

24 August 2018

BLUE SKY ANNOUNCES SALE OF RETIREMENT LIVING FUNDS AND OPERATOR

Blue Sky Alternative Investments Limited (ASX: BLA) ('Blue Sky' or 'the Company') today announces that it has signed a binding agreement with an offshore institutional investor to sell the wholesale funds' interests in the Company's six retirement living funds and its 50% interest in Aura, the operator of the retirement living business.

The sale remains conditional on Foreign Investment Review Board ('FIRB') approval and third-party consents, with settlement expected by the end of September 2018.

Final sale proceeds to Blue Sky will depend on completion price adjustments. If the deal completes as expected, Blue Sky fund investors in the Corinda, Maroochydore, Lutwyche, Middle Ridge, Bilinga and the Diversified Retirement Living funds are expected to achieve an IRR of between 6% p.a. and 30% p.a. depending on the applicable fund and if units were partly paid or fully paid.

Blue Sky believes that the agreed sale prices represent an attractive risk-adjusted return to the Blue Sky investors in these funds. The carrying value of the funds were most recently independently reviewed by KPMG in April and May 2018. It is expected that four of the six funds will be sold above the carrying values, one will be approximately in line and one will be below.

Blue Sky's 50% ownership in Aura is expected to be sold at a profit with the net cash inflow to Blue Sky following completion expected to be approximately \$2.5m, dependent on completion price adjustments.

Tim Russell and Mark Taylor, founders of Aura, will continue to operate the business.

For more information, please contact:

Leyya Taylor
Company Secretary
Blue Sky Alternative Investments Limited
Telephone: 07 3270 7500
Email: ltaylor@blueskyfunds.com.au
Website: blueskyfunds.com.au

For shareholder enquiries, please contact:

Neil Power
Shareholder Relations Officer
Blue Sky Alternative Investments Limited
Telephone: 0416 186 016
Email: npower@blueskyfunds.com.au

For fund investor enquiries please contact:

Fund Investors Enquiries
Telephone: 07 3270 7500
Blueskyinvestorservices@blueskyfunds.com.au

For media enquiries, please contact:

Emily Blyth
Telephone: 0401 601 044
Email: emily.blyth@consiglio.com.au

BLUE SKY ALTERNATIVE INVESTMENTS LIMITED

Post PO Box 15515, Brisbane QLD 4002
Phone +61 7 3270 7500
Email investorservices@blueskyfunds.com.au

HEAD OFFICE

Level 46
111 Eagle Street
Brisbane QLD 4000

ABN 79 136 866 236

blueskyfunds.com.au