

14 April 2020

Dear Shareholder

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

The COVID-19 pandemic is creating perhaps the first-ever global recession by Government decree to suppress a very dangerous virus and avoid the worst-case scenarios of this humanitarian crisis. On behalf of the Board and management of the Alternatives Fund, we send our best wishes at this very difficult time.

The impending pandemic-generated global recession could be one of the deepest but also (hopefully) one of the shortest recessions.

In the midst of this crisis, it is useful to go back to the basics of what the Alternatives Fund was set up to do: invest in a diversified portfolio of alternative assets. Investing in alternatives has the potential to enhance the risk/return characteristics of investment portfolios by increasing diversification and reducing overall volatility (given low correlation to more traditional asset classes such as listed equities or fixed interest). This is a time that stress-tests that investment strategy.

You will probably have an initial reaction of surprise when you read the NTA report and find that the value of the portfolio has only been marked down by less than 2%. Please note that while investment markets are suffering the adverse impacts of the pandemic, at the end of March, over 57% of your Alternatives Fund's portfolio is in cash (25.4%) and Water Fund investments (32.1% on an aggregated basis). This is serving you well in the current crisis. The Agricultural and Water investments within the portfolio (approximately 42% of the overall portfolio) have felt little to no impact to date, with Water having a strong month. Demand for farm produce has not fallen, and all of the export channels remain open.

The portfolio also has a number of unhedged investments across the broader portfolio, in particular investments into the US (esVolta, Cove). These were insulated to a degree by the 13% or so fall in the Australian dollar over the last quarter (6% fall in March).

However, there are certainly significant negative impacts in the other parts of the portfolio, and the portfolio managers and the Board have been taking action to mark down carrying values as a result.

Following the asset review, the Board confirms that the pre-tax NTA of the Alternatives Fund decreased by 1.94 cents per share, or 1.73%, to \$1.1033 per share in March.

The decrease was the result of a combination of manager valuation adjustments as well as additional provisions introduced by the Board. The Growth Capital and Venture Capital portfolios (comprising 26% of the overall portfolio) were most significantly impacted, with investments adjusted anywhere between 0% and 37% downward. The expected outlook remains wide-ranging from severe to neutral and in some instances positive. Healthcare and consumer staple exposures are obvious examples of sectors that have held up comparatively well.

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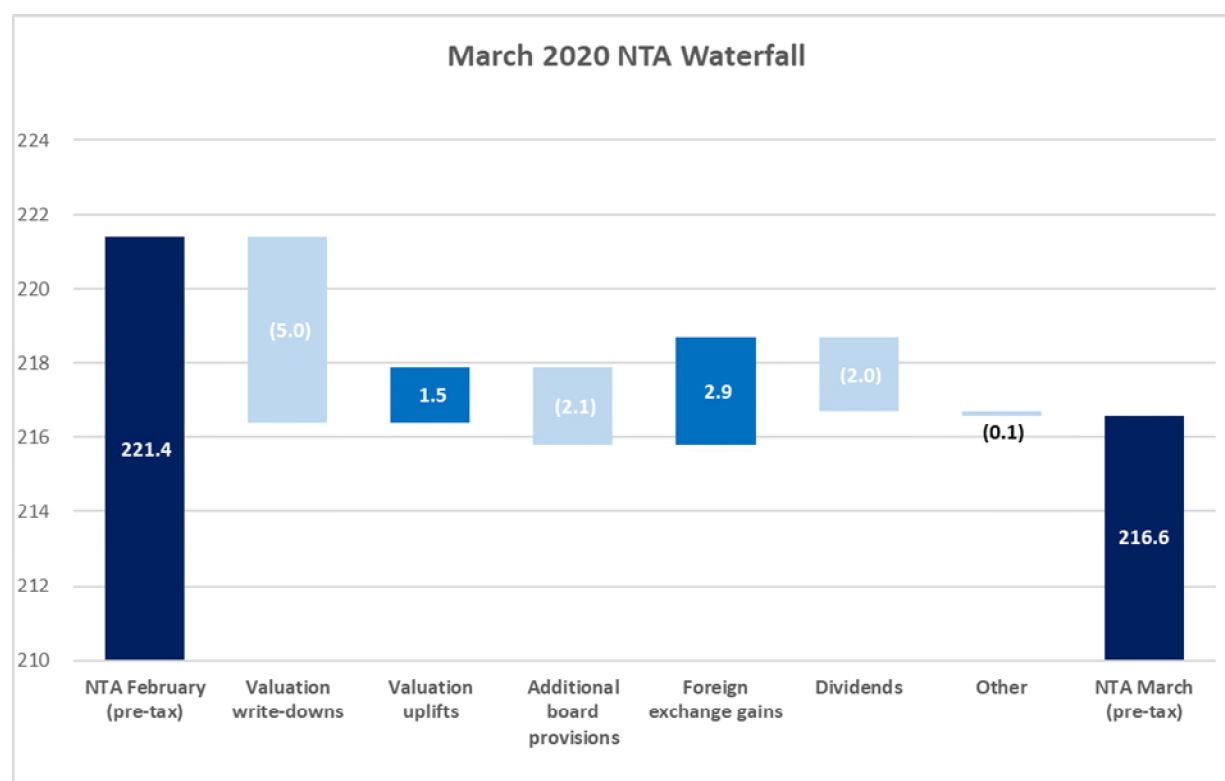
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The Board will continue to monitor developments closely during the unfolding crisis and will make further valuation adjustments as required.



For further details in relation to the portfolio composition as well as several examples of changes being made within underlying portfolio companies as a result of the COVID-19 outbreak, please refer to the attached NTA report.

During the month, the Alternatives Fund continued its on-market share buy-back program and acquired an additional 850,043 shares at an average price of \$0.6955 representing a 37% discount to March's pre-tax NTA. The buy-back will recommence following lodgement of this report.

The Company also paid the interim dividend in relation to the half-year ended 31 December 2020 of 1.0 cents per share, fully franked at a corporate tax rate of 27.5 per cent.

### **Manager transition update**

Work continues on the long-form legal and other documentation required for the extraordinary general meeting to consider a resolution to transition the management of the Alternatives Fund to Wilson Asset Management (International) Pty Limited. The Board continues to work positively and productively with all parties in this regard. However, the "how" and "when" of the meeting have been impacted by COVID-19. Given current distancing and travel restrictions, it is very likely that the meeting will need to be held with the aid of dial-in technology. Many companies are using this approved mode for their meetings in the current environment. The Board will update you again on the meeting as soon as possible.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Michael Cottier', with a stylized flourish at the end.

**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.

# Monthly Update

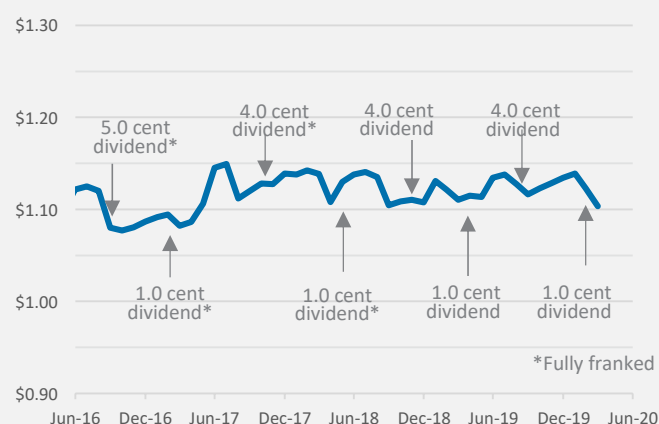
March 2020

## Net Tangible Assets – as at 31 March 2020<sup>1</sup>

Net Tangible Assets (NTA) per share (pre-tax)	\$1.1033
Net Tangible Assets (NTA) per share (post-tax)	\$1.0968

1. NTA figures in this report are unaudited.

## Pre-Tax Net Tangible Assets



Source: Blue Sky Alternatives Access Fund, 2020

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

	Current value (\$'m)	+/- Prior Month	% of Portfolio
<b>Private Equity</b>			
Growth Capital	\$39.60	(\$3.97)	18.5%
Venture Capital	\$13.22	(\$0.11)	6.2%
<b>Subtotal</b>	<b>\$52.82</b>	<b>(\$4.08)</b>	<b>24.7%</b>
<b>Real Assets</b>			
Water Fund	\$58.52	\$1.09	27.3%
Strategic Australian Agriculture Fund	\$26.48	\$0.19	12.4%
Other Real Assets	\$7.85	\$0.41	3.7%
<b>Subtotal</b>	<b>\$92.85</b>	<b>\$1.69</b>	<b>43.4%</b>
<b>Private Real Estate</b>			
Real Estate <sup>3</sup>	\$13.82	\$0.17	6.5%
<b>Cash<sup>4</sup></b>	<b>\$54.34</b>	<b>(\$2.72)</b>	<b>25.4%</b>
<b>Grand Total</b>	<b>\$213.83</b>	<b>(\$4.94)</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/alternatives-fund](http://blueskyfunds.com.au/alternatives-fund). 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.

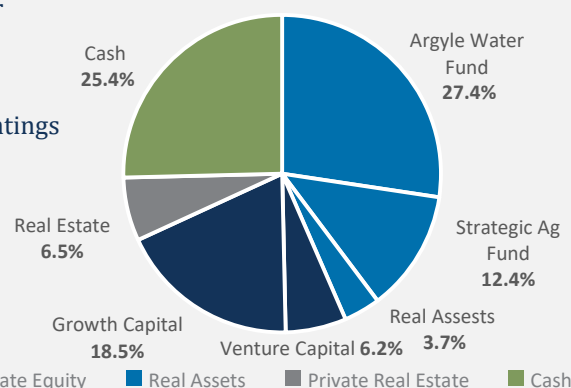
## Fund Performance<sup>5</sup>

Period	Pre-Tax	Post-Tax
1 month	(0.50%)	(0.17%)
3 months	(1.53%)	(0.64%)
6 months	0.06%	1.86%
12 months	5.11%	6.86%
3 year	6.66%	6.91%
Since inception (per annum)	7.49%	7.40%
Since inception (total) (compounding)	51.98%	51.25%

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 33.40% 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 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 1.94 cents per share, or 1.73% in March to \$1.1033 per share. The decrease was primarily driven by write downs on assets impacted by COVID-19, foreign exchange movements, as well as several provisions taken up by the Board and the payment of a 1.0 cents per share interim dividend during the month.

## Investment Performance

The COVID-19 pandemic and the measures being taken to suppress it have had an impact on all the investments within the Growth Capital and Venture Capital portfolios (approximately 25% of the overall portfolio). The immediate effects have been wide ranging; from severe to neutral, and even positive in some instances. The investment teams and portfolio company management teams have reacted quickly to firstly stabilise the respective businesses, assess the new environment and then plan for a range of future scenarios. Overall, the portfolio has benefited from low levels of leverage and the portfolio companies are in a strong liquidity position. At this stage, no portfolio company has required emergency funding. The Growth Capital portfolio has also historically maintained a higher allocation to 'essential services' industries such as food and health care, reducing the immediate impact to the overall portfolio.

A number of unhedged investments across the broader portfolio in particular investments into the US (esVolta, Cove) have been insulated to a degree by the significant fall in the Australian dollar over the last quarter. The Agricultural and water investments within the portfolio (approximately 40%) have felt little to no impact, other than some concerns about labour availability within regional Australia. Demand has not fallen, and all of the export channels remain open. Indeed, the recent rainfall event is expected to result in significant activity with seasonal crops expected to be planted. The cash holding within the portfolio remains significant (25%) and obviously remains unaffected by COVID-19.

In addition to a detailed quarterly update on all of the assets by the respective investment management teams, addressing, amongst other things, valuation impact, cash availability and balance sheet strength, the Alternatives Fund's Board has added provisions against certain assets where the ongoing COVID-19 impact is expected to be to the downside.

## Valuation

Consistent with industry valuation principles, the investments into Growth Capital and Venture Capital assets apply a capitalisation multiple against either future maintainable earnings or revenues to determine their value. In conjunction with the portfolio company management teams the investment management teams have updated this data as best as possible in order to determine current values.

The valuation challenge with many of the assets is to determine what earnings will be in the short term, the recovery phase and the longer term. In addition, where comparable sector multiples have been available, valuation multiples have been reduced in line with changes observed in these multiples. Whilst a range of these valuation adjustments are expected to be temporary, others may have more permanent impacts. Immediate valuation impacts have ranged from 0% to 37% across the Growth Capital and Venture Capital portfolios. A number of the assets that have been marked down aggressively

have had weaker balance sheets and were already marked down in previous periods.

The investment management teams have been proactive with their investor updates to both the Alternatives Fund's Board and their broader investor base. For the avoidance of doubt, there is no benefit to the investment teams as to the level of unrealised carrying values of the investments they manage. The investment funds are closed-ended in nature, with any performance related fees payable upon exit. Several examples have been highlighted within the portfolio to demonstrate the actions taken by the businesses.

## Growth Capital Portfolio

There have been a range of significant movements across the Growth Capital portfolio. Fortitude Investment Partners ('Fortitude') have advised that they have been in constant communication with each portfolio company to understand and assess the risks associated with the pandemic and to assist in quick decision-making as the situation has evolved.

In some instances, there have been funds directly impacted by Government instruction such as closing hotel venues that operate restaurants, bars and gaming facilities. There have also been impacts on the tourism, retail and food services industries across Australia and New Zealand.

Through Fortitude's representation on the Board of each portfolio company, the Fortitude team has confirmed that each business within the portfolio is taking precautionary actions such as contingency plans and risk analysis procedures for the impacts of COVID-19. These immediate actions have included:

- Cashflow and liquidity analysis with decisions made to preserve as much cash as possible;
- Preparation for multiple scenarios requiring different levels of cost reduction and taking action to reduce costs;
- Closed venues, stores or facilities, as necessary;
- Communication with key stakeholders, including customers, suppliers, landlords, lenders and employees to ensure they are informed and up-to-date on issues that affect them;
- Stabilising operations and making adjustments to adapt to the immediate term operating environment; and
- Responding to Government initiatives and applying for assistance where required (such as JobKeeper, commercial leasing code of conduct etc.).

The actions taken by Fortitude and the executive management teams of the portfolio, combined with the general low levels of leverage across the portfolio, has meant that each business has largely been stabilised in the current COVID-19 operating environment. There has been no need for emergency equity funding, however this is being monitored closely.

## Venture Capital Portfolio

The Venture Capital portfolio has observed similar circumstances to Growth Capital. The key difference is that the portfolio has operations across the Asia-Pacific region.

The January Capital portfolio has seen nuanced and specific impacts (both negative, neutral, and in some cases positive), driven by the macroeconomic environment and subsequent policy initiatives by governments in geographies which January Capital's portfolio operates.

Each of January Capital's portfolio have engaged in contingency planning as it has become apparent that COVID-19 was impacting geographies in which portfolios operate. The key focus to date has been on developing a clear, directional plan for the next 12 months. The key focus for each portfolio company has been:

- Implementation of formal business continuity policies to ensure stable business operations in the immediate term;
- Revised business plans for the remainder of CY2020, to maximise current cash reserves;
- Assessment of the impact that COVID-19 could have on prospective and existing client base, with a particular focus on cash collections; and
- Assessing where there are opportunities in the current environment.

To date, none of January Capital's portfolio have required emergency funding, and most companies have sufficient capital for the next 12 months (at a minimum). One of the Alternatives Fund's key investments in the Venture Capital portfolio is an investment which was made across multiple tranches into aCommerce, a brand commerce enabler in South East Asia. aCommerce services over 150 blue-chip brands who wish to sell online in Southeast Asia. aCommerce operates across five markets (Thailand, Indonesia, Philippines, Malaysia, and Singapore). While the impact of COVID-19 has not yet resulted in material movement in aCommerce's financial results year-to-date, the company is undertaking prudent planning in the case that there are negative impacts over time.

## Argyle Water Fund

The Argyle Water Fund ('Water Fund') was up approximately 1.9% for March 2020, reflecting further gains in the water entitlement asset values held by the Water Fund. As noted last month, the Water Fund had largely sold its water allocation position for the 2019/20 season to date. Consequently, the decline in seasonal water allocation values into June 2020 had limited impact on Water Fund revenues.

While at the margin the investment manager anticipates entitlement values will move in coming months, they are comforted by recent market activity where they have successfully leased entitlements to irrigators at 6% per annum of the current capital value. There has been no evidence of 'cap rate compression' despite two to three fold increases in water entitlement values in recent years, reflecting the continued demand within much of Australian agriculture to higher value added permanent crops.

## Agriculture Assets

Australia's widespread three-year long drought has had a large impact on the agricultural sector. Food demand and supply chains are not diminished through this current COVID-19 episode. Australia's farmers, most naturally isolated, are getting about their usual business. Water supplied from the portfolio's water entitlement holdings continues to be in strong demand as an essential crop input. Recent rainfall events have benefited some regions, but with very few exceptions, dam levels across the Murray-Darling Basin remain well below average.

While there have been some temporary delays in shipping to some export destinations, the sector has not yet experienced market access difficulties for the produce from the portfolio's farmland investments. The investment manager, Argyle, continues to monitor transport and logistical constraints in relation to food supply chains as well as farm input supplies (ag-chem, fertiliser etc). The

Commonwealth Government recently announced \$110 million in funding to underwrite airfreight services to allow fresh seafood, beef and perishable fresh produce to be exported to Asian and Middle Eastern markets.

Farm operation partners are enacting their own business continuity plans and working to ensure continued access to adequate seasonal labour for upcoming harvest periods at each farm location. Health care facilities in many parts of rural Australia are not well set up to cater to a widespread community contagion so the investment manager remains vigilant to do its part in minimising this risk.

## Real Estate Portfolio

The Alternatives Fund holds two domestic warehouse investments. Centennial Industrial & Logistics ('CPG') has recently taken over investment management of the Revesby asset (leased to Birch & Waite). Whilst the tenant has entered into discussions with CPG there is no immediate concern as to their long term viability and regular distributions are expected to continue. CPG has also significantly reduced the debt funding cost associated with the asset through a new NAB facility. In a similar fashion the Darra asset (leased to Wild Breads) continues to negotiate with the tenant who is currently exploring a sales process. All previously negotiated rental adjustments are expected to be collected as part of this process. The investment managers of these assets and the Alternatives Fund's Board remain particularly vigilant as to the changing legislation and circumstances of these businesses. Where reasonably foreseeable the carrying values of these assets will be adjusted. These two assets represent approximately 2% of the Alternatives Fund's portfolio.

The Alternatives Fund holds two US office investments that are in the process of being leased out. These two assets represent approximately 4% of the Alternatives Fund's portfolio. The recent (pre-COVID-19) valuation of the 441 9<sup>th</sup> Avenue investment and return of capital to investors was supportive of both the valuation and valuation methodology at that time. The investment manager Cove has provided detailed information on the current, and prospective leasing arrangements it has in place or is negotiating as well as a COVID-19 impact assessment. Cove are in various discussions with current and contracted tenants as well as those currently building out their spaces. The starting point for Cove is to have tenants seek any required assistance from the recently passed CARES act which is a government stimulus package to assist qualifying companies with salaries and rental obligations where applicable.

At this time, the investment manager does not believe that any existing tenants' financial strength will be irreparably harmed, with the expectation that any short-term disturbance in rental payments will be re-paid at an appropriate interest rate, beginning in Q3-2020.

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## Distributions

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

- *Student Accommodation Fund IV* ~ \$6k
- *Student Accommodation Fund III* ~ \$50k

There were no distributions accrued for the month of April.

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**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.

# Quarterly Report

March 2020

## BAF Unit Price Summary - Closed Ended Funds<sup>6</sup>

The following table provides a summary of the carrying values for the Alternatives Fund's portfolio.

Unit price band <sup>7</sup>	# of funds <sup>6</sup>	Weighted average months held	% of portfolio <sup>8</sup>	Funds within band
≤ \$1.00 <sup>9</sup>	16	46	30%	9 Growth Capital funds 3 Venture Capital funds 2 Real Assets funds 2 Real Estate funds
>\$1.00 - \$1.20	4	32	38%	2 Growth Capital funds 1 Real Assets fund 1 Real Estate fund
>\$1.20 - \$1.40	4	36	13%	3 Growth Capital funds 1 Real Estate fund
>\$1.40	5	43	19%	1 Growth Capital fund 3 Venture Capital funds 1 Real Assets Fund

6. Excludes the Argyle Water Fund which is marked to market monthly.

7. Reflects current holding value of investment trust unit price for every \$1.00 allocated.

8. Weighted by current carrying value of each investment.

9. Under BAF's Investment Valuation Policy, new investments are typically held at less than or equal to \$1.00 less deployment costs for at least the first 12 months.  
Unit prices may be lower than \$1.00 as a result of capital repayments



# Quarterly Report

March 2020

## BAF Exit Register – Open & Closed Ended Funds

No	Asset Class	Fund	Investment Date	Exit date	Investment	Exit value v holding value	Total proceeds (including yield, franking credits + fee rebates)	IRR	MM
1	Various	Investments fully exited pre FY18 (aggregated)	From Jun-14	To Jun-17	\$25.0m	n/a	\$31.6m	16%	1.2x
2	Private Equity	HPS	Dec-14	Jun-17 <sup>9</sup>	\$3.5m	28%	\$7.1m	34%	2.0x
3	Private Real Estate	Grantson Street Windsor	Aug-14	Jun-17 <sup>9</sup>	\$1.0m	4%	\$1.7m	22%	1.7x
4	Private Real Estate	Logan Road Greenslopes	Aug-14	Jun-17 <sup>9</sup>	\$1.0m	-24%	\$1.1m	4%	1.1x
5	Private Real Estate	Duke Street Kangaroo Point	Sep-14	Oct-17	\$2.0m	0%	\$2.4m	7%	1.2x
6	Private Equity	Early Learning Fund	Jun-14	Jun-18	\$4.0m	-17%	\$4.7m	4%	1.2x
7	Private Real Estate	Retirement Living – Corinda	Jun-16	Oct-18	\$3.0m	-20%	\$4.1m	16%	1.4x
8	Private Real Estate	Retirement Living – Maroochydore	Dec-16	Oct-18	\$3.0m	-7%	\$3.7m	13%	1.2x
9	Private Real Estate	Retirement Living – Middle Ridge	Dec-16	Oct-18	\$3.0m	25%	\$4.1m	20%	1.4x
10	Private Real Estate	Retirement Living – Lutwyche	Jun-17	Oct-18	\$2.5m	5%	\$2.8m	12%	1.1x
11	Private Real Estate	Retirement Living – Bilinga	Nov-17	Oct-18	\$3.0m	1%	\$3.3m	12%	1.1x
12	Real Assets	Agriculture Fund	Jun-14	Dec-18	\$4.4m	0% <sup>10</sup>	\$6.8m	11%	1.5x
13	Private Real Estate	19 Railway Terrace Milton Trust	Sep-15	Sep-19	\$2.0m	0%	\$1.7m	-5%	0.8x

Note: values may not add due to rounding.

9. Date initial exit proceeds were received.

10. Partially exited.

# Quarterly Report

March 2020

## BAF Exit Register – Open & Closed Ended Funds (Continued)

No	Asset Class	Fund	Investment Date	Exit date	Investment	Exit value v holding value	Total proceeds (including yield, franking credits + fee rebates)	IRR	MM
14	Private Real Estate	Flora Street Greenslopes Trust	Jun-15	Oct-19	\$1.0m	-7%	\$1.1m	-72%	0.06x
15	Private Real Estate	Wellington Road East Brisbane Trust	Sep-15	Dec-19	\$2.0m	1%	\$1.8m	-22%	0.41x
16	Private Real Estate	Wellington Road East Brisbane Trust II	Nov-15	Dec-19	\$1.0m	2%	\$1.3m	-26%	0.57x
17	Private Real Estate	Student Accommodation Fund	Dec-14	Nov-19	\$1.5m	4%	\$1.1m	-7%	0.76x
18	Private Real Estate	Student Accommodation Fund II	Mar-15	Nov-19	\$5.0m	0%	\$7.7m	11%	1.55x
19	Private Real Estate	Student Accommodation Fund III	Jun-15	Nov-19	\$6.0m	0%	\$13.5m	17%	2.26x
20	Private Real Estate	Student Accommodation Fund IV	Jun-15	Nov-19	\$3.5m	-1%	\$4.0m	4%	1.15x
21	Private Real Estate	Student Accommodation Fund 5	Nov-15	Nov-19	\$3.0m	0%	\$5.6m	16%	1.87x
22	Private Real Estate	Student Accommodation Fund 6	May-16	Nov-19	\$2.5m	1%	\$3.2m	8%	1.30x
23	Private Real Estate	Student Accommodation Fund 7	Dec-16	Nov-19	\$2.5m	3%	\$2.2m	-5%	0.87x
24	Private Real Estate	La Trobe Street Fund	Sep-17	Nov-19	\$0.5m	0%	\$1.6m	9%	1.20x
<b>Weighted Average (excluding partially exited funds)</b>						<b>1%</b>		<b>11%</b>	<b>1.3x</b>

Note: values may not add due to rounding.

# Quarterly Report

March 2020

## Portfolio Summary

Fund name	Amount invested <sup>11</sup>	Date invested <sup>12</sup>	% allocated capital	Date of last independent valuation review <sup>13</sup>	Description
<b>Private Equity</b>					
<b>Growth Capital</b>					
Wild Breads Fund	2,000,000	Jun-14	1.4%	Jun-19	Holds equity in Wild Breads Pty Ltd, a business in the artisan and specialty bread category.
Hotels Fund	6,000,000	Jun-15	4.1%	Jun-19	Holds equity in the GM Hotels, a portfolio of freehold and leasehold hotels in South Australia.
Origo Education Fund	1,500,000	Jun-15	1.0%	Jun-19	Holds equity in Origo Education, an Australian business providing digital and print education instructional materials in the United States, Australia, Canada and New Zealand.
Aquila Fund	4,000,000	Dec-15	2.8%	Jun-19	Holds equity in Aquila, an Australian retail business focusing on the men's footwear and smart casual fashion segment.
Digital Outdoor Advertising Fund	2,110,595	Feb-16	1.5%	Jun-19	Holds equity in a US-based business which constructs, owns and operates a network of digital billboards in a US metropolitan market.
SMG Fund	2,500,000	Dec-16	1.7%	Jun-19	Holds equity in Shopper Media Group Pty Ltd, an out-of-home advertising business.
QFS Fund	6,000,000	Dec-16	4.2%	Jun-19	Holds equity in Quality Food Services, a Queensland-based food and beverage wholesale and distribution business.
Wild Breads RCPS Fund	767,888	Apr-17	0.5%	Jun-19	A fund providing follow-on expansion capital into Wild Breads Pty Ltd.
Better Medical Fund	3,000,000	May-17	2.1%	Jun-19	Holds equity in Better Medical, a group of general practice medical clinics.
Tourism Fund	3,000,000	May-17	2.1%	Jun-19	Holds equity in Active Adventures, a multi-national adventure tourism business based in Queenstown, New Zealand.
Sunfresh Fund	3,000,000	Jun-17	2.1%	Dec-19	Holds equity in Sunfresh Salads, a food manufacturing business based in Adelaide. Asset review is pending and expected for Dec-19.
SMG Fund II	699,386	Oct-17	0.5%	Jun-19	A fund providing follow-on expansion capital into Shopper Media Group.
Energy Storage Fund	5,000,000	Nov-17	3.5%	Jun-19	Holds equity in esVolta, a battery storage developer based in the United States.
IT Consulting Fund	4,000,000	Dec-17	2.8%	Jun-19	Holds equity in Digital Lifecycle Group, an IT services and consulting company that supports enterprise and government clients in Australia.

# Quarterly Report

March 2020

## Portfolio Summary

Fund name	Amount invested <sup>11</sup>	Date invested <sup>12</sup>	% allocated capital	Date of last independent valuation review <sup>13</sup>	Description
Birch & Waite Fund	4,000,000	Dec-17	2.8	Jun-19	Holds equity in Birch & Waite, a Sydney-based manufacturer of premium condiments, desserts and beverages.
<b>Total Growth Capital</b>	<b>47,577,869</b>		<b>33.1%</b>		
<b>Venture Capital</b>					
VC2014 Fund	4,000,000	Jun-14	2.8%	Jun-19	A fund invested in a diversified portfolio of 9 venture capital co-investments.
Vinomofo Fund	3,000,000	Dec-15	2.1%	Jun-19	Holds equity in Vinomofo, an Australian online wine retailer.
aCommerce Fund	1,305,664	Jul-16	0.9%	Jun-19	Has an interest in aCommerce, a provider of outsourced e-commerce solutions in South East Asia.
aCommerce Fund 2	2,500,000	Nov-16	1.7%	Jun-19	A fund providing follow-on capital into aCommerce.
aCommerce Fund 3	1,144,501	Nov-17	0.8%	Jun-19	A fund providing follow-on capital into aCommerce.
Shoes of Prey Fund	1,000,000	Oct-15	0.7%	Jun-18	Holds equity in Shoes of Prey a fashion footwear company which is in administration. No new valuation was required.
<b>Total Venture Capital</b>	<b>12,950,165</b>		<b>9.0%</b>		
<b>Total Private Equity</b>	<b>60,528,034</b>		<b>42.1%</b>		
<b>Real Assets</b>					
<b>Water Rights</b>					
Argyle Water Fund	34,076,692	Jun-14	23.5%	Dec-19	A fund to invest in a regionally diversified portfolio of Australian Water Entitlements. Asset review is independently performed monthly.
<b>Total Water Rights</b>	<b>34,076,692</b>		<b>23.5%</b>		
<b>Other Real Assets</b>					
Agriculture Fund II	4,000,000	Oct-15	2.8%	Jun-19	Holds the freehold property and business assets comprising Hillston Citrus, an irrigated citrus orchard near Hillston in NSW.
Premium Beef Development Fund	2,000,000	Dec-16	1.4%	Jun-19	A fund to invest in certain elements of Australia's premium beef value chain.
Strategic Australian Agricultural Fund	25,000,000	Jun-17	17.3%	Jun-19	A fund to acquire and manage a diversified portfolio of Australian agricultural assets and Water Entitlements.
Solar Fund	2,234,761	Sep-17	1.5%	Jun-19	Develops and operates a solar farm located in western Queensland.

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## Portfolio Summary

Fund name	Amount invested <sup>11</sup>	Date invested <sup>12</sup>	% allocated capital	Date of last independent valuation review <sup>13</sup>	Description
<b>Total Other Real Assets</b>	<b>33,234,761</b>		<b>23.0%</b>		
<b>Total Real Assets</b>	<b>67,311,453</b>		<b>46.5%</b>		
<b>Private Real Estate<sup>15</sup></b>					
<b>Industrial</b>					
Darra Industrial Income Fund	2,000,000	Dec-14	1.4%	Jun-19	Holds the freehold title to a an industrial manufacturing, distribution and office facility in the Brisbane suburb of Darra. The asset is leased to Wild Breads Pty Ltd.
Revesby Industrial Income Fund	2,500,000	Dec-17	1.7%	Jun-19	Holds the freehold title to an industrial facility in Revesby, NSW. The asset is leased to Birch & Waite Foods Pty Ltd.
<b>International</b>					
Cove Property Group 2 Rector Street Trust	6,974,473	Feb-16	4.8%	Jun-19	A trust to acquire, reposition and lease a 26-storey building at 2 Rector Street in the Financial District, Manhattan, New York.
Cove Property Group 441 Ninth Avenue Trust	5,000,000	Nov-16	3.5%	Dec-19	A trust to acquire and redevelop an existing eight storey building at 441 Ninth Avenue, Manhattan, New York.
<b>Total Private Real Estate</b>	<b>16,474,473</b>		<b>11.4%</b>		
<b>Total capital deployed</b>	<b>143,313,960</b>		<b>100.0%</b>		

11. Total capital deployed or committed to date, inclusive of follow-on investments.

12. Date of initial investment.

13. Independent valuation reviews are subject to reviews by the Board, the Audit & Risk Committee and independent auditors.

14. Student Accommodation investments have largely been exited and removed from the above summary. The remaining balance is less than \$25,000.

For more information

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## IMPORTANT NOTICE

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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.