

14 May 2020

Dear Shareholder

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

The COVID-19 pandemic continues to grip the world, with some daylight at the end of the domestic tunnel, including the staged lifting of restrictions on a state-by-state basis. On behalf of the Board and management of the Alternatives Fund, we continue to extend our best wishes at this very difficult time.

The majority of non-Agricultural investments within the portfolio either directly or indirectly remain exposed to the consequences of the pandemic. Significant adjustments were brought to account in the March quarter. At this stage, no portfolio company has required emergency funding. The portfolio will be subject to a comprehensive external validation of asset values over the next quarter as part of the year end audit process.

The underlying investment managers continue to be heavily engaged with portfolio company management teams, taking significant steps to both protect the businesses as well as prepare for recovery in a changing marketplace.

The Board confirms that the pre-tax NTA of the Alternatives Fund decreased by 0.66 cents per share, or 0.60%, to \$1.0967 per share in April.

During the month, the Alternatives Fund continued its on-market share buy-back program and acquired an additional 564,204 shares at an average price of \$0.6961 representing a 37% discount to April's pre-tax NTA. The existing buy-back program will expire on 15 May 2020, and the Board will soon make a separate announcement regarding its continuation. As BAF's share price continues to trade at a material discount to NTA, BAF has announced the refresh of the program for a further 12 month period.

Manager transition update

Despite the difficulties arising from the COVID-19 pandemic, in the past month significant progress has been made towards finalising the formal legal documents required to effect the manager transition to Wilson Asset Management (International) Pty Limited and the documentation for the extraordinary general meeting. Final sign-off is expected to take several more weeks and the Board will update you in due course.

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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Monthly Update

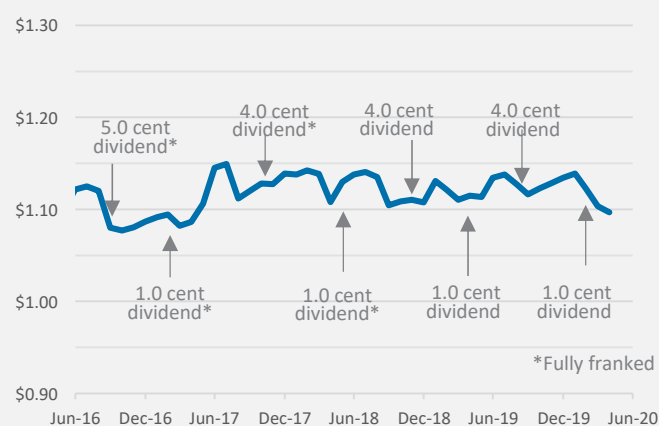
April 2020

Net Tangible Assets – as at 30 April 2020¹

Net Tangible Assets (NTA) per share (pre-tax)	\$1.0967
Net Tangible Assets (NTA) per share (post-tax)	\$1.0927

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	\$38.07	(\$1.53)	18.0%
Venture Capital	\$13.22	\$0.00	6.2%
Subtotal	\$51.29	(\$1.53)	24.2%
Real Assets			
Water Fund	\$56.65	(\$1.87)	26.7%
Strategic Australian Agriculture Fund	\$26.79	\$0.06	12.5%
Other Real Assets	\$7.58	(\$0.28)	3.6%
Subtotal	\$91.02	(\$2.09)	42.8%
Private Real Estate			
Real Estate ³	\$14.56	\$0.75	6.9%
Cash⁴	\$55.45	\$1.11	26.1%
Grand Total	\$212.32	(\$1.76)	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/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.

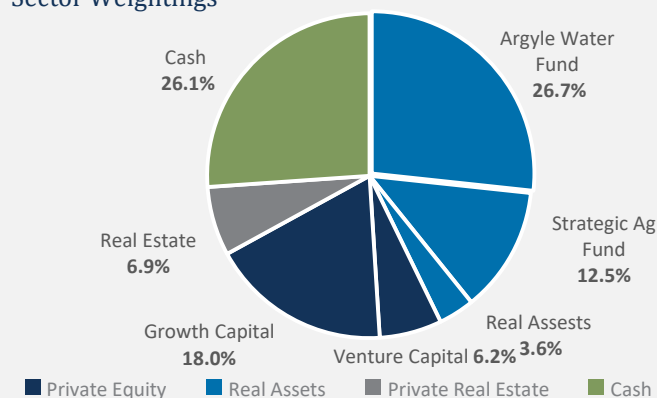
4. Includes capital to fund the remaining \$2.63 million of the \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called at any time prior to July 2020.

Fund Performance⁵

Period	Pre-Tax	Post-Tax
1 month	(0.60%)	(0.37%)
3 months	(2.50%)	(1.39%)
6 months	(1.11%)	0.92%
12 months	4.03%	6.10%
3 year	6.30%	6.60%
Since inception (per annum)	7.28%	7.23%
Since inception (total) (compounding)	51.07%	50.68%

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 32.8% 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 0.66 cents per share, or 0.60% in April to \$1.0967 per share. The decrease was primarily driven by valuation adjustments on water assets softened by an uplift in a commercial real estate asset.

Investment Performance

The COVID-19 pandemic continues to impact the majority of investments within the portfolio either directly or indirectly. Significant adjustments were brought to account in the March quarter. At this stage, no portfolio company has required emergency funding. The portfolio will be subject to a comprehensive year end external validation of asset values over the next quarter as part of the year end audit process.

Growth Capital & Venture Capital Portfolios

There have been no additional valuation movements brought to account across the Growth Capital and Venture Capital portfolios during April. The investment managers continue to be 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 evolves.

Pleasingly, the Alternatives Fund's \$3.0 million investment into Sunfresh Salads in June 2017 which grew to \$4.8 million in value (including franking credits) has been sold to Houston Farms. With \$0.6 million to be received in the first half of FY21, the investment will have generated \$3.1 million in proceeds coupled with a residual \$1.7 million equity position in the combined new entity. Management is particularly pleased with the outcome and the co-operation from both parties in completing this transaction during the midst of this pandemic.

Argyle Water Fund

After many consecutive months of gains, the Argyle Water Fund's NAV value declined 2.3% in April 2020 reflecting a range of factors. The pullback represents the largest monthly decline to the Fund's value since inception, but was not at all extraordinary by comparison to other asset classes in the period. Put in context, NAV has declined to January 2020 levels and remains up 13.0% FYTD. The Water Fund's performance in April cannot simply be interpreted as a result of rainfall across the southern Murray-Darling Basin, however there is no denying this has had an impact on sentiment. In the first week of May, the Murray River system's weekly inflow was the highest since mid-August 2017. So far however, the accumulated rainfall has not contributed greatly to critical upper catchment

irrigation storages in the sMDB, which remain lower than at this time last year (sMDB at 35% capacity). Current BOM forecasts indicate an above average chance of exceeding median rainfall across much of southern Australia into August 2020. Irrigation farmers are therefore optimistic the three year-long drought phase has abated and expected winter rainfall will fill storages in order to guarantee higher water allocation announcements for the 2020/21 Summer irrigation season.

Time will tell if this scenario plays out. But for now, there is limited buying interest for remaining water allocation volumes for the 2019/20 season, but good demand to carry any water allocation volumes forward into the 2020/21 season in case the forecasts are proved wrong. The prospect of greater water availability for next season has removed buying pressure from water entitlements in the near term. This has been exacerbated by capital market turmoil. Buyers with appetite to invest in water entitlements have stood aside for the time being, reflecting their continued risk appetite for this asset class relative to others which have experienced far greater price volatility. However, there is no evidence of any panic selling of entitlements – volumes on offer have indeed been very limited. The price correction is more characterised as a reflection of buyers' standing aside in a cautious approach after many months of consecutive gains. The Water Fund is currently finalising another cash distribution to be paid in June 2020 reflecting income generated from leases of water entitlements and water allocation sales achieved in the 2019/20 season.

Agriculture Assets

During April, the portfolio received its final payment from its investment in the Premium Beef Development Fund. There were no other significant movements in the portfolio.

Real Estate Portfolio

The Alternatives Fund booked an uplift in the valuation of the Revesby asset (leased to Birch & Waite). The valuation of this asset is independently provided by Centennial Industrial & Logistics ('CPG') who has taken over the investment management of that asset.

Distributions

During April, the following distributions were received by the Alternatives Fund:

- **Premium Beef Development Fund** ~ \$216k
- **Sunfresh Fund** ~ \$1,451k

There were no distributions accrued for the month of April.

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.