BLUE SKY ALTERNATIVES ACCESS FUND LIMITED

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12 November 2018

The market announcement lodged by Blue Sky Alternatives Access Fund Limited (ASX: BAF) earlier today omitted to include an annexure. A copy of that announcement with the annexure now included is attached.

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Blue Sky Alternatives Access Fund Limited (ASX: BAF) (BAF)
Further information received from Wilson Asset Management International Pty Limited (WAM) in respect of its proposal

As announced on 24 October 2018, BAF has received a proposal from WAM for its appointment as BAF's new manager. Promptly following receipt of that proposal, BAF's independent non-executive directors wrote to WAM noting that before BAF's independent non-executive directors could further consider WAM's proposal they would require:

1. confirmation from Blue Sky Alternative Investments Limited (ASX:BLA) (**BLA**) that it was willing to agree to terminate the existing management services agreement on the basis that WAM (rather than an affiliate of Pinnacle) is appointed as BAF's ongoing manager; and

2. a draft of the management services agreement WAM would propose be entered into between BAF and WAM.

WAM provided BAF with a draft management services agreement on 25 October 2018.

In all subsequent dealings between BAF's independent non-executive directors and WAM, it has been clearly communicated to WAM that there is little utility in spending significant time negotiating the terms of the draft investment management agreement unless and until WAM reaches an arrangement with BLA in respect of the termination of the existing management agreement.

In a letter to WAM on 7 November 2018 BAF's independent non-executive directors re-iterated the need for WAM to engage with BLA and also noted that the proposal and draft management services agreement put forward by WAM:

3. provide for WAM to deliver a significantly narrower scope of services than those to be provided under the Alterum Investment Management Pty Ltd (**Alterum**) Proposal;

4. do not identify key personnel or resources with experience in private market alternatives; and

5. in the case of the management services agreement, do not include any provision for the fee-free period in respect of BLA-managed assets as described in WAM's proposal.

WAM has now provided BAF's independent non-executive directors with following further information in response to the above matters:

6. WAM is prepared to extend the scope of services it will provide to match the services provided by Alterum under its proposal and provided a template accounting and administration services agreement;

7. the identity of the key personnel or resources to be engaged by WAM in providing management services to BAF (which information is reproduced verbatim in the Annexure to this announcement); and

8. the WAM management services agreement has been amended to provide for the fee-free period in respect of BLA-managed assets as described in WAM's proposal.

BAF's independent non-executive directors welcome the provision of this additional information and amendment to the management services agreement but note that:

9. as at the date of this announcement, BLA has not agreed to the termination of the existing management services agreement in place between BAF and BSAAF on the basis that WAM is appointed as BAF's new manager; and

10. as previously announced, it is a key point of difference in the Alterum and WAM proposals that the Alterum management team maintains a deep working knowledge of the current investment portfolio which includes a diverse and illiquid range of investments managed by BLA, which currently account for approximately 75% of portfolio net asset value[1].

Consequently, as at the date of this announcement, for the reasons set out above and in the notice of meeting released to the ASX platform on Friday 9 November, subject to receipt from a third party of a superior proposal (supported by an agreement between the relevant third party and BLA allowing the proposal to be implemented), BAF's independent non-executive directors intend to put the Alterum proposal before shareholders for consideration at an EGM currently expected to be held on 13 December 2018 with their unanimous recommendation.

A notice of meeting for the EGM, which will include a copy of the independent expert's report, will be dispatched to shareholders in the coming days.

For more information, please contact:

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Blue Sky Alternatives Access Fund Limited

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[1] As at 30 September 2018, adjusting for settlement of the announced exit from BAF's retirement living investments.

Annexure

Information received on WAM and WAM team

Wilson Asset Management's proposed personnel and resources for Blue Sky Alternatives Access Fund Limited

Wilson Asset Management is responsible for over $3.0 billion in shareholder capital on behalf of almost 80,000 retail and wholesale investors across seven LICs and one wholesale unit trust. Wilson Asset Management also created the two listed philanthropic wealth creation vehicles which are funds of funds, Future Generation Investment Company Limited (FGX) and Future Generation Global Investment Company Limited (FGG). Wilson Asset Management is a specialist LIC manager with a strong track record of engaging with shareholders and marketing the LICs for which it is the investment manager. The identity of the key personnel and resources that Wilson Asset Management would provide in its management services to BAF are as follows:

1. **Geoff Wilson AO as Chief Investment Officer:** Geoff has over 38 years' direct experience in domestic and global investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997. Geoff is Chairman of WAM Capital, WAM Global, WAM Leaders, WAM Microcap, WAM Research and WAM Active. Geoff created and is a Director of Australia's first listed philanthropic wealth creation vehicles, Future Generation Investment Company Limited and Future Generation Global Investment Company Limited. Geoff is also a Director of Century Australia Investments. Geoff holds a number of additional directorships with investment companies and non-profit organisations.

   Geoff was awarded the Order of Australia in 2018 for distinguished service to the business and finance sectors, particularly in the field of asset management and investment, to professional financial bodies, and to the community as a supporter of charitable foundations.

2. **Adrian Siew as portfolio manager:** Adrian has over 20 years' experience in investment markets, specialising in private equity and alternative asset classes. Over the years, Adrian worked and trained in London, New York, Hong Kong, Singapore and Sydney. Adrian was a Malaysian state government scholar and graduated from London School of Economics with a first class honors degree in economics, accounting and finance. He started his career with Goldman Sachs when he joined their investment banking advisory team in London. Adrian previously worked at Straits Trading, where he was responsible for the company's M&A activities. In 2002, Adrian joined The Carlyle Group in Singapore and was responsible of buyout investments in Southeast Asia and Australasia and worked with Carlyle for over 11 years. Adrian was relocated to Sydney to establish Carlyle's presence in Australia. Since the founding of the office in 2005, Carlyle Australia has become one of the largest global private equity players in Australasia. Adrian is the Founder and Managing Director of Nacre Holdings, a boutique corporate advisory firm. Adrian also sits on the board of Greatearth Pte Ltd, one of the leading construction companies in Singapore.

3. **Andrew Smith as a member of the investment committee:** Andrew is an experienced alternative asset manager in Australia and abroad. Andrew has over 30 years' direct experience in alternative asset investment markets who previously worked as a strategic advisor in the area of alternative assets, private equity and private debt for Sovereign Wealth Funds (including the Future Fund and NZ Super) and other LP institutions.

4. **Wilson Asset Management will have access to Stephen Girdis for property investment advice:** Stephen has over 30 years' experience in real estate asset management, financing, development,

investment banking and chartered accounting, mainly at the Macquarie Group. Stephen was closely involved with the growth of Macquarie's Asian real estate platforms, including joint ventures with Wanda Group, Munich Re, Pacific Star, Goodman Asia, and Pan Asian real estate private equity investment through MGPA and Schroders Asia property. Since retiring from Macquarie in 2012 Stephen has been co-investing with and/or advising Australasian real estate companies.

5. **The broader Wilson Asset Management team:** Wilson Asset Management employs 11 highly experienced investment professionals with combined experience of more than 140 years. This team in Sydney is led by four Lead Portfolio Managers Matthew Haupt, Catriona Burns, Oscar Oberg and Martin Hickson. In addition to this, the resources of the broader Company that would be available to BAF are Chief Executive Officer Kate Thorley, Chief Financial Officer Jesse Hamilton, Head of Corporate Affairs James McNamara and Head of Operations Martyn McCathie.