ANNUAL GENERAL MEETING

BLUE SKY ALTERNATIVES ACCESS FUND LIMITED

19 NOVEMBER 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.

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 Blue Sky Alternative Investments Limited (Blue Sky), BSAAF, their respective officers, employees, agents, advisers or 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.

The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial product advice. Before making an investment decision, recipients of this presentation should consider their own needs and situation and, if necessary, seek independent, professional advice.

To the extent permitted by law, Blue Sky, BSAAF, their respective officers, employees, agents and advisers give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this presentation. Further, none of Blue Sky, BSAAF, their respective officers, employees, agents and advisers accept, to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation. Any recipient of this presentation should independently satisfy themselves as to the accuracy of all information contained herein.

DIRECTORS’ REPORT

CONTENTS

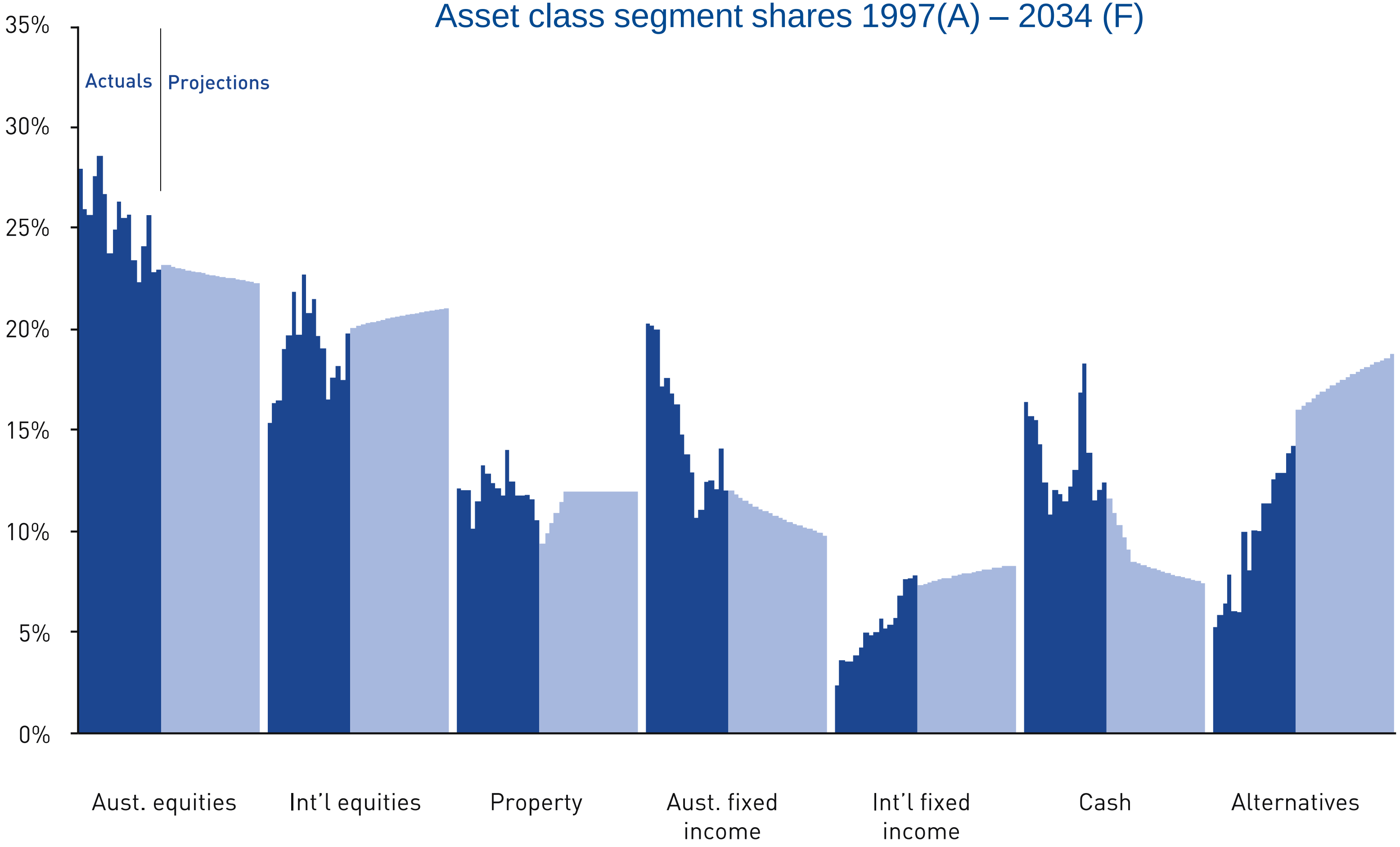
WHY ALTERNATIVES?

- Potential for **strong returns**
  - Ability to selectively invest in private markets where pricing may be less efficient than public markets
- 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
- Alternative asset managers' **incentives are typically based on absolute returns** (not relative returns)

> *"Our emphasis on diversification has delivered strongly over* [2014]*. The private equity, property and infrastructure programs in particular performed extremely well, significantly outperforming listed markets."*
>
> *David Neal, Managing Director, Future Fund – Australian Government Future Fund: Portfolio update at 31 December 2014* (released February 2015)

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 12 months to Dec-14).[1]

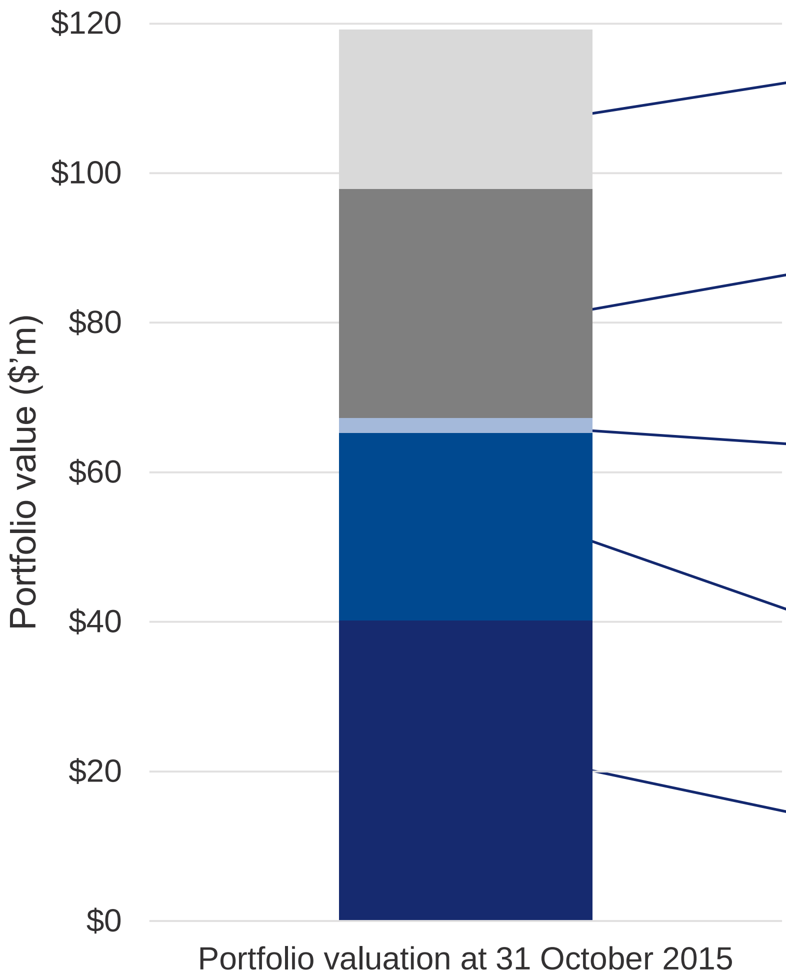
1. Rainmaker Roundup – Edition 68 (December 2014)

BSAAF INVESTMENT HIGHLIGHTS

BSAAF provides investors:

- ✓ A diverse portfolio of Blue Sky managed alternative assets
- ✓ Low expected 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

CURRENT PORTFOLIO



Cash primarily uncommitted capital and a provision for ongoing operating expenses

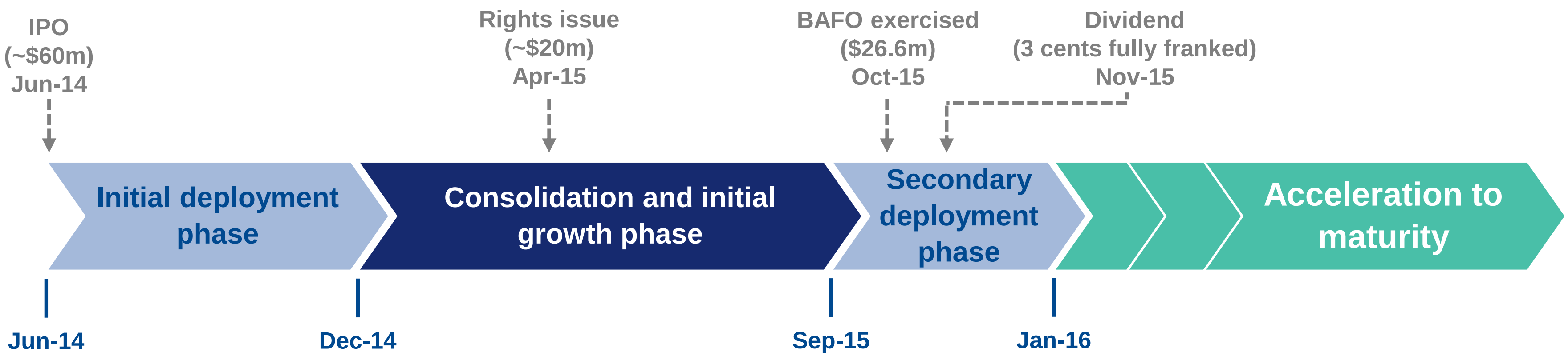
Private real estate contributes to portfolio with a different set of risk drivers to listed equities; currently weighted towards medium density residential development and purpose-built student accommodation projects

Hedge fund allocation contributes liquidity, low correlation with listed equities and a strong historic return profile in targeted portfolio

Private equity and venture capital contribute potential for long term capital gains and some income yield

Real assets (currently weighted towards the Blue Sky Water Fund) provide low correlations to listed equities, relatively high levels of underlying liquidity and strong returns outlook

PORTFOLIO EVOLUTION



- ✓ IPO capital largely deployed within 3 months
- ✓ Rights issue in Apr-15 captured compelling investment opportunities (e.g. $9m invested into Water Fund returning 11.2% from May-15 to Oct-15)
- ✓ $26.6m raised from exercise of BAFO options in October, $9.5m deployed immediately
- ✓ Remaining uncommitted capital likely to be deployed by year-end
- ✓ 3.0 cent fully franked dividend paid
- ✓ Targeting remaining ~$31.0m BAFO options exercised before expiry on 16-Dec-15

Note: Past performance is not a reliable indicator of future performance.

FUND PERFORMANCE

Fund performance (NTA growth plus dividends and franking credits)[1]		
Period	**Pre-Tax**	**Post-Tax**
1 month	-0.8%	-0.5%
3 months	3.3%	2.7%
6 months	10.1%	7.8%
12 months	14.3%	10.6%

Total shareholder return (Performance of ASX:BAF plus dividends and franking credits)[2]	
ASX:BAF[3]	**ASX 200 TR[4]**
5.2%	(2.2%)
5.2%	(4.3%)
6.2%	(7.8%)
13.5%	(1.2%)

Note: BAF accrued and paid its first dividend in the last month (3.0 cents per share fully-franked with an ex-dividend date of 21 October 2015 and payment date of 6 November 2015)

1. To 31 October 2015. Includes NTA growth, dividends and franking credits.
2. To 13 November 2015.
3. Includes change in price of ASX:BAF, plus dividends and franking credits.
4. S&P/ASX 200 Franking Credit Adjusted Annual Total Return Index (Tax-exempt).

Past performance is not a reliable indicator of future performance.

INCOME STATEMENT: SUMMARY

	Year ended 30 June 2015	Year ended 30 June 2014
	$'000	**$'000**
Net gains/(losses) on financial assets held at fair value through profit and loss	3,354	(1,696)
Rebates	3,264	1,014
Dividend and trust distribution income	756	-
Interest income	208	69
Management fees	(812)	(28)
Director fees	(149)	(31)
Other expenses	(392)	(35)
Profit/(loss) before income tax	**6,229**	**(707)**
Income tax benefit/(expense)	(1,559)	212
Profit/(loss) after income tax	**4,670**	**(495)**
Other comprehensive income	-	-
Total comprehensive income	**4,670**	**(495)**
Earnings per share	**Cents**	**Cents**
Basic earnings per share (profit/(loss) per share)	**7.43**	**(1)**
Diluted earnings per share (profit/(loss) per share)	**7.43**	**(1)**

Commentary on FY15 results:

- The $3.35m net gain on the Alternatives Fund's portfolio was primarily a result of strong returns from investments within the Private Equity and Real Assets asset classes.
- This led to growth in net assets per share of 8.5% (pre-tax), or 6.3% on a post-tax basis.
- Rebates are paid by Blue Sky to reimburse the Alternatives Fund for certain up-front and on-going fees and expenses, reflecting its lower-cost structure and no-double dipping of fees policy.
- Portfolio capital growth has been supplemented by cash yields from investments in the Water Fund ($0.33m), Management Rights Fund 4 ($0.33m) and cash reserves ($0.21m).
- Management fees were the primary contributor to operating costs, with listing fees, insurance, registry fees and audit fees making up 79% of other expenses.

Note: the above Statement of Comprehensive Income should be read in conjunction with the accompanying notes available in the Company's FY15 Annual Report at www.blueskyfunds.com.au/alternativesfund.

Past performance is not a reliable indicator of future performance.

FINANCIAL POSITION: SUMMARY

BlueSky Alternatives Access Fund

	As at 30 June 2015	As at 30 June 2014
Assets	**$'000**	**$'000**
Current assets		
Cash and equivalents	2,018	20,815
Trade and other receivables	42	5
Other current assets	1,126	88
Financial assets held at fair value through profit and loss	1,817	-
Total current assets	**5,003**	**20,908**
Non-current assets		
Financial assets held at fair value through profit and loss	81,256	39,969
Other non-current assets	442	-
Deferred tax assets	-	738
Total non-current assets	81,698	40,707
Total assets	**86,701**	**61,615**
Liabilities		
Current liabilities		
Trade and other payables	(2,419)	(2,947)
Deferred rebates	(443)	-
Total current liabilities	**(2,862)**	**(2,947)**
Non-current liabilities		
Deferred tax liabilities	(677)	-
Total non-current liabilities	**(677)**	**-**
Total liabilities	**(3,539)**	**(2,947)**
Net assets	**83,162**	**58,668**

Commentary on FY15 results:

- Subject to cash retention in accordance with prudent financial management, the Alternatives Fund had fully deployed the capital raised in the IPO by 31 December 2014.
- The ~$20m raised from the rights issue in April 2015 was also deployed quickly, bringing total investments made during FY15 to $43.5m.
- As the underlying funds in which BAF invests grow in value, performance fees are often accrued. To offset these accruals, BAF recognised $0.96m in deferred rebates, which fall under *other current assets* alongside prepaid expenses.
- The largest item within trade and other payables is a $2.0m uncalled commitment to the Blue Sky VC2014 Fund LP.
- The Alternatives Fund remains debt free and does not directly employ leverage its investments

Note: The adjacent Statement of Financial Position should be read in conjunction with the accompanying notes available in the Company's FY15 Annual Report at www.blueskyfunds.com.au/alternativesfund.

Past performance is not a reliable indicator of future performance.

CASH FLOW: SUMMARY

BlueSky Alternatives Access Fund

	Year ended 30 June 2015	Year ended 30 June 2014
	$'000	**$'000**
Cash flows from operating activities		
Rebates of transaction costs and fees (including GST)	3,049	1,116
Dividends and trust distributions received	737	-
Payments to suppliers (including GST)	(1,979)	-
Interest received	208	69
Net cash from operating activities	**2,015**	**1,185**
Cash flows from investing activities		
Payments for financial assets held at fair value through profit and loss	(43,500)	(38,865)
Proceeds from disposal of financial assets held at fair value through profit and loss	2,500	-
Proceeds from capital returned on financial assets held at fair value through profit and loss	450	-
Net cash used in investing activities	**(40,550)**	**(38,865)**
Cash flows from financing activities		
Proceeds from issue of shares	20,132	60,392
Proceeds from exercise of options	25	-
Fundraising costs (including GST)	(419)	(1,897)
Net cash from financing activities	**19,738**	**58,495**
Net increase/(decrease) in cash and cash equivalents	**(18,797)**	**20,815**
Cash and cash equivalent at beginning of the year	20,815	-
Cash and cash equivalents at the end of the year	**2,018**	**20,815**

Commentary on FY15 results:

- Rebate receipts and distributions from the portfolio contributed to a $2.0m positive operating cash flow in FY15.
- $43.5m was deployed during FY15, whilst $2.5m was redeemed from the Diversified Quant hedge fund to take advantage of compelling investment opportunities in less liquid funds.
- The Alternatives Fund announced and fully raised a 1 for 3 non renounceable rights issue in April – May 2015, generating c. $20m that was invested across Real Assets, Private Equity and Private Real Estate.

Note: the adjacent Statement of Cash Flows should be read in conjunction with the accompanying notes available in the Company's FY15 Annual Report at www.blueskyfunds.com.au/alternativesfund.

Past performance is not a reliable indicator of future performance.

BAFO OPTIONS:
EXPIRING 16 DECEMBER 2015

- BAFO options provide investors with the opportunity to gain **additional exposure** to the Alternatives Fund at a **discount to expected net assets** and the current share price
- The BAFO options are **exercisable at $0.9827**
- **Pre-tax NTA was $1.0472** (or $1.0277 post-tax) at 31 October 2015
- Expire on **16 December 2015**
- Must be exercised in multiples of 500 options, unless holders exercise all of their options
- Instructions on how to exercise options are available on the Alternatives Fund website at: http://www.blueskyfunds.com.au/alternativesfund
- Completed exercise notices can be sent to investorservices@blueskyalternativesfund.com.au

Note: Past performance is not a reliable indicator of future performance.

QUESTIONS

FORMAL BUSINESS

ORDINARY BUSINESS

RESOLUTION 1	**Approval and adoption of the Remuneration Report** Resolution 1 seeks approval: "THAT the Company's Remuneration Report for the financial year ended 30 June 2015 is approved."

PROXIES RECEIVED (1 OF 2)

RESOLUTION 1

Approval and adoption of the Remuneration Report

Resolution 1 seeks approval:

“THAT the Company’s Remuneration Report for the financial year ended 30 June 2015 is approved.”

	Proxies Received		
	For	Against	Open
# of shareholders			
# of votes cast			
% of votes able to be cast			

ORDINARY BUSINESS

BlueSky Alternatives Access Fund

RESOLUTION 2	**Re-election of Andrew Champion as Director** Resolution 2 seeks approval: “THAT Andrew Champion, who retires by rotation under rule 19.3(a) of the Company’s Constitution and in accordance with ASX Listing Rule 14.5, and being eligible, be re-elected as a director of the Company.”

PROXIES RECEIVED (2 OF 2)

RESOLUTION 2

Re-election of Andrew Champion as Director

Resolution 2 seeks approval:

"THAT Andrew Champion, who retires by rotation under rule 19.3(a) of the Company's Constitution and in accordance with ASX Listing Rule 14.5, and being eligible, be re-elected as a director of the Company."

	Proxies Received		
	For	Against	Discretion
# of shareholders			
# of votes cast			
% of votes able to be cast			

Blue Sky Alternatives Access Fund
Level 46
111 Eagle Street
Brisbane QLD 4000
Australia

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

blueskyfunds.com.au/alternativesfund