

14 February 2019

Dear Shareholder

Blue Sky Alternatives Access Fund Limited (ASX: BAF) (the 'Alternatives Fund') – Net Tangible Assets ('NTA') per share for January 2019

The pre-tax NTA of the Alternatives Fund increased by 2.3 cents per share, or 2.1%, to \$1.1308 per share in January.

During the month, the Alternatives Fund continued the share buyback program and acquired an additional 335,459 shares at an average price of \$0.89 representing a 21% discount to January's pre-tax NTA. The buyback will recommence following lodgement of this report.

I refer to the BAF Board's update on management arrangements of 14 January 2019. There has been only limited progress since, but BAF continues to work with Blue Sky Alternative Investments Limited (**BLA**) and its newly constituted Board as it considers a change of manager to Wilson Asset Management. The BAF Board's intentions are unchanged, and we continue to work to get to a position where we can provide BAF shareholders with an opportunity to vote on a proposal to change manager at an extraordinary general meeting as soon as possible.

We look forward to bringing you our next investor update in relation to February 2019 and BAF's interim financial statements later this month.

Yours faithfully



Michael Cottier
Independent Non-Executive Chair

Important note

This document has been prepared for the purpose of providing general information only, without taking account of any particular investor's objectives, financial situation or needs. It is not an offer or invitation for subscription or purchase, or a recommendation of any financial product and is not intended to be relied upon by investors in making an investment decision. Past performance is not a reliable indicator of future performance.

BLUE SKY ALTERNATIVES ACCESS FUND LIMITED

Address Suite 22.02, Level 22, Australia Square
264-278 George Street, Sydney NSW 2000
Post PO Box H318, Australia Square NSW 1215
Phone 02 8282 0400
Email investorservices@blueskyalternativesfund.com.au

blueskyfunds.com.au/alternativesfund

Monthly Update

January 2019

Net Tangible Assets – as at 31 January 2019¹

Net Tangible Assets (NTA) per share (pre-tax)	\$1.1308
Net Tangible Assets (NTA) per share (post-tax)	\$1.0992

1. NTA figures in this report are unaudited.

Pre-Tax Net Tangible Assets - Since Inception



Source: Blue Sky Alternatives Access Fund, 2019

Portfolio Valuation²

	Current value (\$'m)	+/- Prior Month	% of Portfolio
Private Equity			
Growth Capital	\$48.37	\$1.46	21.4%
Venture Capital	\$12.25		5.4%
Subtotal	\$60.62	\$1.46	26.8%
Real Assets			
Water Fund	\$50.18	\$1.62	22.3%
Strategic Australian Agriculture Fund	\$22.99	(\$0.19)	10.2%
Other Real Assets	\$9.11		4.0%
Subtotal	\$82.28	\$1.43	36.5%
Private Real Estate			
Residential Development	\$3.32		1.5%
Student Accommodation	\$29.12		12.9%
Other Real Estate	\$16.25		7.2%
Subtotal	\$48.69		21.6%
Cash³	\$33.97	\$1.97	15.1%
Grand Total	\$225.56	\$4.86	100.0%

2. Figures in this report are unaudited. The current value for each investment in the table above is consistent with the Alternatives Fund's investment valuation policy found at blueskyfunds.com.au/alternativesfund. Note that the total value of the investment portfolio will not directly reconcile to the NTA due to the impact of interest revenue, management fees, accrued performance fees, etc.

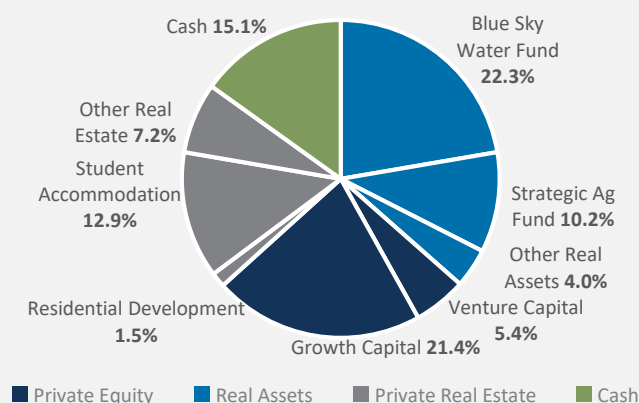
3. Includes capital to fund the remaining \$4.75 million of the \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called at any time prior to July 2020.

Fund Performance⁴

Period	Pre-Tax	Post-Tax
1 month	2.10%	1.51%
3 months	1.99%	1.52%
6 months	3.60%	2.96%
12 months	5.17%	4.69%
Since inception (per annum)	8.46%	7.79%
Since inception (total) (compounding)	45.63%	41.53%

4. Includes NTA growth, dividends and franking credits.

Sector Weightings



Blue Sky Alternatives Access Fund, 2019

Note: Total allocation to the Blue Sky Water Fund (including through the Strategic Australian Agriculture Fund) is 26.2% of the Portfolio.

About the Alternatives Fund

Blue Sky Alternatives Access Fund Limited ('Alternatives Fund') is a listed investment company that invests in a diverse range of alternative assets including: private equity, real assets and private real estate. The Alternatives Fund is the only listed investment company on the Australian Securities Exchange ('ASX') that allows investors to make a strategic allocation to a diverse portfolio of directly managed alternative assets. The Alternatives Fund is listed on the ASX under the code BAF.

Objectives of the Alternatives Fund

- Deliver long term absolute returns to shareholders, driven by an increase in the Alternatives Fund's NTA over time and dividend income (franked to either 100% or the maximum extent possible).
- Provide access to a diverse range of alternative assets.
- 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.

Manager of the Alternatives Fund

BSAAF Management Pty Limited ('Manager') is the manager of the Alternatives Fund. All investments made by the Manager on behalf of the Alternatives Fund are directly managed by wholly owned subsidiaries of Blue Sky Alternative Investments Limited (ASX: BLA) ('Blue Sky').

Summary

The pre-tax NTA of the Alternatives Fund increased by 2.3 cents per share, or 2.1% in January to \$1.1308 per share. The growth in NTA was primarily driven by a positive month for the Blue Sky Water Fund and an increase in carrying values of a Growth Capital investment and a Real Assets investment.

Investment Performance

Blue Sky Water Fund

The carrying value of the Alternatives Fund's investment in the Blue Sky Water Fund increased by 3.3%⁵ in January as a result of the marked-to-market gains on the fund's underlying portfolio of Water Entitlements.

5. The monthly return reported by the Alternatives Fund is on a post-tax basis and will differ to that separately reported by the Blue Sky Water Fund which is on a pre-tax basis.

Blue Sky Energy Storage Fund

esVolta is a utility-scale energy storage development business based in the United States. esVolta continues to progress well through its business plan, having recently secured additional Power Purchase Agreements ('PPA'). esVolta currently has two operational projects and five contracted projects in development and is shortlisted on several more projects. esVolta recently reached an agreement with a long-term capital partner to acquire strategic stakes in PPA-awarded and operational projects, including four existing projects.

Consequently, and following finalisation of an independent valuation review performed in the course of preparing the Alternatives Fund's half-year financial statements, an increase in carrying value has been recorded in January's NTA.

Blue Sky Strategic Australian Agriculture Fund

The underlying carrying value⁶ of the Alternatives Fund's investment in the Blue Sky Strategic Australian Agriculture Fund increased in January. This follows the aforementioned positive result for the Blue Sky Water Fund (in which the Strategic Australian Agriculture Fund is invested) and marked-to-market gains on other water entitlement assets directly held by the fund.

6. The figure presented in the table on page 1 of this report represents the carrying value of capital called to date and excludes the \$4.75m uncalled commitment (refer footnote 3 of page 1). The minor decrease shown in the table for this month is due to an adjustment to the fund's total called capital as a result of the Alternatives Fund's investment at the final close date. Underlying investment performance for the fund was positive in January.

Distributions

During January, the Alternatives Fund received distributions from the following funds:

- *Blue Sky Private Equity QFS Fund* ~ a 0.1% periodic distribution;
- *Blue Sky Solar Fund* ~ a 2.7% ad-hoc capital distribution;
- *Blue Sky Water Fund* ~ a 3.2% interim distribution in respect of 1H FY19; and
- *Blue Sky Private Equity Tourism Fund* ~ a 13.0% special distribution.

With the exception of the Blue Sky Private Equity Tourism Fund, these distributions had been previously accrued in December 2018 NTA.

For more information

Phone: +61 7 3270 7500

Website: www.blueskyfunds.com.au/alternativesfund

Email: investorservices@blueskyalternativesfund.com.au

IMPORTANT NOTICE

The Manager has prepared the information in this announcement. This announcement has been prepared to provide general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in the Alternatives Fund nor does it constitute financial product or investment advice nor take into account your investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of the Alternatives Fund and conduct its own investigations and analysis.

Past performance is not a reliable indicator of future performance. Further, forward looking statements, including projections, guidance on future earnings, opinions and estimates in this announcement ('Forward Looking Statements') are based on assumptions and contingencies which are subject to change, as are statements about market and industry trends, which are based on interpretations of current market conditions. These statements are also subject to known and unknown risks and uncertainties many of which are outside the control of the Manager or the Alternatives Fund. Forward Looking Statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.