

US STUDENT ACCOMODATION JOINT VENTURE MAKES FIRST ACQUISITION

12 December 2016

In November 2016, Blue Sky Alternative Investments Limited (ASX:BLA) (**Blue Sky**) announced that it had formed a joint venture with Student Quarters, a leading US-based student accommodation investment manager that currently manages approximately 5,000 beds across eight US university campuses.

The joint venture has now signed an agreement to acquire a newly constructed, approximately 250 bed student accommodation facility adjacent to a large North American state university that has over 30,000 students.

This is the first acquisition for the new joint venture and is a significant strategic milestone in the expansion of the Student Quarters platform. The acquisition is anticipated to complete within the next three months and is subject to the satisfaction of customary conditions precedent for a transaction of this nature.

In March 2016, Blue Sky entered a joint venture with a subsidiary of Goldman Sachs to develop, own and operate an Australian student accommodation portfolio of 5,000 to 10,000 beds. The Australian joint venture has to date secured seven sites which represent approximately 3,900 beds upon completion. The Student Quarters joint venture allows Blue Sky to extend its interests in student accommodation into North America, while Student Quarters will benefit from Blue Sky's institutional platform which will allow it to substantially grow its assets under management through access to capital.

About Student Quarters

Student Quarters was established in 2013 to acquire and manage high quality student accommodation assets in select North American markets. The joint venture targets operational, value-add assets with strong cash yields that are closely located to large public universities.

This joint venture complements Blue Sky's Australian student accommodation development business and has been established to take advantage of opportunities to acquire student accommodation assets in North America as this industry consolidates.

The team at Student Quarters are highly experienced and have undertaken over 50 transactions with US\$1.4 billion of capital invested in their careers.

Blue Sky holds a 60% economic interest in the joint venture with Student Quarters.

For more information please contact:

Jane Prior
Company Secretary
Blue Sky Alternative Investments Limited

Telephone: 07 3270 7500
Email: jprior@blueskyfunds.com.au
Website: blueskyfunds.com.au

BLUE SKY ALTERNATIVE INVESTMENTS LIMITED

Post PO Box 15515, Brisbane QLD 4002
Phone +61 7 3270 7500
Fax +61 7 3270 7599
Email investorservices@blueskyfunds.com.au

HEAD OFFICE

Level 46
111 Eagle Street
Brisbane QLD 4000

ABN 73 136 866 236

blueskyfunds.com.au