

**21 August 2019**

Dear Shareholders,

I am writing to provide you with important information on progress towards appointing a replacement manager.

Following the appointment by Oaktree Capital Management L.P. (**Oaktree**) of KordaMentha as receivers and managers to Blue Sky Alternative Investments Limited (**BLA**) on 20 May 2019, your Board ("we") have been engaged with KordaMentha and Oaktree to discuss the impact the receivership of BLA has on the appointment of a replacement manager to BAF.

Consideration continues to be given to a range of possible options, including termination of the exclusive management services agreement (**MSA**) between BAF and its manager BSAAF Management Pty Limited (**BSAAF**), other possible actions under the MSA and an orderly wind-down of BAF and return of capital to BAF shareholders.

As part of those considerations of possible options, discussions have been ongoing between BAF and BSAAF on a without prejudice basis. BSAAF's interests in these discussions have been represented by KordaMentha in their capacity as receivers and managers of BLA. Oaktree has also been directly involved in these discussions.

Since 20 May 2019, the Chairman of BAF, as well as Oaktree and KordaMentha, have received a number of approaches from organisations interested in becoming BAF's investment manager. We continue to believe that it is in the best interests of all BAF shareholders for an orderly replacement manager transition to occur. In pursuit of this objective, BAF, KordaMentha and Oaktree are exploring, on a without prejudice basis, a new replacement manager process under which KordaMentha will issue a request for proposal seeking proposals from five pre-selected candidates to replace BSAAF as manager of BAF.

In addition to any alternate proposals that may be submitted, the proposal from Wilson Asset Management International Pty Limited remains current and this proposal has automatically been included in the process.

The selected candidates will be given a short period to submit proposals and following that period BAF will select one preferred replacement manager candidate to enter into a short period of exclusive due diligence. During this time, definitive legal documents will be signed and documents prepared to present the selected replacement manager arrangements to an extraordinary general meeting of BAF shareholders expected to occur in Q4 2019, or as soon as possible thereafter. In the event that BSAAF does not support this proposal, then BAF will explore other options as outlined above.

In anticipation of the commencement of the replacement manager process, we have, after an interview process involving several candidates, selected qualified independent advisors to assist the BAF board in evaluating the range of replacement manager proposals expected to be received.

We have expressly reserved all our legal rights and will continue to do so pending successful completion of the replacement manager process.

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We recognise that waiting for the appointment of a replacement manager has been a long frustrating experience for BAF shareholders over many months and through multiple changes of leadership at BLA. Your directors share this frustration. We believe that once the replacement manager process has successfully completed, the investment case for BAF will begin to normalise and the Board and its new lead manager will work to significantly reduce the discount to NTA which the current BAF share price presently experiences.

I will keep you informed of important progress.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Michael Cottier', followed by a period.

Michael Cottier  
Chairman  
Blue Sky Alternatives Access Fund Limited

**For more information, please contact:**

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