

12 June 2020

Dear Shareholder

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

The Board confirms that the pre-tax NTA of the Alternatives Fund decreased by 0.63 cents per share, or 0.57%, to \$1.0904 per share in May.

As announced on 1 May 2020, the Company refreshed its share buy-back program which expired on 15 May 2020 for a further twelve month period. During the month, the Alternatives Fund acquired an additional 398,095 shares at an average price of \$0.7069 representing a 35% discount to May's pre-tax NTA.

**Manager transition update**

The Company announced during the month that Pitcher Partners Sydney has been appointed as auditor for the Company. This appointment follows the outcome of an audit tender process undertaken by the Directors. In addition to anticipated cost savings, the change will result in the alignment of auditors with the proposed new manager of the Company, Wilson Asset Management (International) Pty Limited, to be appointed subject to shareholder approval.

A further announcement in relation to the ongoing progress of the manager transition will follow later this month.

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

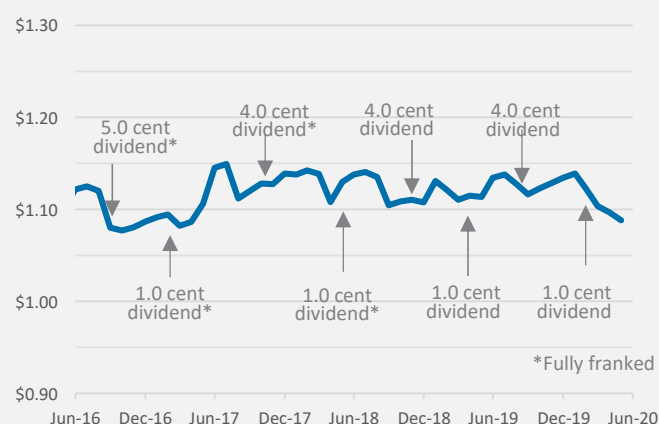
May 2020

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

Net Tangible Assets (NTA) per share (pre-tax)	\$1.0904
Net Tangible Assets (NTA) per share (post-tax)	\$1.0882

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	\$38.07	\$0.00	18.0%
Venture Capital	\$13.22	\$0.00	6.3%
<b>Subtotal</b>	<b>\$51.29</b>	<b>\$0.00</b>	<b>24.3%</b>
<b>Real Assets</b>			
Water Fund	\$56.03	(\$0.62)	26.5%
Strategic Australian Agriculture Fund	\$26.60	(\$0.20)	12.6%
Other Real Assets	\$7.49	(\$0.0.9)	3.5%
<b>Subtotal</b>	<b>\$90.12</b>	<b>(\$0.90)</b>	<b>42.6%</b>
<b>Private Real Estate</b>			
Real Estate <sup>3</sup>	\$14.56	\$0.00	6.9%
<b>Cash<sup>4</sup></b>	<b>\$55.30</b>	<b>(\$0.15)</b>	<b>26.2%</b>
<b>Grand Total</b>	<b>\$211.27</b>	<b>(\$0.15)</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](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.

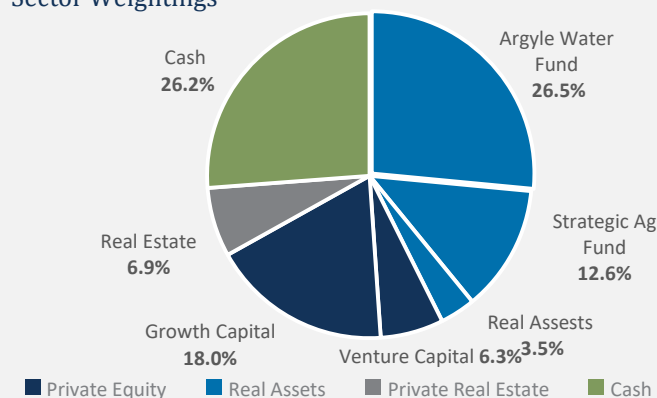
4. Includes capital to fund the remaining \$2.63 million of the \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called at any time prior to July 2020.

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

Period	Pre-Tax	Post-Tax
1 month	(0.57%)	(0.41%)
3 months	(1.66%)	(0.95%)
6 months	(2.18%)	(0.01%)
12 months	3.59%	5.43%
3 year	5.47%	5.98%
Since inception (per annum)	7.06%	7.05%
Since inception (total) (compounding)	50.21%	50.06%

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 0.63 cents per share, or 0.57% in May to \$1.0904 per share. The decrease was primarily driven by valuation adjustments on water assets which are revalued on a monthly basis.

Assets that have not been independently valued throughout the year, or do not have an observable valuation point such as a financing round, or sale, will be subject to an independent valuation review under the Alternatives Fund's Investment Valuation Policy. These will be performed during June and July and brought to account once complete. Independent valuation reviews will be made available to the recently appointed auditors Pitcher Partners as part of their financial statement review process.

## Investment Performance

### Growth Capital & Venture Capital Portfolios

There have been no new valuation movements brought to account across the Growth Capital and Venture Capital portfolios during May. It remains the case that no portfolio company has required additional working capital funding given relatively strong balance sheets, low leverage and steps taken by the management teams to reduce overall expenditure. Equity financing rounds initiated or pre-planned for launch prior to COVID-19 have continued uninterrupted.

### Argyle Water Fund

The unit value of the Argyle Water Fund declined a further 1.1% in May 2020 following a further pull back in water entitlement values in some regions of the southern Murray-Darling Basin ('MDB'). Trade in water entitlements has been relatively subdued over the past few months as market participants assessed the various impacts of the Global Lockdown in relation to capital markets; food, fibre, and beverage export demand; and the availability of seasonal farm labour for harvest. Farm sector confidence in southern Australia has been boosted by above average rainfall throughout Autumn. This has so far not contributed greatly to upper catchment storage dams, which remain just over 40% capacity on average. The Bureau of Meteorology's outlook remains positive for average rainfall in the Winter and Spring of 2020; however, it has noticeably wound back its previous forecasts of the well above average chance of exceeding median rainfall to end of August. Permanent crop irrigators are inclined to manage this risk by securing their water supplies via leases and forward contracts. This activity is expected to provide underlying support to water entitlement values given the scarcity of long term supply relative to the developing area of permanent crops in the

southern MDB. The Argyle Water Fund will pay a further 1.65% distribution in June 2020 (40% franked).

### Agriculture Assets

There were no significant movements in the portfolio.

### Real Estate Portfolio

There were no significant movements in the portfolio.

### Trustee Transition

The Alternatives Fund has been provided updates indicating that, as part of an orderly migration, the existing trustee, AAP Securities Limited ACN 125 223 958, AFSL 314 177 has entered into arrangements to transition the trusteeship of the Argyle Water Fund to The Trust Company (Australia) Limited ACN 000 000 993, AFSL 235 145, one of Perpetual Limited's trustee service providers. This is expected to occur in July. AAP Securities Limited has indicated that it expects to make further announcements of a similar nature in coming weeks.

## Distributions

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

- **Solar Fund** ~ \$95k
- **Revesby Industrial Income Fund** ~ \$45k

There were no distributions accrued for the month of May.

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.