

13 December 2019

Dear Shareholder

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

The pre-tax NTA of the Alternatives Fund increased by 0.57 cents per share, or 0.51%, to \$1.1286 per share in November.

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

During the month, the Alternatives Fund continued its on-market share buy-back program and acquired an additional 638,892 shares at an average price of \$0.8864 representing a 21% discount to November'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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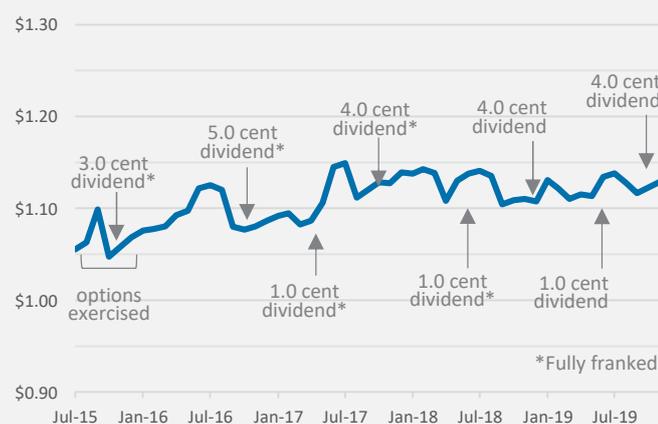
[blueskyfunds.com.au/alternativesfund](http://blueskyfunds.com.au/alternativesfund)

## Net Tangible Assets – as at 30 November 2019<sup>1</sup>

Net Tangible Assets (NTA) per share (pre-tax)	\$1.1286
Net Tangible Assets (NTA) per share (post-tax)	\$1.1020

1. NTA figures in this report are unaudited.

## Pre-Tax Net Tangible Assets



Source: Blue Sky Alternatives Access Fund, 2019

## Portfolio Valuation<sup>2</sup>

	Current value (\$'m)	+/- Prior Month	% of Portfolio
<b>Private Equity</b>			
Growth Capital	\$42.99	\$0.04	19.6%
Venture Capital	\$14.18	\$0.00	6.5%
<b>Subtotal</b>	<b>\$57.17</b>	<b>\$0.04</b>	<b>26.1%</b>
<b>Real Assets</b>			
Water Fund	\$55.75	\$0.61	25.4%
Strategic Australian Agriculture Fund	\$26.11	(\$0.01)	11.9%
Other Real Assets	\$7.43	(\$1.14)	3.4%
<b>Subtotal</b>	<b>\$89.29</b>	<b>(\$0.54)</b>	<b>40.7%</b>
<b>Private Real Estate</b>			
Residential Development	\$1.03	\$0.00	0.5%
Student Accommodation <sup>3</sup>	\$0.02	(\$17.56)	0.0%
Other Real Estate	\$16.89	\$0.05	7.7%
<b>Subtotal</b>	<b>\$17.94</b>	<b>(\$17.51)</b>	<b>8.2%</b>
<b>Cash<sup>4</sup></b>	<b>\$55.02</b>	<b>\$17.42</b>	<b>25.0%</b>
<b>Grand Total</b>	<b>\$219.43</b>	<b>(\$0.59)</b>	<b>100.0%</b>

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 small hold backs for costs and litigation funding. Please refer to page 2.

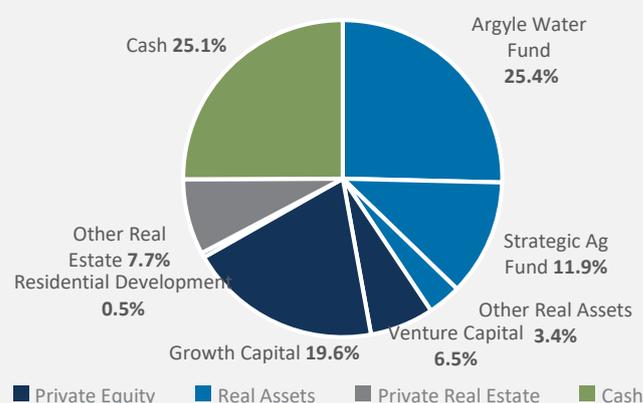
4. Includes capital to fund the remaining \$2.88 million of the \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called at any time prior to July 2020.

## Fund Performance<sup>5</sup>

Period	Pre-Tax	Post-Tax
1 month	0.51%	0.51%
3 months	4.57%	4.02%
6 months	5.89%	5.44%
12 months	7.38%	7.50%
3 year	7.54%	7.37%
Since inception (per annum)	8.17%	7.72%
Since inception (total) (compounding)	53.55%	50.08%

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 30.5% 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'), Australian Alternative Asset Partners Pte. Ltd or appointed US investment managers.

## Summary

The pre-tax NTA of the Alternatives Fund increased by 0.57 cents per share, or 0.51% in November to \$1.1286 per share.

## Investment Performance

### Argyle Water Fund

During November the Argyle Water Fund ('Water Fund') was up approximately 1%. Water issues remain topical in the midst of the worst three year drought period in Australia's recorded climate history. Argyle's management team have experienced similar periods in history where, in the middle of drought, focus returns to the scarcity of Australia's water resources. The overarching policy framework governing Australia's water resource remains the National Water Initiative of 2004. It was a product of decades of effort and debate amongst states and stakeholders. Nothing in the current debate suggests any changes from the principles in the inter-government agreement. Water resources remain scarce in Australia and the allocation of those resources, after allowing for a large proportion for sustainable environmental use, are best allocated via the workings of water markets to best direct those resources to their highest economic use.

### Agriculture Assets

During the month, the sale of the assets of the Premium Beef Development Fund was largely completed. Proceeds of the sale have been received by the Alternatives Fund. The remaining 30% of capital will not be called and the carrying value of the fund was adjusted accordingly. A final exit of the 2018/19 weaners is expected to be completed in Q1 2020 and the fund wound up at that time. The investment has proven to be incredibly challenging. For the same reasons that the Water Fund has outperformed, this investment has been challenged by constant well below average rainfall conditions in eastern Australian since the first breeding cattle were purchased in March 2017.

### Growth Capital Portfolio

The Growth Capital portfolio was relatively flat during the month with a small uplift booked against one asset.

### 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 Atira student accommodation portfolio. Exit proceeds of \$16.7 million were received in October with a further \$17.6 million received in November. The remaining receivable of approximately \$20,000 will be used in part to wind up the funds and provide litigation funding to pursue the stamp duty surcharge discussed in the October 2019 monthly report.

## Other Real Estate

There was a small uplift booked against the carrying value of the Revesby Industrial Income Fund. The investment team have recently carried out a comprehensive process for the purpose of appointing a Sydney-based industrial & logistics fund manager as replacement investment manager and trustee for the Fund. Centennial Industrial & Logistics has been selected as the preferred party to assume the investment management and trustee duties for the fund.

## Distributions

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

- *Darra Industrial Income Fund* ~ a \$0.042 distribution.
- *Revesby Industrial Income Fund* ~ a \$0.018 distribution.
- *QFS Fund* ~ a \$0.0035 distribution.
- *Hotel Fund* ~ a \$0.02 distribution.
- *Birch & Waite Fund* ~ a \$0.0483 distribution.
- *Student Accommodation* ~ a \$17.6 million interim distribution across the portfolio.

The Alternatives Fund accrued distributions from the following funds in November:

- *Solar Fund* ~ a 6.0% return of capital.
- *Premium Beef Development Fund* ~ a \$0.28 return of capital.

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.