

13 April 2015

Dear Option Holder

Notice to option holder – Participation in non-renounceable Entitlement Offer

Blue Sky Alternatives Access Fund Limited (**Company**) today announced that it will raise up to approximately \$20 million through a 1 for 3 non-renounceable entitlement offer of fully paid ordinary shares in the Company (**New Shares**) to eligible shareholders at an issue price of \$1.00 per New Share (**Entitlement Offer**).

The Entitlement Offer is non-renounceable which means that the entitlements to participate in the offer are not transferable and therefore cannot be traded on the ASX or any other exchange or transferred privately.

The Entitlement Offer is not underwritten.

This letter is to inform you about the Entitlement Offer so that you have adequate opportunity to exercise some, or all, of your options prior to 7pm (AEST) on Friday 17 April 2015 (**Record Date**) should you wish to participate in the Entitlement Offer in respect of the shares that would be issued to you upon the exercise of any of your options (assuming that you are otherwise eligible to participate).

Use of proceeds

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 (**Prospectus**). 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.

About the Entitlement Offer

Under the Entitlement Offer, eligible shareholders have the opportunity to subscribe for 1 New Share for every 3 existing shares held at the Record Date at the price of \$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 New Shares will be fully paid and rank equally with the Company's existing issued shares. The Entitlement Offer will be open for acceptance by eligible shareholders from Monday 20 April 2015 to 5pm (AEST) on 1 May 2015, subject to a variation of the timetable by the Company in accordance with the ASX Listing Rules and the *Corporations Act 2001* (Cth). Any changes to the timetable will be announced on the ASX.

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**). Further, the Company intends to offer any shares which have not been subscribed for under the Entitlement Offer and Top-Up Facility to sophisticated and professional investors under the shortfall facility (**Shortfall Facility**).

Full details of the Entitlement Offer are set out in the announcement of the Entitlement Offer, the Information Booklet and Appendix 3B lodged with ASX on 13 April 2015.

Your participation

Your options do not carry a right to participate in the Entitlement Offer. If you wish to participate in the Entitlement Offer in respect of shares that would be issued to you on the exercise of any of your options, you will need to exercise those options, pay the current exercise price of \$1.00 and be registered (with a registered address in Australia or New Zealand) as the holder of those underlying shares by the Record Date.

If you do not wish to participate in the Entitlement Offer in respect of your options, you do not need to take any action.

Effect of Entitlement Offer on the Exercise Price of your options

The exercise price of options prior to the Record Date will be \$1.00.

In accordance with section 12.11(d) of the Prospectus, following the Record Date, the exercise price of your options may be reduced in accordance with the formula set out in ASX Listing Rule 6.22.

The formula 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 rights date' (**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 your options. In accordance with the option terms set out in section 12.11(g) of the Prospectus, you will be notified of any change to the exercise price of your options within a reasonable time of such change.

Further details

For further information on the Entitlement Offer, you can contact the Company on (07) 3270 7500 between 8:00am to 5:00pm (Brisbane time) Monday to Friday. If you have any further questions, you should contact your stockbroker, solicitor, accountant or other professional advisor.

On behalf of the Board, we thank you for your continued support.

Yours sincerely



John Kain
Chairman
Blue Sky Alternatives Access Fund Limited