

14 July 2020

Dear Shareholder

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

The Board confirms that the pre-tax NTA of the Alternatives Fund decreased by 0.50 cents per share, or 0.46%, to \$1.0854 per share in June.

During the month, the Alternatives Fund acquired an additional 938,771 shares at an average price of \$0.7277 representing a 33% discount to June's pre-tax NTA.

The Board acknowledges the significant volume of work undertaken by the underlying investment managers and management teams of the portfolio companies in response to the COVID-19 outbreak. Whilst the NTA report for the period ending 30 June 2020 has been prepared with the most up-to-date information, in light of the fast changing landscape it is likely that further valuation adjustments may be made as additional final valuations are received or external independent valuation reviews are finalised. In addition, the auditor Pitcher Partners will be reviewing the valuations as part of their regular full year financial statement audit. We look forward to finalising the year-end financial statements with lodgement targeted for the week commencing 24 August 2020.

Manager transition update

The Company announced during the month that after lengthy negotiations between BSAAF Management Pty Limited, Wilson Asset Management (International) Pty Limited and the Company, remaining transaction issues have now been resolved in principle on terms the Board considers acceptable to be put to shareholders. The parties are close to finalising the long-form documentation on the basis of the in-principle revised terms and the Board expects that the various parties will be able to agree, finalise and execute the long form legal documentation shortly.

The Board will provide a further update to shareholders on the agreed terms and indicative timing upon execution of the long form documents.

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

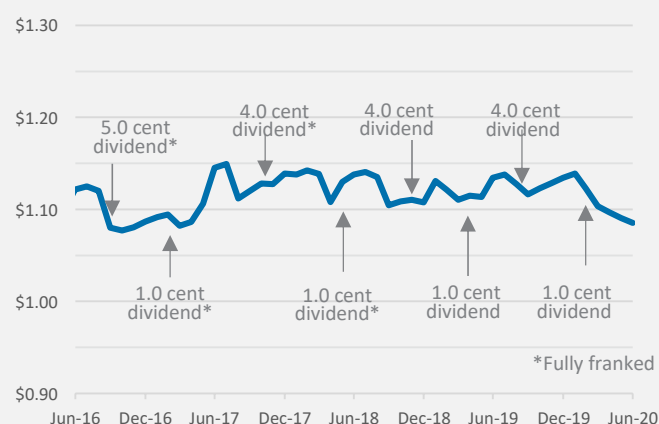
June 2020

Net Tangible Assets – as at 30 June 2020¹

Net Tangible Assets (NTA) per share (pre-tax)	\$1.0854
Net Tangible Assets (NTA) per share (post-tax)	\$1.0857

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	\$37.35	(\$0.72)	17.7%
Venture Capital	\$14.72	\$1.50	7.0%
Subtotal	\$52.07	\$0.78	24.7%
Real Assets			
Water Fund	\$55.17	(\$0.86)	26.1%
Strategic Australian Agriculture Fund	\$27.36	\$0.76	12.9%
Other Real Assets	\$7.48	(\$0.01)	3.5%
Subtotal	\$90.01	(\$0.11)	42.5%
Private Real Estate			
Real Estate ³	\$14.40	(\$0.16)	6.8%
Cash⁴	\$54.95	(\$0.35)	26.0%
Grand Total	\$211.43	\$0.16	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.

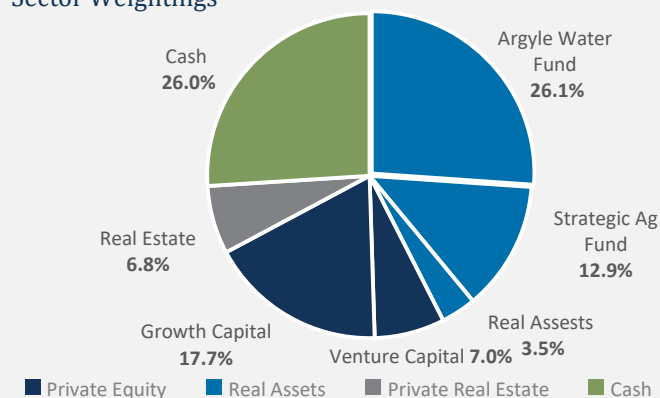
4. Includes capital to fund the remaining \$1.88 million of the \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called subject to the Trust Deed.

Fund Performance⁵

Period	Pre-Tax	Post-Tax
1 month	(0.46%)	(0.23%)
3 months	(1.62%)	(1.01%)
6 months	(3.12%)	(1.64%)
12 months	2.51%	4.47%
3 year	4.09%	4.98%
Since inception (per annum)	6.88%	6.91%
Since inception (total) (compounding)	49.52%	49.72%

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 32.5% 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 0.50 cents per share, or 0.46% in June to \$1.0854 per share. Movements in the investment portfolio were positive overall, with some earlier than budgeted revenue improvements across a number of investments following the significant downward revaluation in March. In addition, the justification for maintaining several asset specific COVID-19 provisions were relaxed. There was also a negative impact from the reversal of the Q1 USD foreign currency exchange gains. Outside of the investment portfolio, the Alternatives Fund has made a one-off adjustment in relation to fee rebates. The adjustment reduces the carrying value of certain management fee rebates, and certain estimated but not yet payable performance fee rebates that had been accounted for as assets ultimately recoverable from the Manager. The adjustment is in relation to the proposed termination of the Management Services Agreement between the Alternatives Fund and the Manager and expected transition to Wilson Asset Management (International) Pty Ltd, subject to shareholder approval.

Investment Performance

Growth Capital Portfolio

As we reflect on an extraordinary quarter and what the Growth Capital portfolio has navigated through, the quick action by the investment team and the portfolio management teams to stabilise the respective businesses, assess the new environment and then plan for a range of future scenario continues to work. The portfolio companies remain in sound liquidity positions and it remains the case that no portfolio company has required emergency funding. Revenue forecasts in many cases were budgeted to be radically impacted, and whilst we are closer to the beginning than the end, actual revenue achieved in most cases has been ahead of the revised budgets. Where considered reliable, this has been reflected in the fair valuations of the companies and the respective investments into those companies. Independent valuation reviews are well progressed with the investment manager adopting the recommendations of the independent reviewer in terms of adjustments or valuation approach.

Venture Capital Portfolio

The Venture Capital portfolio has continued to perform well with its largest deployment continuing to grow top line revenues, despite the prevailing COVID-19 conditions. This has resulted in a conservative uplift in the portfolio's value. There has been some negative impact from the AUD appreciation through the quarter which has reduced this overall gain. Independent valuation reviews are well progressed.

Argyle Water Fund

The unit value of the Argyle Water Fund ('Water Fund') declined marginally in June.

Over the life of the Water Fund, capital growth has reflected on-going changes in the application of irrigation water to higher value crops, and the inherent scarcity of entitlements in each region in which the Water Fund is invested. Higher capital values are not stimulating more supply of water rights; no new dams are being built in the regions in which the Water Fund is invested. The decline in value of the Water Fund is largely reflective of the fund declaring and paying a 1.67% net distribution during June.

Agriculture Assets

Other than the payment of a \$750,000 capital call in respect of the Strategic Australian Agriculture Fund, there were no significant movements in the Agricultural portfolio with relevant land, building and crop valuations expected to be received and finalised in time for the release of the August NTA report.

Real Estate Portfolio

The largest real estate exposures in the portfolio remain in the US, in particular New York office buildings. The largest investment has recently been independently valued with a minor uplift generated from an increase in rent and the building occupancy levels as the tenancy program progresses. The portfolio manager has elected to leave the asset value unchanged. Following receipt of this updated independent valuation, the requirement to hold the 10% asset specific provisions on New York real estate investments introduced for precautionary measures and held since March have been removed. However, the appreciation of the AUD against USD over the past three months has largely offset the provision release with a small overall decline being brought to account.

Trustee Transition

The Alternatives Fund has been provided updates indicating that, as part of an orderly migration, the existing trustee, AAAP Securities Limited ACN 125 223 958, AFSL 314 177 has entered into arrangements to transition the trusteeship of the Argyle Water Fund and the Strategic Australian Agriculture Fund to The Trust Company (Australia) Limited ACN 000 000 993, AFSL 235 145, one of Perpetual Limited's trustee service providers. This continues to be expected to occur in July. AAAP Securities Limited has further indicated that it expects to make additional announcements of a similar nature by the end of July in regard to other investments.

Distributions

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

- **Argyle Water Fund** ~ \$968k

There were no distributions accrued for the month of June.

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BAF Unit Price Summary - Closed Ended Funds⁶

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

Unit price band ⁷	# of funds ⁶	Weighted average months held	% of portfolio ⁸	Funds within band
≤ \$1.00 ⁹	16	49	32%	10 Growth Capital funds 3 Venture Capital funds 1 Real Assets funds 2 Real Estate funds
>\$1.00 - \$1.20	5	36	44%	3 Growth Capital funds 1 Real Assets fund 1 Real Estate fund
>\$1.20 - \$1.40	2	32	4%	1 Growth Capital funds 1 Real Estate fund
>\$1.40	5	46	20%	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 and does not reflect capital or income distributions.

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.

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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 ⁹	\$3.5m	28%	\$7.1m	34%	2.0x
3	Private Real Estate	Grantson Street Windsor	Aug-14	Jun-17 ⁹	\$1.0m	4%	\$1.7m	22%	1.7x
4	Private Real Estate	Logan Road Greenslopes	Aug-14	Jun-17 ⁹	\$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%	\$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.
10. Date initial exit proceeds were received.

Quarterly Report

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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%	\$0.6m	9%	1.20x
25	Real Assets	Premium Beef	Dec-16	Apr-20	\$1.4m	0%	\$0.9m	-15%	0.65x
Weighted Average (excluding partially exited funds)						1%		11%	1.2x

Note: values may not add due to rounding.

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Portfolio Summary

Fund name	Amount invested ¹¹	Date invested ¹²	% allocated capital	Date of last independent valuation review ¹³	Description
Private Equity					
Growth Capital					
Wild Breads Fund	2,000,000	Jun-14	1.4%	Jun-20	Holds equity in Wild Breads Pty Ltd, a business in the artisan and specialty bread category.
Hotels Fund	6,000,000	Jun-15	4.2%	Jun-20	Holds equity in the GM Hotels, a portfolio of freehold and leasehold hotels in South Australia.
Origo Education Fund	1,500,000	Jun-15	1.1%	Jun-20	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-20	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	1.8%	Jun-20	Holds equity in Shopper Media Group Pty Ltd, an out-of-home advertising business.
QFS Fund	6,000,000	Dec-16	4.2%	Jun-20	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-20	A fund providing follow-on expansion capital into Wild Breads Pty Ltd.
Better Medical Fund	3,000,000	May-17	2.1%	Jun-20	Holds equity in Better Medical, a group of general practice medical clinics.
Tourism Fund	3,000,000	May-17	2.1%	Jun-20	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-20	A fund providing follow-on expansion capital into Shopper Media Group.
Energy Storage Fund	5,000,000	Nov-17	3.5%	Jun-20	Holds equity in esVolta, a battery storage developer based in the United States.
IT Consulting Fund	4,000,000	Dec-17	2.8%	Jun-20	Holds equity in Digital Lifecycle Group, an IT services and consulting company that supports enterprise and government clients in Australia.

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Portfolio Summary

Fund name	Amount invested ¹¹	Date invested ¹²	% allocated capital	Date of last independent valuation review ¹³	Description
Birch & Waite Fund	4,000,000	Dec-17	2.8	Feb-20	Holds equity in Birch & Waite, a Sydney-based manufacturer of premium condiments, desserts and beverages.
Total Growth Capital	47,577,869		33.4%		
Venture Capital					
VC2014 Fund	4,000,000	Jun-14	2.8%	Jun-20	A fund invested in a diversified portfolio of 9 venture capital co-investments.
Vinomofo Fund	3,000,000	Dec-15	2.1%	Jun-20	Holds equity in Vinomofo, an Australian online wine retailer.
aCommerce Fund	1,305,664	Jul-16	0.9%	Jun-20	Has an interest in aCommerce, a provider of outsourced e-commerce solutions in South East Asia.
aCommerce Fund 2	2,500,000	Nov-16	1.8%	Jun-20	A fund providing follow-on capital into aCommerce.
aCommerce Fund 3	1,144,501	Nov-17	0.8%	Jun-20	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.
Total Venture Capital	12,950,165		9.1%		
Total Private Equity	60,528,034		42.5%		
Real Assets					
Water Rights					
Argyle Water Fund	34,076,692	Jun-14	23.9%	Jun-20	A fund to invest in a regionally diversified portfolio of Australian Water Entitlements. Asset review is independently performed monthly.
Total Water Rights	34,076,692		23.9%		
Other Real Assets					
Agriculture Fund II	4,000,000	Oct-15	2.8%	Jun-20	Holds the freehold property and business assets comprising Hillston Citrus, an irrigated citrus orchard near Hillston in NSW.
Strategic Australian Agricultural Fund	25,000,000	Jun-17	17.6%	Jun-20	A fund to acquire and manage a diversified portfolio of Australian agricultural assets and Water Entitlements.
Solar Fund	2,234,761	Sep-17	1.6%	Jun-20	Develops and operates a solar farm located in western Queensland.
Total Other Real Assets	31,234,761		22.0%		
Total Real Assets	65,311,453		45.9%		

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Portfolio Summary

Fund name	Amount invested ¹¹	Date invested ¹²	% allocated capital	Date of last independent valuation review ¹³	Description
Private Real Estate¹⁵					
Industrial					
Darra Industrial Income Fund	2,000,000	Dec-14	1.4%	Jun-20	Holds the freehold title to 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	1.8%	Mar-20	Holds the freehold title to an industrial facility in Revesby, NSW. The asset is leased to Birch & Waite Foods Pty Ltd.
International					
Cove Property Group 2 Rector Street Trust	6,974,473	Feb-16	4.9%	Jun-20	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.
Total Private Real Estate	16,474,473		11.6%		
Total capital deployed	142,313,960		100.0%		

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 aggregate balance across the remaining student accommodation portfolio is approximately \$150,000.

For more information

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IMPORTANT NOTICE

Quarterly Report

June 2020



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.