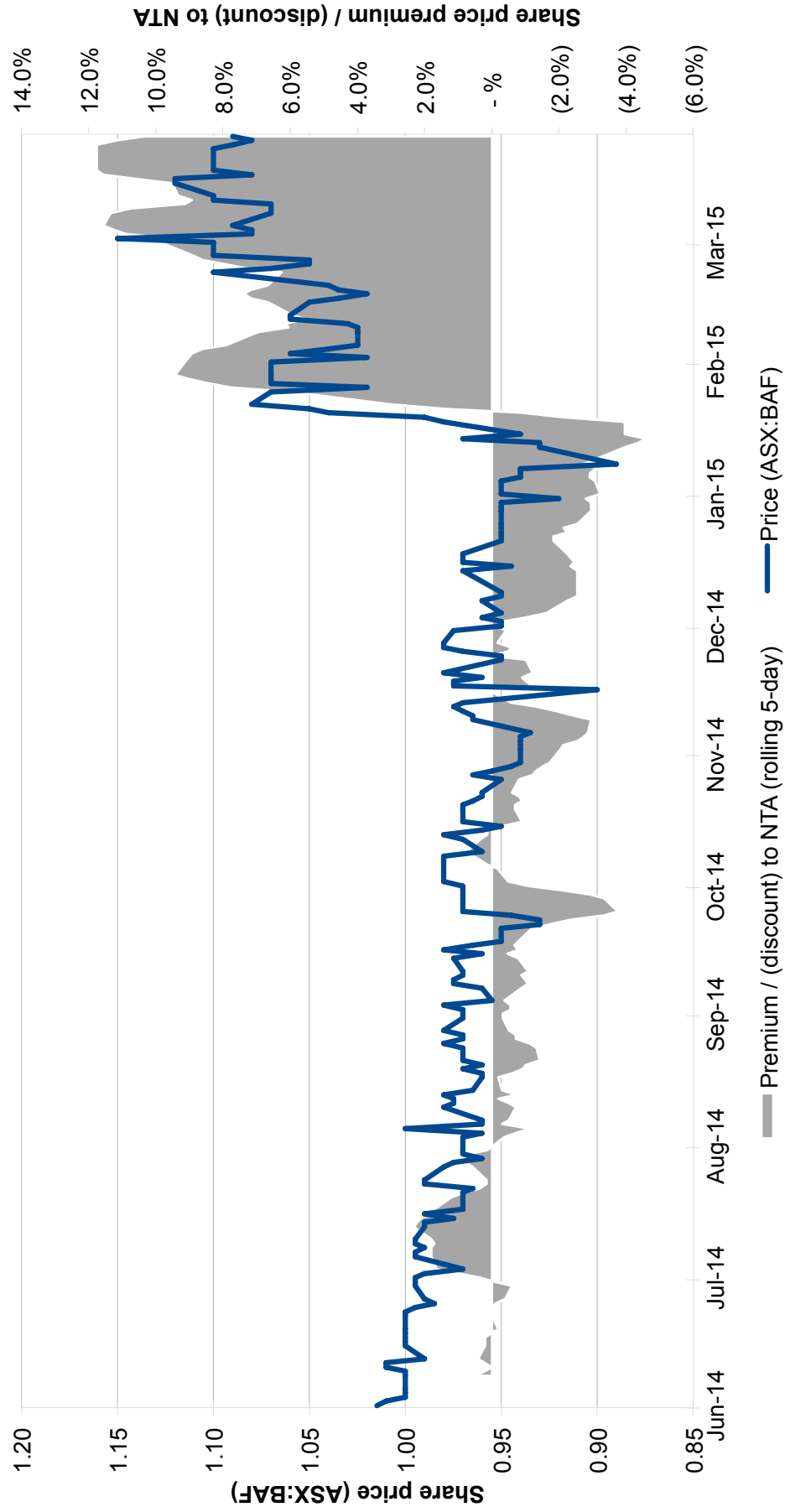
- ✓ A diverse portfolio of Blue Sky managed alternative assets
- ✓ Low correlation of returns to listed equities and fixed interest
- ✓ Access to the strong investment track record of Blue Sky
- ✓ Investment strategy aimed at achieving an attractive return for shareholders, driven by dividend income and an increase in BSAAF's NTA
- ✓ Liquidity as an ASX listed security
- ✓ Low cost structure

INVESTMENT MANDATE

Diversity across asset classes	Each asset class may represent up to 40% of total assets under management¹
First right to invest	The Alternatives Fund has the right, but not the obligation, to invest in all new or open ended Blue Sky funds (up to its co-investment limit)
Co-investment limit	The Alternatives Fund may hold up to 50% (but not more) of any underlying fund managed by Blue Sky
Investment manager	BSAAF Management Pty Ltd (100% subsidiary of Blue Sky)
Management fee	1.20% p.a. (excluding GST) of funds under management
Performance fee	17.50% (excluding GST) of outperformance over an 8.0% p.a. fixed benchmark - Performance below hurdle to be set off against future performance fees
No double-dipping of fees	- No management or performance fees will be charged to the Alternatives Fund by underlying Blue Sky funds - The Alternatives Fund will pay its pro-rata share of any transaction costs and establishment fees (excluding fundraising and marketing fees) for funds it chooses to invest in

1. As at the time the investment is made.

SHARE PRICE PERFORMANCE (ASX:BAF) TO 10 APRIL 2015



ABOUT BLUE SKY

ABOUT BLUE SKY

- Blue Sky Alternative Investments Limited (ASX:BLA) ('Blue Sky') is an ASX listed funds management business founded in 2006, focused on the four major alternative asset classes:
 - Real assets (water entitlements, water infrastructure and agribusiness)
 - Private equity and venture capital
 - Private real estate
 - Hedge funds
- Blue Sky's goal is to be Australia's leading diversified alternative asset manager
- Blue Sky as at today:
 - \$232m market cap¹
 - Over \$1 billion in assets under management
 - Offices in Brisbane, Sydney, Melbourne, Adelaide and New York
 - 72 staff
 - Published returns of 15.3% p.a. net of fees since inception to investors in Blue Sky funds to 31 December 2014²

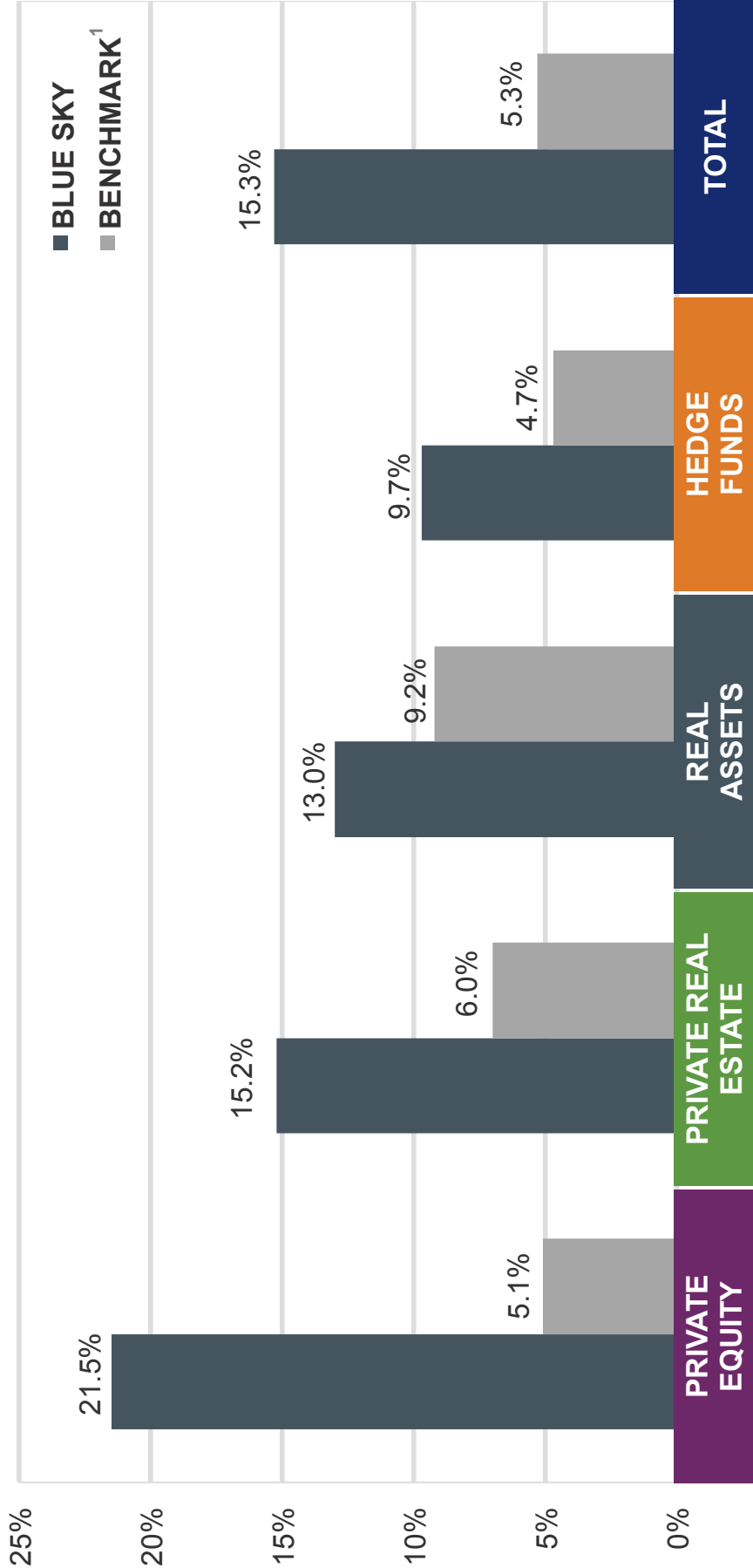
1. As at 10 April 2015.

2. Note: Past performance is not a reliable indicator of future performance. Historical returns reflect the historical performance of Blue Sky funds only and do not relate to the past or future performance of the Alternatives Fund, and should not be relied upon as an indicator of future performance of the Alternatives Fund. Historical returns include a mix of realised and unrealised returns.

BLUE SKY PUBLISHED RETURNS



PUBLISHED RETURNS OF 15.3% P.A. NET OF FEES SINCE INCEPTION



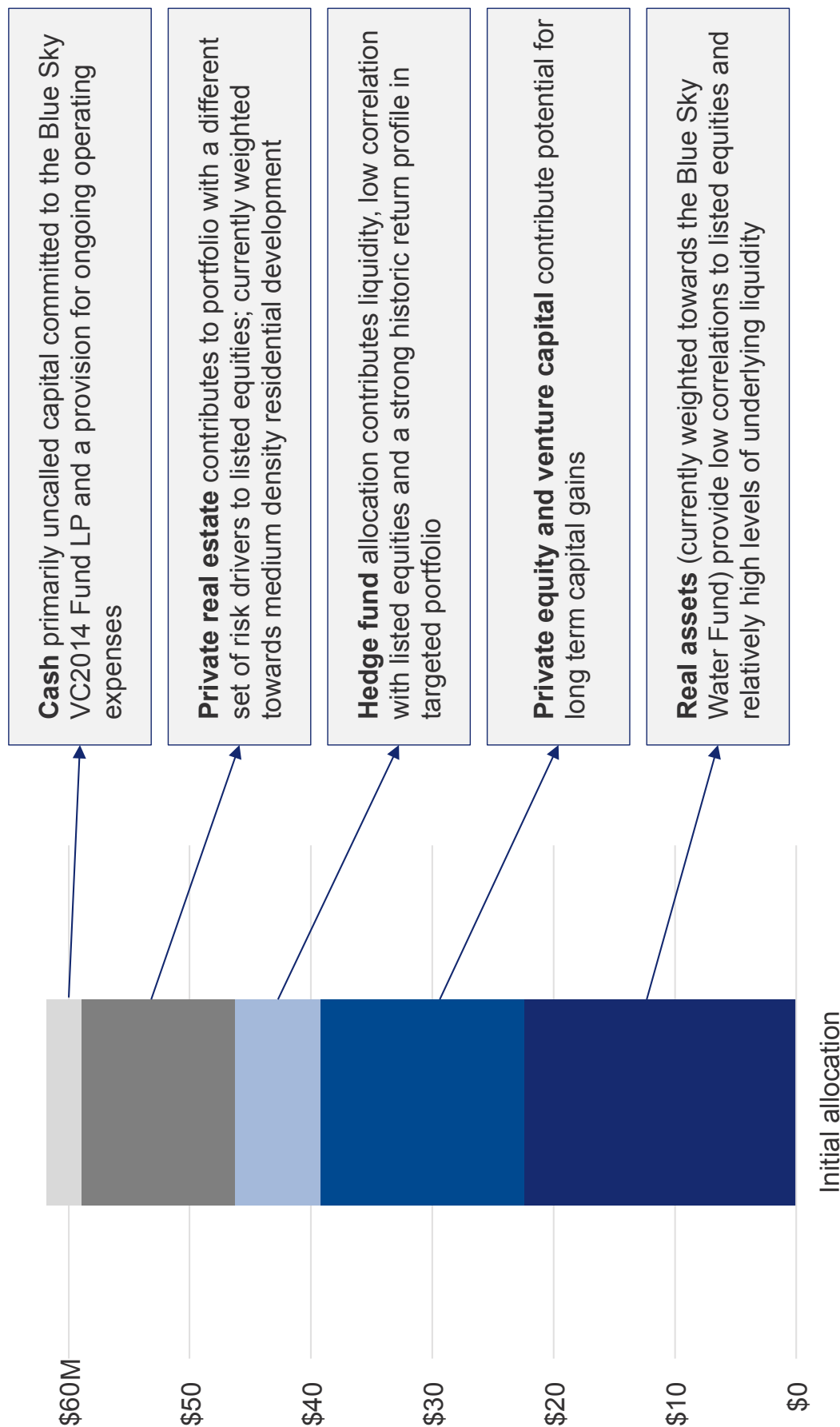
Blue Sky notes that total returns are equity weighted returns since inception through to 31 December 2014 and returns are **net of fees**.

Past performance is not a reliable indicator of future performance. Historical returns reflect the historical performance of Blue Sky funds only and do not relate to the past or future performance of the Alternatives Fund, and should not be relied upon as an indicator of future performance of the Alternatives Fund. Historical returns include a mix of realised and unrealised returns.

1. Benchmarks are measured over the same time period as the returns for each division and are sourced from Chant West's July 2014 and January 2015 media release. **Hedge Fund** – Chant West Hedge Fund performance over 7 years. **Real Assets** – Average of Chant West Unlisted Infrastructure performance over 1 and 3 years. **Private Equity** – Chant West Private Equity performance over 7 years. **Private Real Estate** – Chant West Australian Unlisted Property performance over 7 years. **Overall** – ASX200 accumulation index since July 2006.

CURRENT BSAAF INVESTMENT PORTFOLIO

ALTERNATIVES FUND: CURRENT DEPLOYMENT



Note: Past performance is not a reliable indicator of future performance. Historical returns reflect the historical performance of Blue Sky funds only and do not relate to the past or future performance of the Alternatives Fund, and should not be relied upon as an indicator of future performance of the Alternatives Fund. Historical returns include a mix of realised and unrealised returns.

REAL ASSETS

Blue Sky Water Fund

- Blue Sky Water Fund holds a **diversified portfolio of agricultural water entitlements** in the Southern Murray-Darling Basin
- Provides exposure to the Australian water market, a **\$20 billion market** with more than **\$1.5 billion of turnover** each year
- **Migration from low value crops** (e.g. rice at ~\$80 per megalitre) **to high value crops** (e.g. almonds at ~\$1,000 per megalitre) increases value of water
- **Return since investment of 9.61%** (net of fees and tax), including a **2.0% interim dividend**

Blue Sky Agriculture Fund

- Blue Sky Agriculture Fund has invested in Gundalaine Pty Ltd, the owner and operator of an **irrigated farming operation** in the Murrumbidgee region of New South Wales
- Primary value driver is **change of land use**: conversion of land from low value crops (e.g. rice) to higher value crops (e.g. cotton)
- Likely to display lower volatility relative to similar operations due to access to **reliable ground water**

Water Utilities Australia

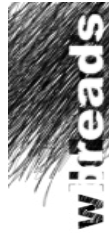
- Water Utilities Australia invests in water infrastructure in Australia, with two **initial investments**:
 - **Willunga Basin Water Company**, the owner of irrigation networks supplying the McLaren Vale grape growing district in South Australia
 - **Lightsview Rewater**, the owner of a recycled water reticulation scheme in Adelaide
- Water Utilities Australia is building a portfolio of water assets across the **residential, agricultural and industrial** sectors

Note: Past performance is not a reliable indicator of future performance. Historical returns reflect the historical performance of Blue Sky funds only and do not relate to the past or future performance of the Alternatives Fund, and should not be relied upon as an indicator of future performance of the Alternatives Fund. Historical returns include a mix of realised and unrealised returns.

PRIVATE EQUITY AND VENTURE CAPITAL



- Foundation Early Learning ('FEL') is an Australian child care operator which has successfully built a portfolio of 14 centres, with an additional 6 centres expected to settle in the coming months
- The investment will be revalued six monthly in line with BSAAF's valuation policy, with the potential for an exit (IPO or trade sale) in FY16



- Wild Breads ('Wild Breads') is a business in the artisan and specialty bread market, selling to food suppliers and major supermarket chains domestically and in Asia
- With a second production facility under construction the investment is likely to be a hold and grow period of 3 - 4 years



- Readify is an Australian IT-services company focused on application development and platform deployment in the Microsoft environment
- Readify has made strong progress since investment and preparation is underway for a potential IPO



- The Blue Sky Hospital Pharmacy Services Fund holds equity in a leading provider of outsourced pharmacy services to hospitals, oncology clinics and correctional facilities
- With long-term contracts, a compelling track record of earnings growth and a clear future growth strategy, this investment is expected to deliver attractive capital returns over a 3-5 year hold period



- The Blue Sky VC2014 Fund LP ('VC2014') was established to invest in a portfolio of high growth venture capital opportunities
- Quality and quantity of opportunities has been strong, due to the strength of Australia's innovation sector and the relative shortage of venture capital funding

PRIVATE REAL ESTATE

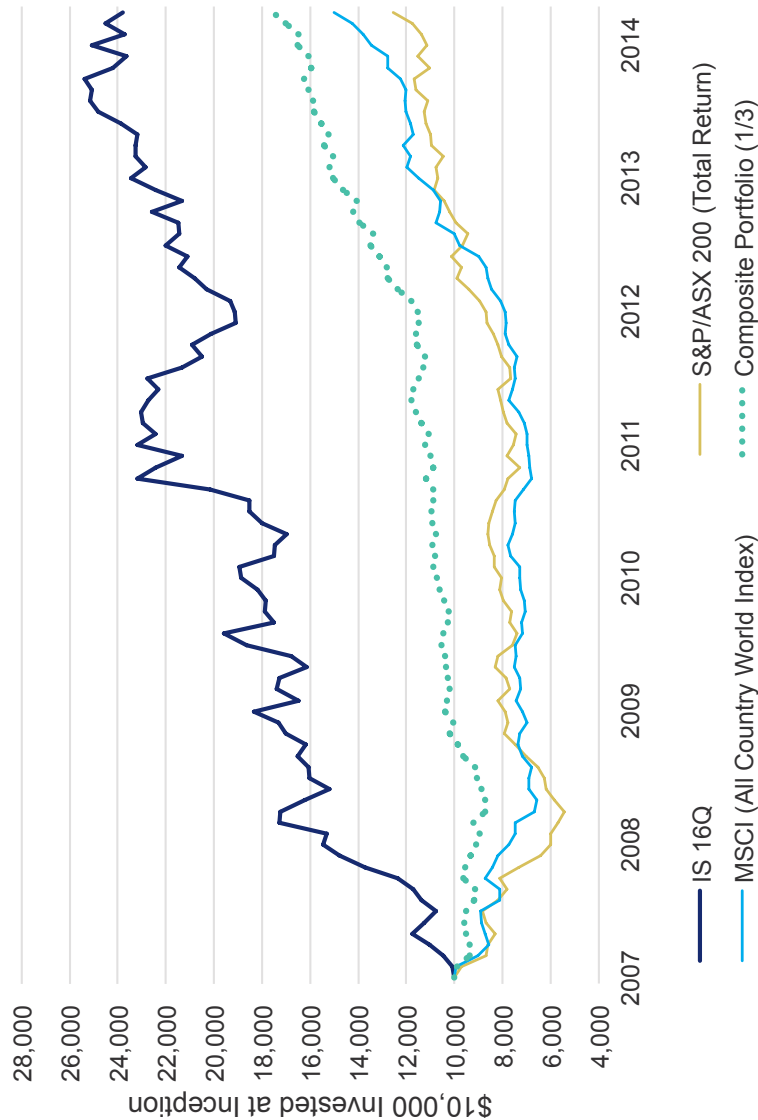
Residential Development	- BSAAF has invested in seven residential development opportunities that are: 1) close to the Brisbane CBD; 2) less than 110 apartments; 3) a relatively affordable product - BSAAF expects to recycle capital rapidly, with hold periods from 21 to 26 months Fundamentals in the market remain strong, with ongoing interstate migration, property prices substantially lower than in Sydney and Melbourne, and limited prospect of near term interest rate increases
Management Letting Rights	- BSAAF has invested in the Blue Sky Management Rights Income Fund 4, which owns the management rights to Southport Central - Southport Central is a 3 tower, 788 apartment complex located on the Gold Coast, occupied by long term (as opposed to holiday rental) tenants 10% per annum income yield paid monthly to BSAAF - The investment is expected to continue to deliver BSAAF strong yields and modest capital growth
Social Infrastructure: Student Accommodation	- BSAAF has invested in two funds which will develop and operate a 283 bed, 12 storey student accommodation building in Woolloongabba and a 733 bed, 12 storey student accommodation precinct in South Brisbane - BSAAF’s management team have a strong conviction regarding the dynamics in this sector - The investment is expected to deliver BSAAF strong yields during the operational phase (expected to commence in 15 and 27 months respectively) and capital growth

Note: Past performance is not a reliable indicator of future performance. Historical returns reflect the historical performance of Blue Sky funds only and do not relate to the past or future performance of the Alternatives Fund, and should not be relied upon as an indicator of future performance of the Alternatives Fund. Historical returns include a mix of realised and unrealised returns.

HEDGE FUNDS: SRA ALLIANCE 16Q FUND



IS 16Q Performance (Access 16)¹



- BSAAF's hedge fund allocation is to the Blue Sky SRA Alliance Fund ARSN 140 253 685 (IS 16Q sub-trust), a portfolio of quantitative trading strategies diversified across currency, commodity, equity and fixed income markets
- The strategy utilises derivatives for implementation and has the flexibility to take long and short positions
- The strategy has demonstrated the ability to make money across a broad range of market conditions, with returns since inception² of 12.7% per year, volatility of 17.1% and correlation to listed equities of 0.13

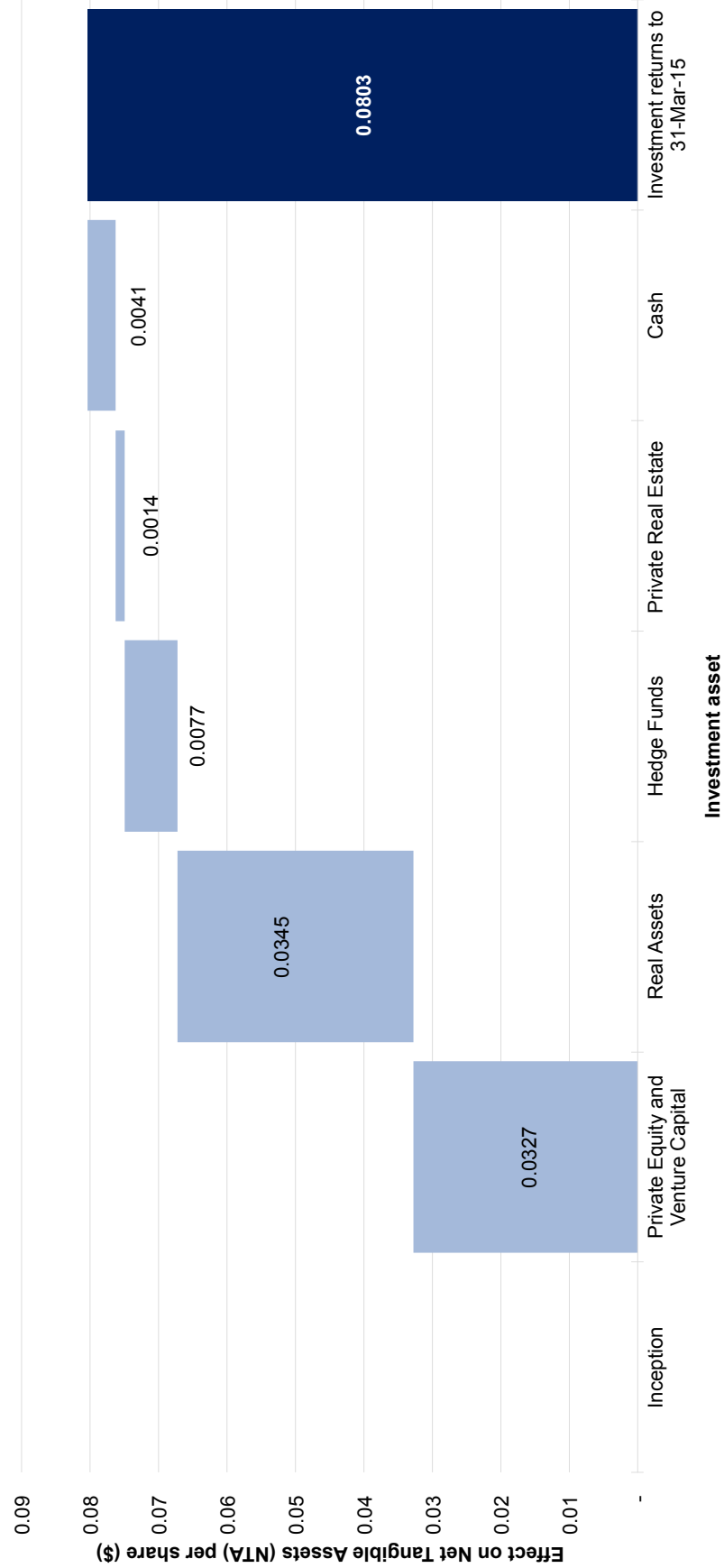
Note: Past performance is not a reliable indicator of future performance. Historical returns reflect the historical performance of Blue Sky funds only and do not relate to the past or future performance of the Alternatives Fund, and should not be relied upon as an indicator of future performance of the Alternatives Fund. Historical returns include a mix of realised and unrealised returns.

1. Performance returns since inception to 30 June 2014 are those of a different fund, the Access SRA Fund – Class 16 (ARSN 127 228 675) which was managed identically during that period. Trading for IS 16Q commenced on 1 July 2014. All returns are net of fees, costs and taxes.
2. Inception date is 22 November 2007

INVESTMENT PERFORMANCE

MULTIPLE ASSETS IN PRIVATE EQUITY, REAL ASSETS AND PRIVATE REAL ESTATE ARE YET TO BE REVALUED

BAF investment performance – inception to 31 March 2015



PRO FORMA BALANCE SHEET: POST ENTITLEMENT OFFER

	Historical Balance Sheet as at 31 December 2014 \$'000	Historical Balance Sheet as at 31 March 2015 \$'000	Pro-forma assuming Entitlement Offer fully subscribed \$'000
Assets			
Current assets			
Cash and cash equivalents	3,003	2,835	22,516
Trade and other receivables	39	605	605
Other current assets	412	519	519
Total current assets	3,454	3,959	23,640
Non-current assets			
Financial assets at fair value through profit and loss	58,845	59,351	59,351
Deferred tax assets	369	68	194
Total non-current assets	59,214	59,419	59,545
Total assets	62,668	63,378	83,185
Liabilities			
Current liabilities			
Trade and other payables	2,932	2,947	2,916
Deferred revenue	201	193	193
Total current liabilities	3,133	3,140	3,109
Total liabilities	3,133	3,140	3,109
Net assets	59,535	60,238	80,076
Shareholders' Equity			
Issued shares and options	60,396	60,396	80,528
Less Offer Costs	(1,229)	(1,229)	(1,523)
Accumulated Profits/ (Losses)	368	1,071	1,071
Total equity	59,535	60,238	80,076
Net Tangible Assets per share (pre tax)	0.9796	0.9963	0.9920
Net Tangible Assets per share (post tax)	0.9857	0.9974	0.9944

Commentary:

- **Cash** ~ BSAAF currently has \$2.8m in cash, almost all of which is committed to the Blue Sky VC2014 Fund LP
- **Other current assets** ~ represents fee rebates relating to performance fees accrued on underlying investments and a receivable for an interim distribution from the Blue Sky Water Fund
- **Investments** ~ the total fair market value of units held by BSAAF in underlying Blue Sky funds. The current allocation can be broken down as follows:
 - Real Assets = 35.8%
 - Private Equity and Venture Capital = 26.9%
 - Hedge Funds = 8.5%
 - Private Real Estate = 24.2%
 - Cash = 4.6%
- **Trade and other payables** ~ primarily the commitment to the Blue Sky VC2014 Fund LP detailed above

OFFER STRUCTURE AND KEY DATES

OFFER STRUCTURE

ENTITLEMENT OFFER

Entitlement Offer 1 for 3 non-renounceable entitlement offer

Offer Price

- \$1.00 per New Share
- 8.3% discount to closing share price on 10 April 2015
 - 9.4% discount to 10-day VWAP ending on 10 April 2015

Offer Size

Up to \$20.13 million (before Offer Costs)

Eligible Shareholders

Australian and New Zealand shareholders of BSAAF as at the Record Date

TOP-UP FACILITY

Description

Eligible Shareholders may apply for additional shares in excess of their 1 for 3 entitlement

Offer Price

\$1.00 per New Share

Application Amount

No limit on size of applications under the Top-Up Facility

Potential Scaleback

- Shares available under the Top-Up Facility will not exceed the total number of shares not taken up by Eligible Shareholders pursuant to their Entitlements
- Therefore, applications under the Top-Up Facility may be subject to scaleback, at BSAAF's discretion

SHORTFALL FACILITY

Description

Shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility may be offered to sophisticated or professional investors under a Shortfall Facility

Offer Price

\$1.00 per New Share

Joint Lead Managers

Ord Minnett Ltd and Morgans Corporate Ltd

KEY DATES

EVENT	DATE
Announcement of the Offer	Monday, 13 April 2015
Details of the Offer sent to shareholders	Monday, 13 April 2015
Ex-date for Entitlement Offer	Wednesday, 15 April 2015
Record date for Entitlement Offer	7pm (AEST) Friday, 17 April 2015
Information Booklet and Entitlement & Acceptance Form despatched	Monday, 20 April 2015
Entitlement Offer and Top-Up Facility opening date	Monday, 20 April 2015
Entitlement Offer and Top-Up Facility closing date	5pm (AEST) Friday, 1 May 2015
Deferred settlement trading	Monday, 4 May 2015
Company notifies ASX of under subscriptions and Shortfall (if any)	Wednesday, 6 May 2015
Shortfall Facility opening date (if required)	Thursday, 7 May 2015
Allotment of New Shares issued under the Entitlement Offer and Top-Up Facility	Friday, 8 May 2015
Despatch of holding statements for New Shares issued under the Entitlement Offer and Top-Up Facility	Friday, 8 May 2015
Normal trading for New Shares issued under the Entitlement Offer and Top-Up Facility	Monday, 11 May 2015



Blue Sky Alternatives Access Fund
Suite 1808, Level 18 Australia Square
264-278 George Street
Sydney NSW 2000
Australia

T +61 (0) 7 3270 7500
F +61 (0) 7 3270 7599
E investorservices@blueskyfunds.com.au
blueskyfunds.com.au/alternativesfund

3. How to apply

3.1. Shareholder's choices

The number of New Shares to which Eligible Shareholders are entitled (their **Entitlement**) is shown on the accompanying Entitlement and Acceptance Form. Eligible Shareholders may:

- (a) take up their Entitlement in full and, if they do so, they may apply for additional New Shares under the Top-Up Facility (refer to section 3.2);
- (b) take up part of the Entitlement, in which case the balance of the Entitlement would lapse (refer to section 3.3); or
- (c) allow their Entitlement to lapse (refer to section 3.4).

Ineligible Shareholders do not have a right to participate in the Entitlement Offer.

The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Entitlement Offer is 5pm (AEST) on 1 May 2015 (however, that date may be varied by the Company, in accordance with the Listing Rules).

3.2. Taking up all of your Entitlement and participating in the Top-Up Facility

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

If you have applied to take up all of your Entitlement, you may also apply for additional New Shares under the Top-Up Facility.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 3.6 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5pm (AEST) on 1 May 2015 at the address set out below.

By hand delivery (not to be used if mailing):

Blue Sky Alternatives Access Fund Limited

C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

By post:

Blue Sky Alternatives Access Fund Limited

C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

You may also take up all of your Entitlement by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is being made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5pm (AEST) on 1 May 2015.

If you pay through BPAY and do not return the Entitlement and Acceptance Form, amounts received by the Company in excess of the Issue Price multiplied by your Entitlement (**Excess Amount**) may be treated as an application under the Top-Up Facility to apply for as many additional New Shares as your Excess Amount will pay for in full.

If you apply for additional New Shares under the Top-Up Facility, and your application is successful (in whole or in part), your New Shares will be issued at the same time that other New Shares are issued under the Entitlement Offer. There is no guarantee you will receive any New Shares under the Top-Up Facility. The Directors reserve their right to allot and issue New Shares under the Top-Up Facility at their discretion.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the Closing Date of the Entitlement Offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to:

<https://investorcentre.linkmarketservices.com.au/Login.aspx/Login>

and following the instructions.

3.3. Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required in accordance with section 3.2. No further action is required in relation to the balance of your Entitlement that is not taken up as it will simply lapse.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and the Company receives an amount that is less than the Issue Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

3.4. Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradable on the ASX or otherwise transferable.

3. How to apply

3.5. Consequences of not accepting your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by other Eligible Shareholders under the Top-Up Facility or be placed by the Company under the Shortfall Facility.

Eligible Shareholders who do not take up all of their full Entitlement will have their percentage shareholding in the Company diluted.

3.6. Payment

The consideration for the New Shares (including under the Top-Up Facility), of \$1.00 per New Share, is payable in full on Application. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to **'Blue Sky Alternatives Access Fund Limited'** and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Shareholders must not forward cash by mail. Receipts for payment will not be issued.

3.7. Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand; and
- (c) you have not and will not send any materials relating to the Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3.8. Brokerage and stamp duty

No brokerage fee is payable by Eligible Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

3.9. Notice to Nominees and Custodians

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand, and beneficial holders of Shares who are institutional or professional investors in other countries listed, and to the extent permitted, in the section captioned "International Offer Restrictions" in the Investor Presentation, as well as any other country to the extent the Company may determine it is lawful and practical to make the Entitlement Offer.

4. Principal risk factors

4.1. General market risks

Investors should be aware that the market price of the Company's securities may be influenced by a number of factors. General movements in local and international stock markets, exchange rates, prevailing economic conditions, investor sentiment and interest rates could all affect the market price of the Company's securities. These risks apply generally to any investment on the stock market.

In addition to the general risks associated with investing in the stock market, there are risks specific to investing in any particular entity. Some risks may be outside the Company's control and not capable of mitigation. Eligible Shareholders should carefully consider the following factors before making an investment decision. If in doubt about the general or specific risks associated with the Company's securities, you should seek advice from your professional advisers.

4.2. Company specific risks

Investment strategy risk

The past performance of funds and investments managed by BSAAF Management Pty Ltd (**Manager**) and persons associated with the Manager are not necessarily a guide to future performance of the Company. There are risks inherent in the investment strategy of the Company including, but not limited to:

- (a) the success and profitability of the Company depends in part on the ability of the Manager to make investments that increase in value over time;
- (b) the value of the assets selected by the Manager may decline in value over time;
- (c) the performance fee may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Company;
- (d) the Manager will be investing in a wide range of investments and this requires more upfront and ongoing due diligence by the Manager;
- (e) key personnel engaged by the Manager or the Blue Sky Entities may leave and this may impact the management of the investment portfolio; and
- (f) the ability of the Manager to continue managing the investment portfolio in accordance with the Corporations Act is dependent on the maintenance of Blue Sky Private Equity Limited's (**BSPE**) AFSL and the Manager's AR and the continued solvency of those companies. Maintenance of the AFSL and AR depends, among other things, on BSPE and the Manager continuing to comply with any ASIC imposed licence conditions and the Corporations Act.

Other risks

Some risks specific to any investments by the Company in Hedge Funds include:

- (a) potential losses on short positions where the market price of the asset sold rises;
- (b) the use of derivatives (futures, options, exchange-traded options, swaps and forward contracts) having a negative impact due to an adverse movement in the underlying asset or where the position is difficult or costly to reverse or maintain;
- (c) counterparty or credit risk where the hedge fund bears the risk of settlement default with regards to parties with whom it trades;
- (d) currency risk where fluctuations in exchange rates may cause the value of investments to decline;
- (e) interdependence risk where an allocation to investment strategies is based on assumptions about observed historical relationships that may not persist into the future;
- (f) leverage risk where gains or losses will be magnified to a greater degree than would occur if the investment exposure was unleveraged;
- (g) liquidity risk where the Manager is unable to withdraw an investment at an opportune time;
- (h) margining risk being the risk that positions in future contracts or holdings in underlying funds and investments must be liquidated to meet initial or variation margin requirements set by clearing houses and exchanges;
- (i) pricing risk where the fund's units are unable to be priced within an acceptable time-frame;
- (j) short selling risk where the investment portfolio and the Blue Sky Entities are expected to engage in short selling;
- (k) strategy implementation risk where actual returns are lower than the return of the relevant Blue Sky Entity's model portfolio because the relevant Blue Sky Entity has not implemented the trades and transactions as planned due to market closure, illiquidity, unavailability of investments, price changes, a cancelled or disputed trade or transactional or administrative error; and
- (l) systematic risk where a disruptive event causes a change of events to disrupt or compromise the normal functions of a system.

4. Principal risk factors

Other risks relating to funds and investments in which the Company invests include:

- (a) some funds and investments may not perform to the level expected by the Manager and could reduce in size or be terminated;
- (b) managers of certain funds and investments may be removed by unitholders in those funds;
- (c) a fund's performance may be adversely affected if the AFSL of the relevant fund manager was subjected to limitations as a result of misconduct;
- (d) unfavourable economic movements including any change to government fiscal or monetary policy can impact on the amount invested in a fund and the returns of a fund;
- (e) taxation laws are often changed and those changes can materially affect funds and investments;
- (f) given that returns are often unrealised, actual returns may vary significantly from those unrealised returns at the point at which the underlying investments are sold;
- (g) the timeframe for the realisation of unrealised returns may be longer than expected;
- (h) each fund has its own risks and these risks could negatively impact the Company;
- (i) deficiencies may exist in disclosure documents relating to one or more of the funds; and
- (j) a change in the regulatory environment may lead to increased costs to the Company in order to maintain compliance with such regulations.

Dividend risks

The ability of the Company to pay fully franked dividends is dependent on a number of factors, the most important of which is the Company's taxable profits. The Company's taxable profits may be volatile, making the reliable forecasting and payment of dividends difficult and unpredictable.

No guarantee can be given concerning the future earnings of the Company, the earnings and capital appreciation of the Company's investment portfolio or the return of the capital invested by Shareholders. Specifically, the Manager may make poor investment decisions resulting in the returns being inadequate to pay dividends to Shareholders.

5. Additional information

5.1. Rights attaching to New Shares

From allotment and issue, the New Shares will rank equally in all respects with Existing Shares.

5.2. Interests of Directors

Directors are entitled to take up their Entitlements to New Shares, however Related Parties will not be issued any Top-Up Shares.

5.3. ASX quotation

The Company has made an application to the ASX for the New Shares to be granted quotation on the ASX. If permission is not granted for quotation of the New Shares on the ASX, then no allotment and issue of any New Shares will take place and Application Monies (without interest) will be returned in full to Applicants.

There will be trading of New Shares on a deferred settlement basis. Trading of New Shares will, subject to ASX approval, occur on or about the date specified in the Timetable.

5.4. Allotment and despatch of shareholding statements

Subject to the New Shares being granted quotation on the ASX, the New Shares will be allotted and issued and holding statements despatched in accordance with the Timetable. It is expected that allotment and issue of New Shares will take place on or about 8 May 2015, and that holding statements for the New Shares will be despatched on the same day.

Application Monies will be held on trust in a subscription account until allotment and issue of the New Shares. No interest will be paid to Applicants.

5.5. CHESS

The Company will apply to have the New Shares issued under this Offer admitted to participate in CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. The Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the principal register of New Shares.

5.6. Withdrawal of the Entitlement Offer

The Company reserves the right to withdraw or not proceed with the whole or any part of the Entitlement Offer at any time prior to the allotment of New Shares. In that event, any relevant Application Monies that have been received under the Entitlement Offer will be refunded without interest.

5.7. Enquiries

If you have any queries about your Entitlement please contact the Company, the details for which are set out in the Corporate Information section at the back of this Information Booklet.

Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

6. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Information Booklet.

\$ means Australian dollars.

AEST means Australian Eastern Standard Time.

AFSL means Australian Financial Services Licence.

Alternative Assets means those asset classes that display different risk and return characteristics to traditional asset classes such as cash, listed equities and bonds. Examples of asset classes that are commonly referred to as 'alternative asset classes' include private equity, private real estate, hedge funds and real assets.

Applicant means a person who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or arranging for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the aggregate amount of money payable for the New Shares applied for either via cheque accompanying a duly completed Entitlement and Acceptance Form or through BPAY.

AR means authorised representative under an AFSL.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

ASX Settlement Operating Rules means the official operating rules of ASX Settlement Pty Ltd ACN 008 504 532.

AUD means Australian dollars.

Australian Accounting Standards means the accounting standards issued by the Australian Accounting Standards Board.

Authorised Intermediaries mean Ord Minnett Limited (AFSL 237 121) and Morgans Corporate Limited (AFSL 235 407).

Blue Sky Entities include:

- Blue Sky Alternative Investments Limited ACN 136 866 236;
- Blue Sky Investment Science Pty Ltd ACN 115 217 108;
- BSPE Pty Ltd ACN 122 065 516;
- Blue Sky Private Real Estate Pty Ltd ACN 126 394 625;
- Blue Sky Water Partners Pty Ltd ACN 127 513 099;
- Blue Sky Private Equity Limited ACN 125 223 958; and
- BSAAF Management Pty Ltd ACN 168 923 279.

Board means the board of Directors of the Company.

Broker Handling Fee means the stamping fee payable by the Company to stockbrokers who submit a valid claim on successful Applications.

Business Day has the same meaning as in the Listing Rules.

CHESS means Clearing House Electronic Subregister System, operated by ASX Settlement Pty Ltd ACN 008 504 532.

Closing Date means 1 May 2015, the day the Entitlement Offer closes.

Company means Blue Sky Alternatives Access Fund Limited ACN 168 941 704.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Shareholder means a Shareholder as at the Record Date who satisfies the conditions set out in section 1.12 of this Information Booklet.

Entitlement means the right to subscribe for New Shares pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Information Booklet.

Entitlement Offer means the pro rata non-renounceable offer to Eligible Shareholders to subscribe for 1 New Share for every 3 Shares of which the Shareholder is the registered holder on the Record Date, at an Issue Price of \$1.00 per New Share pursuant to this Information Booklet.

Ex Date means the date from which Shares commence trading without the entitlement to participate in the Entitlement Offer.

Existing Shares means the Shares already on issue in the Company as at the Record Date.

Hedge Funds includes funds which seek to generate positive returns under a wide variety of market conditions. They differ from traditional asset management vehicles such as mutual funds either by the more heterogeneous asset classes in which they may invest or the more varied strategies they employ, including arbitrage, asset-based lending, distressed securities, equity long-short, global macro and other quantitative and non-quantitative strategies.

Ineligible Shareholder means a Shareholder as at the Record Date who is not an Eligible Shareholder.

Information Booklet means this document and the Entitlement Offer cleansing notice issued under section 708AA of the Corporations Act.

Investor Presentation means the presentation to investors, incorporated in section 2 of this Information Booklet.

IPO Prospectus means the replacement prospectus lodged with ASIC on 13 May 2014.

Issue Price means \$1.00 per New Share.

Joint Lead Managers means Ord Minnett Limited, AFSL 237121, ABN 86 002 733 048 and Morgans Corporate Limited, AFSL 235407, ABN 32 010 539 607.

Legal Adviser means Talbot Sayer Lawyers.

Listing Rules means the official listing rules of the ASX.

Manager means BSAAF Management Pty Ltd ACN 168 923 279, which is a wholly owned subsidiary of Blue Sky Alternative Investments Limited ACN 136 866 236.

New Shares means Shares to be allotted and issued under the Entitlement Offer.

New Shareholders means sophisticated or professional investors who become Shareholders by acquiring Shares under the Shortfall Facility.

Offer means the Entitlement Offer.

6. Definitions

Offer Costs means direct costs of the Offer including fees paid to advisers and to providers of specific services to cover share registry, printing and postage costs.

Options mean all options on issue to acquire Shares in the Company.

Record Date means 7:00pm (AEST) on 17 April 2015.

Related Party has the meaning given to that term in the Listing Rules.

Scaleback means a reduction in the number of shares allotted to Eligible Shareholders who lodge an Application.

SCH means Securities Clearing House.

Shareholders mean holders of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

Share Registry means Link Market Services Limited ACN 083 214 537.

Shortfall Facility means a facility where the remaining New Shares not taken up by Eligible Shareholders under the Entitlement Offer or Top-Up Facility are offered to sophisticated or professional investors, at the discretion of the Company and managed by the Joint Lead Managers.

Shortfall Shares means those New Shares not taken up by Eligible Shareholders under the Entitlement Offer or the Top-Up Facility.

Timetable means the indicative timetable set out in this Information Booklet.

Top-Up Facility means the facility described in section 1.3 under which certain Eligible Shareholders may apply for New Shares in excess of their Entitlement.

Top-Up Shares means New Shares an Eligible Shareholder may apply for in excess of their Rights.

USA means United States of America.

US Securities Act means the US Securities Act of 1933, as amended.

7. Corporate information

Company

Blue Sky Alternatives Access Fund Limited

ACN 168 941 704

<http://www.blueskyfunds.com.au/alternativesfund/>

Principal Office

Level 46, 111 Eagle Street
Brisbane QLD 4000

Registered Office

Suite 1808, Level 18, Australia Square
264-278 George Street
Sydney NSW 2000

Directors

Mr John Kain

Mr Alexander McNab

Mr Andrew Champion

Mr Paul Masi

Mr Philip Hennessy

Company Secretary

Ms Jane Prior

Share Registry

Link Market Services

Level 15, 324 Queen Street
Brisbane QLD 4000

Phone:

Within Australia: +61 2 8280 7111

Fax: +61 2 9287 0303

www.linkmarketservices.com.au

Joint Lead Managers to the Offer

Ord Minnett Limited

Level 31, 10 Eagle Street
Brisbane QLD 4000

www.ords.com.au

Morgans Corporate Limited

Level 29, 123 Eagle Street
Brisbane QLD 4000

www.morgans.com

Legal advisor to the Offer

Talbot Sayer Lawyers

4/293 Queen Street
Brisbane QLD 4000

www.talbotsayer.com.au

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as
at the Record Date, 7:00pm (AEST)
on 17 April 2015:

Entitlement to New Shares
(on a 1 New Share for 3 basis):

Amount payable on full acceptance
at A\$1.00 per Share:

Offer Closes 5:00pm (AEST):	1 May 2015
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 3 Existing Shares that you hold on the Record Date, at an Issue Price of A\$1.00 per New Share. You may also apply for New Shares in excess of your Entitlement, at the Issue Price (the **Top-Up Facility**). This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Information Booklet dated 13 April 2015. The Information Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Information Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Information Booklet.

If you do not have a paper copy of the Information Booklet, you can obtain a paper copy at no charge, by calling Blue Sky Alternatives Access Fund Limited on 07 3270 7500.

PAYMENT OPTIONS

If you wish to take up all or part of your Entitlement (as shown above), or take up all of your Entitlement and apply for additional New Shares (under the Top-Up Facility), you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the Acceptance Slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on 1 May 2015. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares, the subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the Acceptance Slip. The Acceptance Slip with your Application Monies must be received by the Registry before 5:00pm (AEST) on 1 May 2015.



Billers Code: [XXXXXX]

Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

© Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



Please detach and enclose with payment



SRN/HIN:

Entitlement Number:

A Number of New Shares accepted (being not more than your Entitlement shown above)	B Number of additional New Shares (under the Top-Up Facility)	C Total number of New Shares accepted (add Boxes A and B)
	+	=

D PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Blue Sky Alternatives Access Fund Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
				A\$

E CONTACT DETAILS – Telephone Number	Telephone Number – After Hours	Contact Name

BLUE SKY ALTERNATIVES ACCESS FUND LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Information Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Information Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Blue Sky Alternatives Access Fund Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$1.00.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into Box A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Application for Additional New Shares (Top-Up Facility)

You can apply for more New Shares than your Entitlement, pursuant to the Top-Up Facility. Please enter the number of **additional** New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares (under the Top-Up Facility) may not be successful (wholly or partially). The decision of Blue Sky Alternatives Access Fund Limited on the number of New Shares to be allocated to you under the Top-Up Facility will be final. No interest will be paid on any Application Monies received or returned.

C. Total Number of New Shares Subscribed for

To calculate total number of New Shares subscribed for, add Box A and Box B and enter this in Box C.

D. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section D. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Blue Sky Alternatives Access Fund Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Blue Sky Alternatives Access Fund Limited may treat you as applying for as many New Shares and Additional New Shares as your cheque, bank draft or money order will pay for.

E. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Information Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Blue Sky Alternatives Access Fund Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Blue Sky Alternatives Access Fund Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 1 May 2015. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Blue Sky Alternatives Access Fund Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact Blue Sky Alternatives Access Fund Limited on 07 3270 7500.

