

14 February 2020

Dear Shareholder

Blue Sky Alternatives Access Fund Limited (ASX: BAF) (the 'Alternatives Fund') – Net Tangible Assets ('NTA') per share for January 2020

The pre-tax NTA of the Alternatives Fund increased by 0.45 cents per share, or 0.40%, to \$1.1389 per share in January.

January remains a traditionally quiet month for asset movements with most assets being reviewed in December as part of the interim financial statement preparation. Accordingly, the only asset movement was an uplift in the value of the Argyle Water Fund which is revalued monthly.

During the month, the Alternatives Fund continued its on-market share buy-back program and acquired an additional 666,485 shares at an average price of \$0.8893 representing a 22% discount to January's pre-tax NTA. The buy-back will recommence following lodgement of this report.

The negotiations with Wilson Asset Management, KordaMentha, Oaktree and other stakeholders, continue as we work with our legal advisers to settle the final terms of the manager transition. The other stakeholders referred to include the management teams created out of the former Blue Sky Group that are now partly owned by Oaktree; namely Argyle Group, January Capital and Fortitude Investment Partners.

We hope to be in a position to advise of meaningful new developments shortly. You may wish to listen to my discussion with Alan Kohler for the Eureka Report from 14 January 2020 (<https://omny.fm/shows/ceo-interviews/michael-cottier-blue-sky-alternatives-access-fund>) which covered off on the status of the manager transition.

Please note that we are targeting 25 February 2020 for lodgement of the Alternatives Fund's interim financial statements.

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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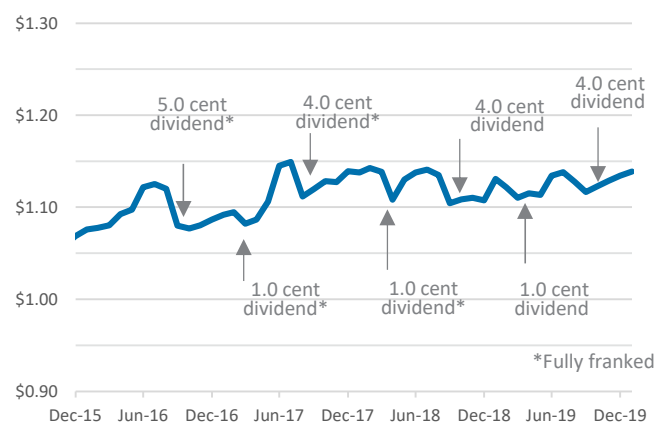
blueskyfunds.com.au/alternativesfund

Net Tangible Assets – as at 31 January 2020¹

Net Tangible Assets (NTA) per share (pre-tax)	\$1.1389
Net Tangible Assets (NTA) per share (post-tax)	\$1.1220

1. NTA figures in this report are unaudited.

Pre-Tax Net Tangible Assets



Source: Blue Sky Alternatives Access Fund, 2020

Portfolio Valuation²

	Current value (\$'m)	+/- Prior Month	% of Portfolio
Private Equity			
Growth Capital	\$46.48	\$0.02	20.9%
Venture Capital	\$13.50	\$0.00	6.1%
Subtotal	\$59.98	\$0.02	27.0%
Real Assets			
Water Fund	\$57.10	\$0.27	25.6%
Strategic Australian Agriculture Fund	\$26.25	\$0.01	11.8%
Other Real Assets	\$7.44	(\$0.11)	3.3%
Subtotal	\$90.79	\$0.17	40.7%
Private Real Estate			
Residential Development	\$0.00	\$0.00	0.0%
Student Accommodation ³	\$0.02	\$0.00	0.0%
Other Real Estate	\$13.75	\$0.00	6.2%
Subtotal	\$13.77	\$0.00	6.2%
Cash⁴	\$58.14	(\$0.02)	26.1%
Grand Total	\$222.68	\$0.17	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 small hold backs for costs and litigation funding.

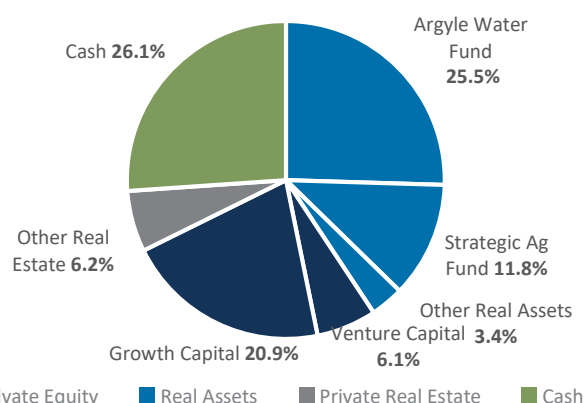
4. Includes capital to fund the remaining \$2.88 million of the \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called at any time prior to July 2020.

Fund Performance⁵

Period	Pre-Tax	Post-Tax
1 month	0.40%	0.38%
3 months	1.42%	2.33%
6 months	4.55%	5.31%
12 months	6.40%	7.97%
3 year	7.50%	7.64%
Since inception (per annum)	8.09%	7.82%
Since inception (total) (compounding)	54.95%	52.80%

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 30.7% 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

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 (Administrators appointed) (Receivers and Managers appointed) (ASX: BLA) ('Blue Sky'), Australian Alternative Asset Partners Pte. Ltd, appointed US investment managers or Centennial Industrial & Logistics ('CIL'). Refer to page 2 for further information in relation to CIL.

Summary

The pre-tax NTA of the Alternatives Fund increased by 0.45 cents per share, or 0.40% in January to \$1.1389 per share.

Investment Performance

January remains a traditionally quiet month for asset movements with most assets being reviewed in December as part of the half year financial statement preparation. Accordingly, the only significant asset movement was an uplift in the value of the Argyle Water Fund which is revalued monthly.

Argyle Water Fund

The Argyle Water Fund ('Water Fund') was up approximately 1.6% over the month of January 2020 reflecting further gains in the water entitlement asset values held by the Water Fund. These are heavily concentrated on the southern Murray-Darling Basin river systems which flow west of the Great Dividing Range. Drought conditions across the eastern half of Australia were finally eased following good widespread rainfall in the past fortnight. Coastal areas received massive totals in early February, but far less was received in the catchments of the Murray-Darling rivers. Nevertheless, some systems have generated enough runoff to start rivers flowing to an extent not seen since 2016 and even 2012 in some cases. As expected, rainfall impacts the value of in-season water allocations, by increasing the volume (and therefore supply) of water able to be allocated in this Water Year (July to June). It also dampens demand as crops are fed by rainfall for the immediate period. The capital value of water entitlements – the right to access annual water allocations from a particular system in perpetuity – are not necessarily impacted by annual rain events.

Other Real Assets

During the month, the previously withheld warranty balances in respect of Agriculture Fund 1 were distributed to investors.

Growth Capital Portfolio

There were no movements resulting in revaluation changes within the Growth Capital portfolio during January.

Venture Capital Portfolio

There were no movements resulting in revaluation changes within the Venture Capital portfolio during January.

Private Real Estate

As the Alternatives Fund has exited the Residential Development portfolio and Student Accommodation portfolio subject to a remaining receivable of approximately \$20,000, the Manager will not report on these portfolios separately going forward.

Over the last quarter, the Blue Sky Real Estate investment team carried out a comprehensive process for the purpose of appointing a new industrial & logistics fund manager as investment manager and trustee for the Revesby Industrial Income Fund in which BAF invested \$2.5 million.

After entering into exclusivity with CIL, due diligence and transaction documentation has been finalised and the transition was completed on 4 February 2020. Fees continue to be charged in accordance with the Information Memorandum in respect of the Revesby Industrial Income Fund following the transition.

The December distribution was paid to investors in the ordinary course on 31 January 2020.

Distributions

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

- **Water Fund** ~ \$630k
- **Revesby Industrial Income Fund** ~ \$45k
- **QFS** ~ \$21k
- **Agriculture Fund 1** ~ \$109k

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.