

14 November 2019

Dear Shareholder

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

The pre-tax NTA of the Alternatives Fund increased by 0.65 cents per share, or 0.58%, to \$1.1229 per share in October.

Overall, the Alternatives Fund maintained its value with the only significant update being the partial receipt of the proceeds from the sale of the Alternatives Fund's investment in Student Accommodation.

During the month, the Alternatives Fund continued its on-market share buy-back program and acquired an additional 546,347 shares at an average price of \$0.8209 representing a 27% discount to October's pre-tax NTA. The buy-back will recommence following lodgement of this report.

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.

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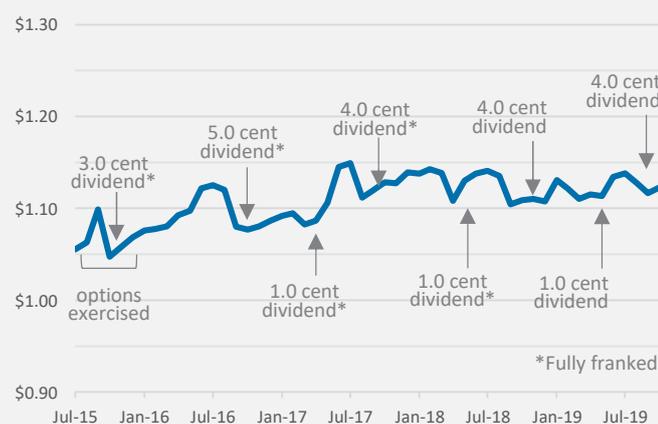
October 2019

Net Tangible Assets – as at 31 October 2019¹

Net Tangible Assets (NTA) per share (pre-tax)	\$1.1229
Net Tangible Assets (NTA) per share (post-tax)	\$1.0964

1. NTA figures in this report are unaudited.

Pre-Tax Net Tangible Assets



Source: Blue Sky Alternatives Access Fund, 2019

Portfolio Valuation²

	Current value (\$'m)	+/- Prior Month	% of Portfolio
Private Equity			
Growth Capital	\$42.95	\$0.69	19.5%
Venture Capital	\$14.18	\$0.00	6.5%
Subtotal	\$57.13	\$0.69	26.0%
Real Assets			
Water Fund	\$55.14	(\$0.10)	25.1%
Strategic Australian Agriculture Fund	\$26.12	\$0.42	11.9%
Other Real Assets	\$8.58	(\$0.00)	3.9%
Subtotal	\$89.84	\$0.32	40.9%
Private Real Estate			
Residential Development	\$1.03	(\$0.20)	0.5%
Student Accommodation ³	\$17.58	(\$16.60)	8.0%
Other Real Estate	\$16.85	\$0.00	7.6%
Subtotal	\$35.45	(\$16.80)	16.1%
Cash⁴	\$37.46	\$15.24	17.0%
Grand Total	\$219.88	(\$0.56)	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 movements in 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, rebates, etc.

3. The student accommodation portfolio has been sold with proceeds pending. Please refer to the detailed explanation on page 2.

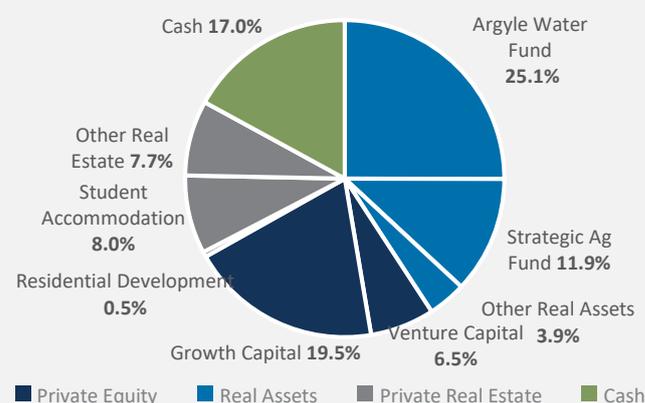
4. Includes capital to fund the remaining \$2.88 million of the \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called at any time prior to July 2020.

Fund Performance⁵

Period	Pre-Tax	Post-Tax
1 month	0.58%	0.56%
3 months	3.06%	2.90%
6 months	5.20%	5.14%
12 months	6.99%	7.11%
3 year	7.49%	7.53%
Since inception (per annum)	8.20%	7.74%
Since inception (total) (compounding)	52.77%	49.32%

5. Includes NTA growth, dividends, franking credits and the impact of the share buyback program.

Sector Weightings



Note: Total allocation to the Argyle Water Fund (including through the Strategic Australian Agriculture Fund) is 30.2% of the portfolio.

About the Alternatives Fund

Blue Sky Alternatives Access Fund Limited (ACN 168 941 704) ('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 one of the only listed investment companies 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

BAAF 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 (Administrators appointed) (Receivers and Managers appointed) (ASX: BLA) ('Blue Sky') or Australian Alternative Asset Partners Pte. Ltd or appointed US investment managers.

October 2019

Summary

The pre-tax NTA of the Alternatives Fund increased by 0.65 cents per share, or 0.58% in October to \$1.1229 per share.

Investment Performance

Argyle Water Fund

During October the Argyle Water Fund ('Water Fund') deployed a considerable amount of new investor capital sourced within Australia to acquire a substantial portfolio of diversified water entitlements. The manager elected to pay a marginal premium to acquire the assets slightly above market values with the expectation that this acquisition will provide a positive return in the short to medium term. Southern Murray-Darling Basin entitlements continue to appreciate in value and the aggregation secured was a rare opportunity to deploy over \$50.0 million in one tranche. There remains considerable interest from irrigators to lease high security water entitlements. The carrying value of the Alternatives Fund's investment in the Water Fund decreased marginally during the period.

Agriculture Assets

The Premium Beef Development Fund remains on track to exit in the December 2019 quarter and in line with previous guidance the realisable amount is anticipated to be at or above current carrying value.

The external audit of the Strategic Australian Agricultural Fund ('Strat Ag Fund') for the 2019 financial year has been completed with some resultant adjustments leading to a small uplift captured in the unit price. The investment manager noted that whilst the FY20 outlook for commodities and for Australian farmland remain positive, the Strat Ag Fund's assets continue to contend with what has now become the worst drought recorded across eastern Australia. Large areas of eastern and south-western Australia have, to October 2019, experienced their lowest 3-year accumulated rainfall on record.

Growth Capital Portfolio

The Growth Capital portfolio increased 1.6% during the period with the investment in the Shopper Media Group Fund responsible for the majority of the uplift following continued strong performance. As a result, the company elected to pay down its existing convertible note exposure returning capital to investors. The Alternatives Fund was an investor in those convertible notes through the SMG II fund.

Venture Capital Portfolio

There were no significant movements in the Venture Capital portfolio during the month.

Student Accommodation Portfolio

The Alternatives Fund invested \$24.5 million across eight funds in the Aтира student accommodation portfolio. As announced on 2 October 2019, the settlement of the sale of all of the interests in the Aтира student accommodation portfolio in which the Alternatives Fund invested has occurred.

Exit proceeds of \$34.2 million are expected, of which preliminary receipt of \$16.7 million was received during October.

The investment manager has advised that in Queensland there is a stamp duty surcharge that applies to foreign purchasers of "AFAD Residential Land". The investment manager is challenging this decision on behalf of unitholders and has advised that the process may take some months, or even years, to finalise. To give investors further context on the matter, "AFAD Residential Land" is: "land in Queensland that is or will be used solely or primarily for residential purposes, where the building is designed or approved by a local government for human habitation by a single family unit".

The investment manager is confident that the building has not been designed for human habitation by a single family unit. The rooms in the building were designed specifically for students and are not suitable for families to live in, furthermore the building has been approved by the Brisbane City Council for use by students only.

Accordingly, the investment manager considers that the grounds for appeal are sufficiently strong and the matter is worth pursuing. If the investment manager is ultimately successful, the gross purchase price received will increase by approximately \$15 million across the portfolio, albeit there will be costs associated with challenging the decision of the Queensland Office of State Revenue. The Alternative Fund's weighted receipt would be approximately \$2.4 million adjusted for costs. This amount is not currently reflected in the holding value.

Residential Development Portfolio

The original investment in the residential developments at Duke St Kangaroo Point (\$2.0 million) and Flora St Greenslopes, Brisbane (\$1.0 million) have now been fully exited. Final proceeds consistent with the current carrying value were received during October and the funds were wound up. The remaining investments in the two Wellington Rd, East Brisbane projects (original investment \$3.0 million) are scheduled for settlement at the current carrying value in mid-December. There is not expected to be any significant adjustment to current carrying value of approximately \$1.0 million.

Other Real Estate

There were no movements in the Other Real Estate portfolio during the month.

Distributions

During October the following distributions were received by the Alternatives Fund:

- **Duke Street Kangaroo Point Trust** ~ a \$0.0869 final distribution.
- **Flora Street Greenslopes Trust** ~ a \$0.0359 final distribution.
- **SMG Fund II** ~ a \$0.2634 distribution.
- **Student Accommodation** ~ a \$16.7 million partial distribution across the portfolio.

The Alternatives Fund continued to accrue distributions from the following funds in respect of the September quarter:

- **Darra Industrial Income Fund** ~ a 2.6% quarterly distribution.
- **Revesby Industrial Income Fund** ~ a 1.8% quarterly distribution.

For more information

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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.