

29 November 2018

By electronic lodgement

The Manager
Company Announcements Office
ASX Ltd
20 Bridge Street
SYDNEY NSW 2000

Alterum Proposal to Blue Sky Alternative Access Fund Limited

Pinnacle Investment Management Group Limited attaches a copy of a letter sent to the directors of Blue Sky Alternatives Access Fund Limited on 29 November 2018.

For further information, please contact 1300 651 577.

Yours faithfully

Calvin Kwok
Company Secretary

29 November 2018

Mr Paul Masi, Mr Michael Cottier, Mr Peter Wade
Independent Non-Executive Directors
Blue Sky Alternatives Access Fund Limited

Dear Sirs

Alterum Proposal to Blue Sky Alternatives Access Fund Limited

Pinnacle Investment Management Group Limited (**Pinnacle**), via its subsidiary Alterum Investment Management Pty Ltd (**Alterum**), entered into an agreement (**Management Services Agreement**) with Blue Sky Alternative Access Fund Limited (**BAF**) on 17 October 2018 to be appointed as manager of the BAF portfolio with effect from 1 January 2019 (**Proposal**). The terms of this agreement were subsequently amended by a Deed of Variation on 5 November 2018. In conjunction, BAF entered into an implementation deed with Blue Sky Alternatives Investments Ltd (**BLA**) to agree the terms on which the management services agreement between BAF and BLA would be terminated to facilitate the Proposal.

Pinnacle submitted the Proposal on the basis that both BAF and BLA would work co-operatively to give effect to the Proposal. On 22 November 2018, BAF announced in relation to further information received from Wilson Asset Management International Pty Limited (**WAM**), that BLA would not preclude BAF from entering into discussions with WAM in the event that, amongst other things, WAM gives BLA an "irrevocable undertaking to comply with certain restrictions with respect to its management of the existing BLA-managed components of the BAF portfolio". In Pinnacle's view, this indicates a willingness on the part of BLA to enter into discussions with a competing party which is inconsistent with the co-operative basis on which Pinnacle agreed to proceed with the Proposal.

Pinnacle notes that an appreciable number of BAF shareholders have voted against the re-election of independent directors who were up for re-election at the AGM on 29 November and who previously recommended the Proposal to BAF shareholders. The non re-election of the independent directors will necessitate the appointment of new directors to the BAF board. It is expected that the appointment of new directors would result in the recommendation previously made by the BAF board regarding the Proposal to be reassessed and lead to a protracted process with respect to approving the Proposal, likely taking the process beyond the 31 December 2018 deadline at which time the Management Services Agreement will lapse.

As a result of the above reasons, Pinnacle and Alterum has terminated the Management Services Agreement and withdrawn the Proposal.

Yours faithfully,



Ian Macoun
Managing Director
Pinnacle Investment Management Group Limited