

13 March 2020

Dear Shareholder

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

The pre-tax NTA of the Alternatives Fund decreased by 1.62 cents per share, or 1.42%, to \$1.1227 per share in February.

As released to the market on 28 February 2020, the Board has finalised all key commercial terms with all parties in relation to the proposed manager transition. Subject to shareholder approval this will effect a change of manager to Wilson Asset Management (International) Pty Ltd from BSAAF Management Pty Ltd.

The Board is targeting submitting documentation to the ASX for review by late March 2020 with an extraordinary general meeting targeted to be held in late April 2020 or as soon as possible thereafter. For further details on the commercial terms and the transition arrangements, please refer to the detailed 28 February market announcement. The Board would once again like to thank its shareholders for their ongoing patience during a frustrating period.

During the month, the Alternatives Fund continued its on-market share buy-back program and acquired an additional 855,991 shares at an average price of \$0.8578 representing a 24% discount to February's pre-tax NTA. The buy-back will recommence following lodgement of this report.

The Board notes the highly volatile current equity market conditions. Alternative investments can provide diversification benefits to shareholders in these conditions. The Board notes that current allocations within the Alternatives Fund which account for almost 60% of the portfolio (cash and water) remain uncorrelated to equity markets.

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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Net Tangible Assets – as at 29 February 2020¹

Net Tangible Assets (NTA) per share (pre-tax)	\$1.1227
Net Tangible Assets (NTA) per share (post-tax)	\$1.1125

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	\$43.57	(\$2.91)	19.9%
Venture Capital	\$13.33	(\$0.17)	6.1%
Subtotal	\$56.90	(\$3.08)	26.0%
Real Assets			
Water Fund	\$57.43	\$0.33	26.3%
Strategic Australian Agriculture Fund	\$26.29	\$0.04	12.0%
Other Real Assets	\$7.44	\$0.00	3.4%
Subtotal	\$91.16	\$0.37	41.7%
Private Real Estate			
Real Estate ³	\$13.66	(\$0.11)	6.2%
Subtotal	\$13.66	(\$0.11)	6.2%
Cash⁴	\$57.06	(\$1.08)	26.1%
Grand Total	\$218.77	(\$3.90)	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. Includes student accommodation hold backs for litigation funding, US office investments and domestic commercial investments.

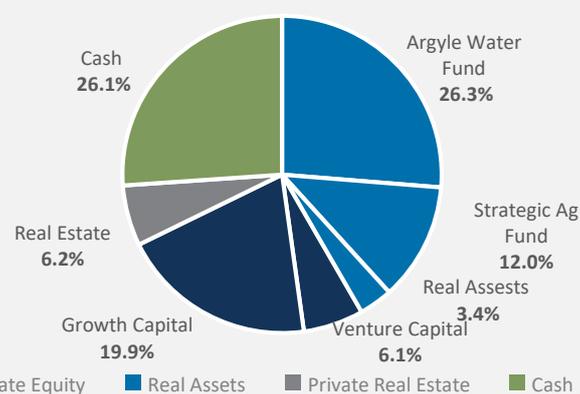
4. Includes capital to fund the remaining \$2.88 million of the \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called at any time prior to July 2020.

Fund Performance⁵

Period	Pre-Tax	Post-Tax
1 month	(1.42%)	(0.85%)
3 months	(0.52%)	0.95%
6 months	4.02%	5.01%
12 months	5.74%	7.34%
3 year	6.89%	7.25%
Since inception (per annum)	7.71%	7.55%
Since inception (total) (compounding)	52.75%	51.51%

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 32.10% 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. The company has announced that, subject to shareholder approval, the Manager is expected to be replaced with Wilson Asset Management (International) Pty Ltd in the coming months.

Summary

The pre-tax NTA of the Alternatives Fund decreased by 1.62 cents per share, or 1.42% in February to \$1.1227 per share. The change was primarily driven by the impact of valuation and audit review adjustments to the carrying values of two closed-end funds. These were reduced following the update of a revised valuation model and the completion of a recent capital raise. The valuation and audit review adjustments reduced the pre-tax NTA by 1.16 cents per share.

Investment Performance

February remains a quiet month for asset movements with most assets being reviewed in December prior to lodgement of the interim financial statements. The only significant asset movement was an upward lift in the value of the Argyle Water Fund which is revalued monthly and a model review for one of the Growth Capital assets.

The most important development during the month was the previously foreshadowed announcement on a proposed management transition to Wilson Asset Management (International) Pty Ltd from BSAAF Management Pty Limited. As Manager we are delighted to be working in conjunction with WAMI to smoothly migrate the investment management function and create longer term certainty for shareholders.

Argyle Water Fund

The Argyle Water Fund ('Water Fund') was up approximately 0.6% over the month of February 2020 reflecting further gains in the water entitlement asset values held by the Water Fund. Additional incomes were secured for the Water Fund through incremental water allocation spot sales and a forward contract for delivery in September 2020 to a high value permanent crop irrigation farm enterprise. Since mid-February, the investment manager has witnessed widespread rainfalls that have dramatically changed vast areas of the Australian landscape.

The investment manager expects, and has witnessed, large rainfall events impacting spot water allocation prices. Water allocation prices in the lower Murray River have declined from \$800/ML to \$550/ML in the past month. This is as expected; the peak Summer irrigation period is coming to a close as we enter tree nuts, olive and vine crop harvest. An overall sense of optimism has returned that northern Murray-Darling Basin ('MDB') rivers will eventually supply some volumes to the southern MDB via the Darling River system. Southern MDB irrigators are hopeful the changing weather pattern will eventually result in similar rainfall events in southern Australia during the typical Winter dominant rainfall period from April/May onwards.

The Water Fund has largely sold its water allocation position for the 2019/20 season to date. Consequently, a decline in water allocation values into June 2020 will have inconsequential impacts on 2019/20 Water Fund revenues.

Agriculture Assets

There were no significant movements resulting in revaluation changes within the Agricultural portfolio during February.

Growth Capital Portfolio

There were two significant movements in the Growth Capital portfolio driven by the investment manager updating a valuation model to reflect latest actual trading performance and the take up by the Board of audit adjustments to reflect a recent capital raise. This had a downward valuation impact.

Venture Capital Portfolio

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

Real Estate Portfolio

There were no significant movements in the portfolio during the month. Additional proceeds were received from the Cove Property Group 441 Ninth Avenue Trust.

Distributions

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

- **Hotel Fund** ~ \$120k
- **Cove Property Group 441 Ninth Avenue Trust** ~ \$76k

There were no distributions accrued for the month of February.

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.