BLUE SKY ALTERNATIVES ACCESS FUND LIMITED

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26 October 2018

Dear Shareholder

The Board of Blue Sky Alternatives Access Fund Limited (ASX: BAF) ('BAF' or 'Company') is pleased to provide you with the Company's 2018 Annual Report and Notice of Annual General Meeting. The 2018 AGM will be held at the Radisson Blu Plaza Hotel, Sydney on Thursday, 29 November 2018 and provides shareholders with the opportunity to consider and vote on the matters outlined in the Notice of Meeting.

Shareholders may also have noted the Company's announcement of 18 October 2018, regarding a proposal to reposition BAF as a diversified, alternatives 'best of breed' multi-manager fund to be managed by Alterum Investment Management ('Alterum'), majority owned affiliate of Pinnacle Investment Management Group Limited (ASX: PNI) ('Pinnacle').

The proposal follows considerable work and a strategic review process to address BAF's trading discount to net tangible assets ('NTA') and seeks to preserve the nature of BAF as an investment to access private market opportunities, typically only accessible by institutional and wholesale investors.

Pinnacle is a 'pure-play' investment management firm providing affiliated investment managers with distribution, infrastructure and other support services. Pinnacle was founded in 2006 and currently holds an existing equity interest in 12 other specialist investment managers. Pinnacle was recognised as the Zenith Distributor of the Year for 2018 (third consecutive year). Pinnacle is listed on the ASX (ASX code: PNI) and was recently added to MSCI Australian Small Cap Index and the S&P/ASX 300 Index.

Having been announced after publication of the Company's FY18 financial statements, this proposal does not form part of the FY18 Annual Report and **no vote on the proposal will take place at the forthcoming AGM**. Instead, an Extraordinary General Meeting ('EGM') for shareholder approval will be convened on 13 December 2018, with an Explanatory Memorandum and Independent Expert's Report ('IER') provided to shareholders in advance of the EGM.

If the arrangements receive approval at the EGM, Alterum will be appointed from 1 January 2019. It is also proposed that, from this date, the Company's name be changed to *Alternative Markets Access Fund Limited* with new ASX code 'AMF', and that Andrew Champion, an Executive Director of the Company, will join the New Manager and hold a minority equity interest in the New Manager alongside Pinnacle. Further details on the proposed agreements can be found in the Company's Investor Presentation lodged with the ASX on 18 October 2018.

The Board also notes that it has recently received a proposal from Wilson Asset Management ('WAM') for WAM to be appointed as BAF's new manager. The non-executive directors of BAF have requested that WAM provide further detail regarding its proposal so that the non-executive directors can consider that proposal and provide full details to shareholders in due course. The Board looks forward to updating shareholders via the ASX in relation to developments in discussions with WAM.

I look forward to welcoming you at our forthcoming AGM on Thursday, 29 November 2018.

Yours faithfully

P. Masi

Paul Masi
Chair
Blue Sky Alternatives Access Fund Limited