



Blue Sky Alternative Investments Limited

ACN 136 866 236

Retail Entitlement Offer Information Booklet

Details of a 1 for 10 pro rata accelerated non-renounceable entitlement offer at \$6.50 per Share to raise up to \$36.8 million before Equity Raising Costs.

Last date for acceptance and payment:
5.00pm (AEST) on 1 June 2016

If you are an Eligible Retail Shareholder, this is an important document that requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions about the securities being offered for issue under it or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Joint Lead Managers and Underwriters

ORD MINNETT

Morgans IN ALLIANCE WITH **CIMB**

Legal Advisor



TALBOTSAYER
LAWYERS

Important Notices

This Information Booklet is dated 13 May 2016. Capitalised terms in this section have the meaning given to them in this Information Booklet.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This Information Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Information Booklet does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Information Booklet is important and should be read in its entirety before deciding to participate in the Entitlement Offer. This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC.

The Company may make additional announcements after the date of this Information Booklet and throughout the period that the Retail Entitlement Offer is open that may be relevant to your consideration about whether you should participate in the Entitlement Offer.

No party other than the Company has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

The Joint Lead Managers have not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Information Booklet and do not make or purport to make any statement in this Information Booklet and there is no statement in this Information Booklet which is based on any statement by the Joint Lead Managers. The Joint Lead Managers and their affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Information Booklet or any action taken by you on the basis of the information contained in this Information Booklet and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Information Booklet.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Entitlement Offer detailed in this Information Booklet.

No overseas offering

This Information Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Shareholders and may not be distributed in the United States and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States.

This Information Booklet is not to be distributed in, and no offer of New Shares is to be made in countries other than Australia and New Zealand. The distribution of this Information Booklet in other jurisdictions may be restricted by law and therefore persons who come into possession of this Information Booklet should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia or New Zealand.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for the Company to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand).

This document has not been registered, filed with or approved by a New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Definitions, currency and time

Defined terms used in this Information Booklet are contained in section 5. All references to currency are to Australian dollars and all references to time are to Australian Eastern Standard Time (AEST) time, unless otherwise indicated.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. The Company considers that it is not appropriate to give advice regarding the tax consequences of subscribing for New Shares or dealing with Entitlements under this Information Booklet or the subsequent disposal of any New Shares. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer. The Legal Adviser has not authorised, permitted or caused the issue of this Information Booklet.

Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's shareholding in the Company.

By submitting an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly or through the Share Registry). The Company collects, holds and will use that information to assess your Application. The Company collects your personal information to process and administer your shareholding in the Company and to provide related services to you.

The Company may disclose your personal information for purposes related to your shareholding in the Company, including to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory bodies.

Important Notices

You can obtain access to personal information that the Company holds about you, and correct and update such personal information. To make a request for access to or to correct or update your personal information held by (or on behalf of) the Company, please contact the Company through the Share Registry.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

Governing law

This Information Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Queensland, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of Queensland, Australia.

No representations

No person is authorised to give any information or to make any representation in connection with the Entitlement Offer which is not contained in this Information Booklet. Any information or representation in connection with the Entitlement Offer not contained in the Information Booklet may not be relied upon as having been authorised by the Company or any of its officers.

Past performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Future performance

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of the Company and certain plans and objectives of the management of the Company. These forward-looking statements involve known and unknown risks, uncertainties and other factors which are subject to change without notice, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward-looking statements are provided as a general guide only and there can be no assurance that actual outcomes will not differ materially from these statements. Neither the Company, nor any other person, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statement will actually occur. In particular, such forward-looking statements are subject to significant uncertainties and contingencies, many of which are outside the control of the Company. A number of important factors could cause actual results or performance to differ materially from the forward looking statements.

Investors should consider the forward looking statements contained in this Information Booklet in light of those disclosures.

Non-IFRS information

This Information Booklet contains certain non-IFRS financial information. The directors of the Company believe the presentation of certain non-IFRS financial information is useful for users of this Information Booklet as they reflect the underlying financial performance of the business. Notwithstanding this, investors are cautioned not to place undue reliance on any non-IFRS financial information included in this Information Booklet. The non-IFRS financial information includes the Company's underlying Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flow (collectively, the 'underlying results'). These underlying results are presented with all equity held by the Company in the funds that it manages being accounted for at fair value using the same approach as AASB 13 – Fair Value Measurement. This differs from the Company's statutory financial statements where a range of the Company's equity holdings in the funds that it manages are either consolidated or equity accounted following the adoption of the AASB 10 – Consolidated Financial Statements accounting standard.

Trading New Shares

The Company and the Joint Lead Managers will have no responsibility and disclaim all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in doubt as to these matters, you should first consult with your financial or other professional advisor.

Risks

Refer to the 'Risk factors' section of the Investor Presentation included in section 2 of this Information Booklet for a summary of general and specific risk factors that may affect the Company.

United States disclaimer

None of the information in this booklet or the accompanying Entitlement and Acceptance Form constitutes an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither this booklet (or any part of it), the accompanying ASX announcement nor the accompanying Entitlement and Acceptance Form may be released or distributed directly or indirectly, to persons in the United States.

The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons (including nominees or custodians) who are acting for the account or benefit of a person in the United States, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

13 May 2016

Dear Shareholder

I am pleased to write to you, as a shareholder of Blue Sky Alternative Investments Limited (**Company**), to offer you the opportunity to participate in the Company's recently announced 1 for 10 accelerated non-renounceable entitlement issue of new ordinary shares in the Company (**New Shares**) at an issue price of \$6.50 (**Offer Price**) per New Share (**Entitlement Offer**).

Equity Raising

On 11 May 2016, the Company announced its intention to conduct a placement (**Placement**) and a 1 for 10 Entitlement Offer (together, the **Equity Raising**).

The Placement offer of approximately \$30 million at \$6.50 per share, was made to institutional, professional and sophisticated investors.

The Company is also completing a 1 for 10 Entitlement Offer to raise approximately \$36.8 million at \$6.50 per New Share, the same price as the Placement.

The successful completion of the accelerated component of the Entitlement Offer (offered to eligible institutional, sophisticated and professional investors) (**Accelerated Entitlement Offer**) and the Placement were announced on 13 May 2016.

This information booklet (**Information Booklet**) relates to the non-accelerated component of the Entitlement Offer (**Retail Entitlement Offer**).

The proceeds of the Equity Raising will be applied principally to provide additional capital for ongoing co-investment in funds managed by the Company, to provide balance sheet support for new funds launched and to demonstrate balance sheet scale to enhance conversion of institutional mandates. The quantum of equity being raised is considered to be sufficient, for the foreseeable future, to support expected ongoing strong growth in assets under management, including newly announced joint ventures.

Under the Retail Entitlement Offer, Eligible Retail Shareholders have the opportunity to subscribe for New Shares at the price of \$6.50, which is the same subscription price as the Placement and the Accelerated Entitlement Offer. As announced on 13 May, the Retail Entitlement Offer is fully underwritten.

The number of new shares you are entitled to subscribe for under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that is enclosed in this Information Booklet.

The Offer Price of \$6.50 per New Share represents a discount of:

- 9.2% to the last traded price of the Company's Shares on 10 May 2016; and
- 7.1% to the previous 30 day volume weighted average price (**VWAP**) of the Company's Shares up to and including 10 May 2016.

The Entitlement Offer is non-renounceable and therefore your entitlements will not be tradable on the ASX or otherwise transferable. I encourage you to consider this offer carefully.

Other Information

This Information Booklet contains important information, including:

- the investor presentation, which was released to the ASX on 11 May 2016, and provides information on the Company, the Entitlement Offer and key risks for you to consider;
- instructions on how to apply, detailing how to take up all or part of your Entitlement under the Retail Entitlement Offer (if you choose to do so), and a timetable of key dates; and
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions.

The Retail Entitlement Offer closes at 5pm AEST on Wednesday, 1 June 2016.

Please read in full the details on how to submit your application set out in this Information Booklet. For further information regarding the Retail Entitlement Offer, please call the Company on (07) 3270 7500 between 8:00am to 5:00pm (AEST time) Monday to Friday, or visit our website at blueskyfunds.com.au.

You should also consult your stockbroker, solicitor, accountant or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

On behalf of the Board of the Company, I encourage you to consider this investment opportunity and thank you for your ongoing support.

Sincerely



John Kain

Chairman
Blue Sky Alternative Investments Limited

Summary of Equity Raising

Placement

Issue price	\$6.50 per Share
Size	4,615,385 Shares
Gross proceeds	Approximately \$30 million

Entitlement Offer

Ratio	1 Share for every 10 existing Shares
Offer Price	\$6.50 per New Share
Size	5,655,506 New Shares
Gross proceeds	Approximately \$36.8 million
Total gross proceeds of the Equity Raising	Approximately \$66.8 million

Key dates

Activity	Date
Trading halt and announcement of Placement and Entitlement Offer	Wednesday, 11 May 2016
Placement and Accelerated Entitlement Offer conducted	Wednesday, 11 May 2016 and Thursday, 12 May 2016
Announcement of the completion of Placement and Accelerated Entitlement Offer and trading resumes on an ex-entitlement basis	Friday, 13 May 2016
Record Date for Retail Entitlement Offer (7pm AEST)	Friday, 13 May 2016
Information Booklet and Entitlement and Acceptance Form despatched to Eligible Retail Shareholders	Wednesday, 18 May 2016
Retail Entitlement Offer opens	Wednesday, 18 May 2016
Settlement of Placement and Accelerated Entitlement Offer and allotment and issue of New Shares	Thursday, 19 May 2016
Quotation of New Shares issued under the Accelerated Entitlement Offer and Placement and trading commences on a normal basis	Friday, 20 May 2016
Last date to extend the closing date for the Retail Entitlement Offer	Friday, 27 May 2016
Closing date for acceptances under Retail Entitlement Offer (5pm AEST)	Wednesday, 1 June 2016
Announcement of results of Retail Entitlement Offer	Monday, 6 June 2016
Settlement of Retail Entitlement Offer and allotment of New Shares	Wednesday, 8 June 2016
Quotation of New Shares issued under the Retail Entitlement Offer and trading commences on a normal basis	Thursday, 9 June 2016
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Friday, 10 June 2016

Note: Australian Eastern Standard Time (AEST) is the time applicable in Sydney, New South Wales.

This Timetable is indicative only and subject to change. The Directors may vary these dates, in conjunction with the Joint Lead Managers, subject to the Listing Rules. Any variation or extension to the Timetable may delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant Application Monies (without interest) will be returned in full to Applicants.

Enquiries

For any enquiries or if you have lost your Entitlement and Acceptance Form and would like a replacement form, please contact the Company on (07) 3270 7500 (inside Australia) between 8:00am to 5:00pm (AEST time) Monday to Friday. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

Table of contents

Summary of Equity Raising	5	2. ASX announcements and investor presentation	10
Key dates	5	3. How to apply	56
Enquiries	5	3.1 Shareholder's choices	56
1. Description and effect of the Entitlement Offer	7	3.2 Taking up all of your Entitlement	56
1.1 Overview	7	3.3 Taking up part of your Entitlement and allowing the balance to lapse	56
1.2 Accelerated Entitlement Offer and Placement	7	3.4 Allow your Entitlement to lapse	56
1.3 Retail Entitlement Offer	7	3.5 Consequences of not accepting your Entitlement	56
1.4 Management and underwriting	7	3.6 Payment	57
1.5 Use of funds	8	3.7 Entitlement and Acceptance Form is binding	57
1.6 Capital structure	8	3.8 Brokerage and stamp duty	57
1.7 Effect on the Company's financial position	8	3.9 Notice to nominees and custodians	57
1.8 Recent trading prices	9	4. Additional information	58
1.9 Risks	9	4.1 Rights attaching to New Shares	58
1.10 No minimum subscription	9	4.2 Interests of Directors	58
1.11 Eligibility of Eligible Retail Shareholders	9	4.3 ASX quotation	58
1.12 Ranking of New Shares	9	4.4 Allotment and despatch of Shareholding Statements	58
1.13 Allotment	9	4.5 CHES	58
1.14 Broker handling fee or stamp duty	9	4.6 Taxation	58
1.15 Information availability and Shareholder enquiries	9	4.7 Withdrawal of the Entitlement Offer	58
		4.8 Enquiries	58
		5. Definitions	59
		6. Corporate information	61
		7. Entitlement and Acceptance Form	62

1. Description and effect of the Entitlement Offer

1.1 Overview

The Entitlement Offer is a pro rata accelerated non-renounceable offer of up to 5,655,506 New Shares at \$6.50 per New Share to raise approximately \$36.8 million (before Equity Raising Costs).

The Entitlement Offer has two components:

- (a) the Accelerated Entitlement Offer – an initial offer to eligible institutional, professional and sophisticated Shareholders (**Eligible Accelerated Shareholders**); and
- (b) the Retail Entitlement Offer – an offer to remaining eligible professional and sophisticated or retail shareholders (who were not determined to be Eligible Accelerated Shareholders) (**Eligible Retail Shareholders**).

The Company, in consultation with the Joint Lead Managers, reserves the right to determine whether a shareholder is an Eligible Accelerated Shareholder, Eligible Retail Shareholder or an Ineligible Shareholder.

1.2 Accelerated Entitlement Offer and Placement

The Company has already raised:

- (a) approximately \$15.15 million from Eligible Accelerated Shareholders as part of the Accelerated Entitlement Offer; and
- (b) approximately \$30 million from institutional, professional and sophisticated investors under the Placement.

The shares issued under the Accelerated Entitlement Offer were issued at the same price and at the same ratio as those being offered under the Retail Entitlement Offer. The shares issued under the Placement were also issued at the Offer Price under the Entitlement Offer.

The Company's ASX announcement of 13 May 2016, in relation to completion of the Placement and Accelerated Entitlement Offer, is set out in section 2.

1.3 Retail Entitlement Offer

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders only. The Retail Entitlement Offer has been underwritten by the Joint Lead Managers (refer to section 1.4). The Retail Entitlement Offer will raise approximately \$21.61 million.

Eligible Retail Shareholders who are on the Company's share register on the Record Date are entitled to acquire 1 New Share for every 10 Shares held on the Record Date (**Entitlement**).

The Offer Price of \$6.50 per New Share represents a discount of:

- 9.2% to the last traded price of the Company's Shares on 10 May 2016; and
- 7.1% to the previous 30 day VWAP of the Company's Shares up to and including 10 May 2016.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

An Entitlement and Acceptance Form setting out your Entitlement accompanies this Information Booklet. Eligible Retail Shareholders may subscribe for all or part of their Entitlement.

Shareholders will have their interest in the Company diluted because of the issue of Shares under the Placement. In addition, Eligible Retail Shareholders who do not take up all of their Entitlements will have their percentage shareholding in the Company further diluted.

Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are identified in the Investor Presentation set out in section 2.

1.4 Management and underwriting

Ord Minnett Limited and Morgans Corporate Limited have been appointed as joint lead managers in respect of the Placement and Entitlement Offer.

The Joint Lead Managers have also underwritten the full amount of the Retail Entitlement Offer on the terms set out in an offer management and underwriting agreement (**Offer Management and Underwriting Agreement**). Any New Shares that are not taken up by Shareholders under the Retail Entitlement Offer will be issued to the Joint Lead Managers at the Offer Price on or before Wednesday, 22 June 2016 in accordance with the terms of the Offer Management and Underwriting Agreement.

As is customary with these types of arrangements:

- (a) the Company has agreed, subject to certain carve-outs, to indemnify the Joint Lead Managers, their affiliates and related bodies corporate, and each of their directors, officers, employees and certain others against any losses they may suffer or incur in connection with the Equity Raising, subject to limited exceptions;
- (b) the Company and the Joint Lead Managers have given certain representations, warranties and undertakings in connection with (amongst other things) the Equity Raising;
- (b) the Joint Lead Managers may (in certain circumstances, having regard to the materiality of the relevant event) terminate the Offer Management and Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to):
 - (i) the Company is removed from the official list of ASX, its Shares are suspended from trading or quotation, or approval for quotation of the New Shares is not given by ASX;
 - (ii) there is a there is, or is likely to be, a material adverse change or effect, in or affecting the business, operations, assets, liabilities, financial position or performance of the Company and its subsidiaries (taken as a whole) or the market price of the Company's Shares (**Material Adverse Effect**) when compared to the position previously disclosed;
 - (iii) there are material disruptions in financial or economic conditions in key markets, or hostilities commence or escalate in certain key countries which has a Material Adverse Effect;

1. Description and effect of the Entitlement Offer

- (iv) market related termination events, including in the event that there is a fall of 10% or more in the S&P/ASX 200 Index based on the level of the S&P/ASX 200 Index as at 5.00pm on 11 May 2016:
 - (A) for at least two consecutive business days before, or until the business day immediately prior to, the issue of the shares under the Placement and Accelerated Entitlement Offer, in respect of the shares issued under the Accelerated Entitlement Offer or Placement; or
 - (B) for at least five business days before, or until the business day immediately prior to, the issue of the shares under the Retail Entitlement Offer, in respect of the shares issued under the Retail Entitlement Offer;
- (v) there are certain delays in the timetable for the Equity Raising without the Joint Lead Managers' consent;
- (vi) any of the offer documents (including this Information Booklet and all ASX announcements made in connection with the Equity Raising) omits information required by the Corporations Act or is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive; or
- (vii) the Company indicates that it does not intend to proceed with all or part of the Equity Raising.

The Joint Lead Managers will receive:

- (a) a fee of 3.0% (excluding GST) of the proceeds raised from the Placement and the Accelerated Entitlement Offer; and
- (b) a fee of 4.0% (excluding GST) of the proceeds raised from the Retail Entitlement Offer,

which will be split equally between them. The Joint Lead Managers will also be reimbursed for certain expenses.

None of the Joint Lead Managers nor any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees, representatives or agents (collectively, the **Joint Lead Manager Parties**) have authorised or caused the issue of this Information Booklet and they do not take any responsibility for this Information Booklet or any action taken by you on the basis of the information in this Information Booklet. To the maximum extent permitted by law, the Joint Lead Manager Parties exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Entitlement Offer and this Information Booklet being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. None of the Joint Lead Manager Parties makes any recommendations as to whether you or your related parties should participate in the Entitlement Offer nor do they make any representations or warranties to you concerning this Entitlement Offer, or any such information and you represent, warrant and agree that you have not relied on any statements made by any of the Joint Lead Manager Parties in relation to the New Shares or the Entitlement Offer generally.

It is important to note that the Joint Lead Managers will be acting for and providing services to the Company in this process and will not be acting for or providing services to Shareholders or any other investor. The engagement of the Joint Lead Managers by the Company is not intended to create any agency, fiduciary or other relationship between the Joint Lead Managers and the Shareholders or any other investor.

1.5 Use of funds

At the date of this Information Booklet, the Company intends to apply the funds raised from the Equity Raising (being approximately \$66.8 million before Equity Raising Costs) towards:

- (a) providing additional capital for ongoing co-investment in funds managed by the Company;
- (b) providing balance sheet support for new funds launched;
- (c) demonstrating balance sheet scale to enhance conversion of institutional mandates; and
- (d) the payment of Equity Raising Costs.

The quantum of equity being raised is considered to be sufficient, for the foreseeable future, to support expected ongoing strong growth in assets under management, including newly announced joint ventures.

The above proposed use of funds is a statement of current intentions and the Directors reserve the right to vary the way funds are applied at any time.

1.6 Capital structure

Subject to rounding up of fractional Entitlements and depending on the number of Options (if any) that are exercised before the Record Date, the capital structure of the Company following the issue of New Shares is expected to be as follows:

Existing Shares on issue at the date of this Information Booklet	56,555,060
Shares issued under the Placement	4,615,385
New Shares to be issued under the Entitlement Offer	5,655,506
Total Shares to be issued under the Equity Raising	10,270,891
Maximum total number of Shares after issue of New Shares under the Entitlement Offer and Placement	66,825,951
Approximate amount to be raised under the Placement and Entitlement Offer (before Equity Raising Costs)	\$66.8 million
Market capitalisation of the Company at the Offer Price (including Shares issued under the Equity Raising)	\$434,368,682
Options on issue at the date of this Information Booklet	2,745,000

1.7 Effect on the Company's financial position

The consolidated balance sheet of the Company as at 6 May 2016 and a pro-forma balance sheet assuming the total gross proceeds raised under the Placement and Entitlement Offer is \$66.8 million as at 6 May 2016 has been set out in the Investor Presentation lodged with the ASX on 11 May 2016 (and included in this Information Booklet in section 2).

1. Description and effect of the Entitlement Offer

1.8 Recent trading prices

The lowest and highest market sale prices of Shares on the ASX for the last 30 trading days preceding the date of this Information Booklet were \$6.60 and \$7.80 respectively. The closing market price of the Company's Shares on 10 May 2016 (being the last trading day prior to the announcement of the Entitlement Offer) was \$7.16.

The Offer Price of \$6.50 represents a discount of approximately 9.2% to the last traded price of the Company's Shares on 10 May 2016 and a 7.1% discount to the previous 30 day VWAP of the Company's Shares up to and including 10 May 2016.

1.9 Risks

Any investment in New Shares carries certain risks. In addition to the general risks applicable to all investments in listed securities, the Company is subject to a number of specific risk factors which may affect or have an adverse impact on the Company.

A summary of such general and specific risk factors have been set out in the 'Key Risks' section of the Investor Presentation (and included in this Information Booklet in section 2). Shareholders should be aware that the risks identified in the Investor Presentation are not necessarily exhaustive of all risks relating to an investment in the Company or the Entitlement Offer and accordingly an investment in the Company should be considered speculative.

The Directors recommend that all Shareholders review these risk factors and consult their own stockbroker, solicitor, accountant or other professional adviser to evaluate the potential impact of such risks and whether or not to participate in the Retail Entitlement Offer.

1.10 No minimum subscription

There is no minimum subscription amount.

1.11 Eligibility of Eligible Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders.

Eligible Retail Shareholders are Shareholders on the Record Date who:

- (a) have a registered address in Australia or New Zealand or are a Shareholder that the Company has otherwise determined is eligible to participate;
- (b) are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (c) were not invited to participate in the Accelerated Entitlement Offer and were not treated as an Ineligible Shareholder under the Accelerated Entitlement Offer; and
- (d) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus to be lodged or registered.

The Retail Entitlement Offer is not being extended to the Ineligible Shareholders because of the small number of such Shareholders, the number and value of the Shares they hold and the cost of complying with applicable regulations in jurisdictions outside Australia and New Zealand.

The Company, in consultation with the Joint Lead Managers, reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Shareholder.

Existing holders of Options may only participate in the Entitlement Offer in respect of Shares to be issued on exercise of the Options held by them if they exercise their Options and are registered as the holder of the underlying Shares by the Record Date.

1.12 Ranking of New Shares

The New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally with Existing Shares.

1.13 Allotment

The Company will make an application within seven days from the date of this Entitlement Offer for quotation of the New Shares on ASX. Trading of New Shares will, subject to ASX approval, occur shortly after allotment. It is expected that quotation of the New Shares under the Retail Entitlement Offer will take place on or around 9 June 2016 (subject to any variation to the closing date).

Application Monies will be held by the Company on trust for Applicants until the New Shares are allotted. No interest will be paid on Application Monies.

It is the responsibility of Applicants to determine the number of New Shares allotted and issued to them prior to trading in the New Shares. The sale by an Applicant of New Shares prior to receiving their holding statement is at the Applicant's own risk.

1.14 Broker handling fee or stamp duty

No brokerage or stamp duty will be payable by Applicants.

1.15 Information availability and Shareholder enquiries

Eligible Retail Shareholders can obtain a copy of this Information Booklet from the Company website at blueskyfunds.com.au or by calling the Company on (07) 3270 7500 between 8:00am to 5:00pm (AEST time) Monday to Friday during the Entitlement Offer period.

Persons who access the electronic version of this Information Booklet should ensure that they download and read the entire Information Booklet. The electronic version of this Information Booklet will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Company on (07) 3270 7500.

11 May 2016

Equity Raising to raise up to approximately \$66.8 million - Blue Sky Alternative Investments Limited (ASX: BLA)

Key Points

- Placement to institutional, professional and sophisticated investors to raise approximately \$30 million at \$6.50 per share.
- Accelerated non-renounceable entitlement offer to raise up to approximately \$36.8 million at an offer price of \$6.50 per new share, the same price as the Placement.

Equity Raising

Blue Sky Alternative Investments Limited (**Company**) intends to conduct an equity raising (**Equity Raising**) via a placement to institutional, professional and sophisticated investors to raise approximately \$30 million (**Placement**) and an accelerated 1 for 10 non-renounceable entitlement offer of fully paid ordinary shares in the Company (**New Shares**) to raise approximately \$36.8 million (**Entitlement Offer**).

The offer price for the Placement and the Entitlement Offer will be \$6.50 per share (**Offer Price**). The Offer Price represents:

- a 7.1% discount to the previous 30 day volume weighted average price (**VWAP**) of the Company's shares traded on the ASX up to and including 10 May 2016; and
- a 9.2% discount to the last traded price of the Company's shares.

Under the Entitlement Offer, eligible shareholders will be able to subscribe for 1 new ordinary share in the Company for every 10 existing shares held at 7.00pm (AEST) on Friday, 13 May 2016 (**Record Date**) at the Offer Price (**Entitlements**). Existing option holders need to exercise their options and be a registered retail holder of shares on the Record Date if they wish to participate in the Retail Entitlement Offer.

Ord Minnett Limited and Morgans Corporate Limited have been appointed as joint lead managers in respect of the Equity Raising (**Joint Lead Managers**).

The Company expects to raise up to approximately \$66.8 million from the Placement and the Entitlement Offer combined, with up to approximately 10.27 million new fully paid ordinary shares to be issued in total under the Placement and Entitlement Offer, assuming the full amount is raised. Shares issued under the Equity Raising will rank equally with existing shares.

The proceeds of the Equity Raising will be applied principally to provide additional capital for ongoing co-investment in funds managed by the Company, to provide balance sheet support for new funds launched and to demonstrate balance sheet scale to enhance conversion of potential institutional mandates.

The quantum of equity being raised is considered to be sufficient, for the foreseeable future, to support expected ongoing strong growth in assets under management, including newly announced joint ventures.

Entitlement Offer details

The Entitlement Offer includes:

- an accelerated component (**Accelerated Entitlement Offer**) which will be made to eligible institutional, professional and sophisticated shareholders as determined by the Company and the Joint Lead Managers (**Eligible Accelerated Shareholders**); and
- a non-accelerated component (**Retail Entitlement Offer**) which will be made to remaining eligible institutional, professional or sophisticated shareholders and retail shareholders (who were not determined to be Eligible Accelerated Shareholders entitled to participate in the Accelerated Entitlement Offer) (**Eligible Retail Shareholders**).

The Company will notify shareholders as to whether they are eligible to participate in the Retail Entitlement Offer. An information booklet including a personalised entitlement and acceptance form which will provide further details of how to participate in the Retail Entitlement Offer will be sent to Eligible Retail Shareholders on or about 18 May 2016. A copy of the Information Booklet will also be lodged with ASX on or about 13 May 2016. Those shareholders who the Company determines to be ineligible shareholders will also be notified by the Company.

The Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their Entitlements will not receive any value in respect of those Entitlements that they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of the Entitlements they would have received had they been eligible.

The Directors reserve the right, subject to the requirements of the Listing Rules and the Corporations Act, to place any shortfall shares remaining after the close of the Retail Entitlement Offer, including those Entitlements of ineligible shareholders not taken up, within three months after the closing date of the Retail Entitlement Offer to either existing or new shareholders at their discretion at a price not less than the Offer Price under the Entitlement Offer.

A presentation on the Equity Raising has been lodged with ASX today and is able to be downloaded from ASX's website, www.asx.com.au.

For further information, please contact Jane Prior, Company Secretary, on (07) 3270 7500 (inside Australia) or +617 3270 7500 (outside Australia) between 8:00am to 5:00pm (Brisbane time) Monday to Friday during the offer period. Alternatively, consult your professional adviser.

Key dates

Activity	Date
Trading halt and announcement of Placement and Entitlement Offer	Wednesday, 11 May 2016
Placement and Accelerated Entitlement Offer conducted	Wednesday, 11 May 2016 and Thursday, 12 May 2016
Announcement of the completion of Placement and Accelerated Entitlement Offer and trading resumes on an ex-entitlement basis	Friday, 13 May 2016
Record Date for Retail Entitlement Offer (7pm AEST)	Friday, 13 May 2016
Information Booklet and Entitlement & Acceptance Form despatched to Eligible Retail Shareholders	Wednesday, 18 May 2016
Retail Entitlement Offer opens	Wednesday, 18 May 2016
Settlement of Placement and Accelerated Entitlement Offer and allotment and issue of new shares	Thursday, 19 May 2016
Quotation of New Shares issued under Accelerated Entitlement Offer and Placement and trading commences on a normal basis	Friday, 20 May 2016
Last date to extend the closing date for the Retail Entitlement Offer	Friday, 27 May 2016
Closing date for acceptances under the Retail Entitlement Offer (5pm AEST)	Wednesday, 1 June 2016
Announcement of results of Retail Entitlement Offer	Monday, 6 June 2016
Settlement of Retail Entitlement Offer and allotment of New Shares	Wednesday, 8 June 2016
Quotation of New Shares issued under Retail Entitlement Offer and trading commences on a normal basis	Thursday, 9 June 2016
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Friday, 10 June 2016

This Timetable is indicative only and subject to change. The Directors may vary these dates, subject to the Listing Rules. A variation or extension to the timetable may delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Equity Raising any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The Company does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.



Blue Sky Alternative Investments Limited

INVESTOR PRESENTATION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

May 2016

Private Equity | Private Real Estate | Hedge Funds | Real Assets

This presentation has been prepared by Blue Sky Alternative Investments Limited (**Blue Sky**) in relation to a Placement and Entitlement Offer (collectively, the **Equity Raising**). Unless otherwise stated, defined terms used in this presentation are contained in the Glossary in Appendix D.

The Entitlement Offer is being made without a prospectus in accordance with section 708AA *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*). The information in this presentation is of a general nature and does not purport to be complete, nor does it contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. An investment in Blue Sky's shares is subject to known and unknown risks, many of which are beyond the control of Blue Sky. In considering an investment in Blue Sky's shares, investors should have regard to (amongst other things) the risks outlined in this presentation.

This presentation contains statements, opinions, projections, forecasts and other material (**forward looking statements**) with respect to the financial condition, results of operations, projects and business of Blue Sky and certain plans and objectives of the management of Blue Sky (including with respect to the Entitlement Offer and the use of proceeds), based on various assumptions and such forward looking statements are provided as a general guide only. Those assumptions may or may not prove to be correct and there can be no assurance that actual outcomes will not differ materially from these statements. None of Blue Sky, its respective officers, employees, agents, advisers nor any other person named in this presentation makes any representation as to the accuracy or likelihood of fulfilment of the forward looking statements or any of the assumptions upon which they are based.

The information contained in this presentation does not take into account the investment objectives, financial situation or particular needs of any recipient and is not financial product advice. Before making an investment decision, recipients of this presentation should consider their own needs and situation and, if necessary, seek independent, professional advice. Any opinions expressed reflect Blue Sky's position at the date of this presentation and are subject to change. No assurance is given by Blue Sky that any capital raising referred to in this presentation will proceed.

To the extent permitted by law, Blue Sky and its respective officers, employees, agents and advisers give no warranty, representation or guarantee as to the accuracy, completeness or reliability of the information contained in this presentation. Further, none of Blue Sky and its respective officers, employees, agents and advisers accept, to the extent permitted by law, responsibility for any loss, claim, damages, costs or expenses arising out of, or in connection with, the information contained in this presentation. Any recipient of this presentation should independently satisfy themselves as to the accuracy of all information contained herein.

Unless otherwise stated, statements in this presentation are made as of the date of this presentation and the information in this presentation remains subject to change without notice. Blue Sky is not responsible for updating, nor undertakes to update, this presentation. The information in this presentation should be read in conjunction with BLA's other periodic and continuous disclosure documents lodged with the ASX, which are available at www.asx.com.au.

Non-IFRS information:

This presentation contains certain non-IFRS financial information. The directors of Blue Sky believe the presentation of certain non-IFRS financial information is useful for users of this presentation as they reflect the underlying financial performance of the business, however notwithstanding this, investors are cautioned not to place undue reliance on any non-IFRS financial information included in this presentation. The non-IFRS financial information includes Blue Sky's underlying Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flow (collectively, the 'underlying results'). These underlying results are presented with all equity held by Blue Sky in the funds that it manages being accounted for at fair value using the same approach as AASB 13 – *Fair Value Measurement*. This differs from Blue Sky's statutory financial statements where a range of Blue Sky's equity holdings in the funds that it manages are either consolidated or equity accounted following the adoption of the AASB 10 – *Consolidated Financial Statements* accounting standard.

Not an offer in the US: This presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. This presentation may not be distributed or released in the United States. The securities in the proposed offering have not been and will not be registered under the US Securities Act of 1933, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in the proposed offering may not be offered, or sold, directly or indirectly, in the United States, except in a transaction exempt from, or subject to, the registration requirements of the US Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

No overseas offering: This presentation does not constitute an offer or invitation to sell, or a solicitation of an offer or invitation to buy, securities in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. This presentation is not to be distributed in, and no offer of shares under the proposed offering may be made in countries other than Australia and New Zealand. The distribution of this presentation in other jurisdictions may be restricted by law and therefore persons who come into possession of this presentation should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. No action has been taken to register or qualify the Entitlement Offer, the entitlements or the new shares, or otherwise permit the public offering of the new shares in any jurisdiction outside Australian or New Zealand.

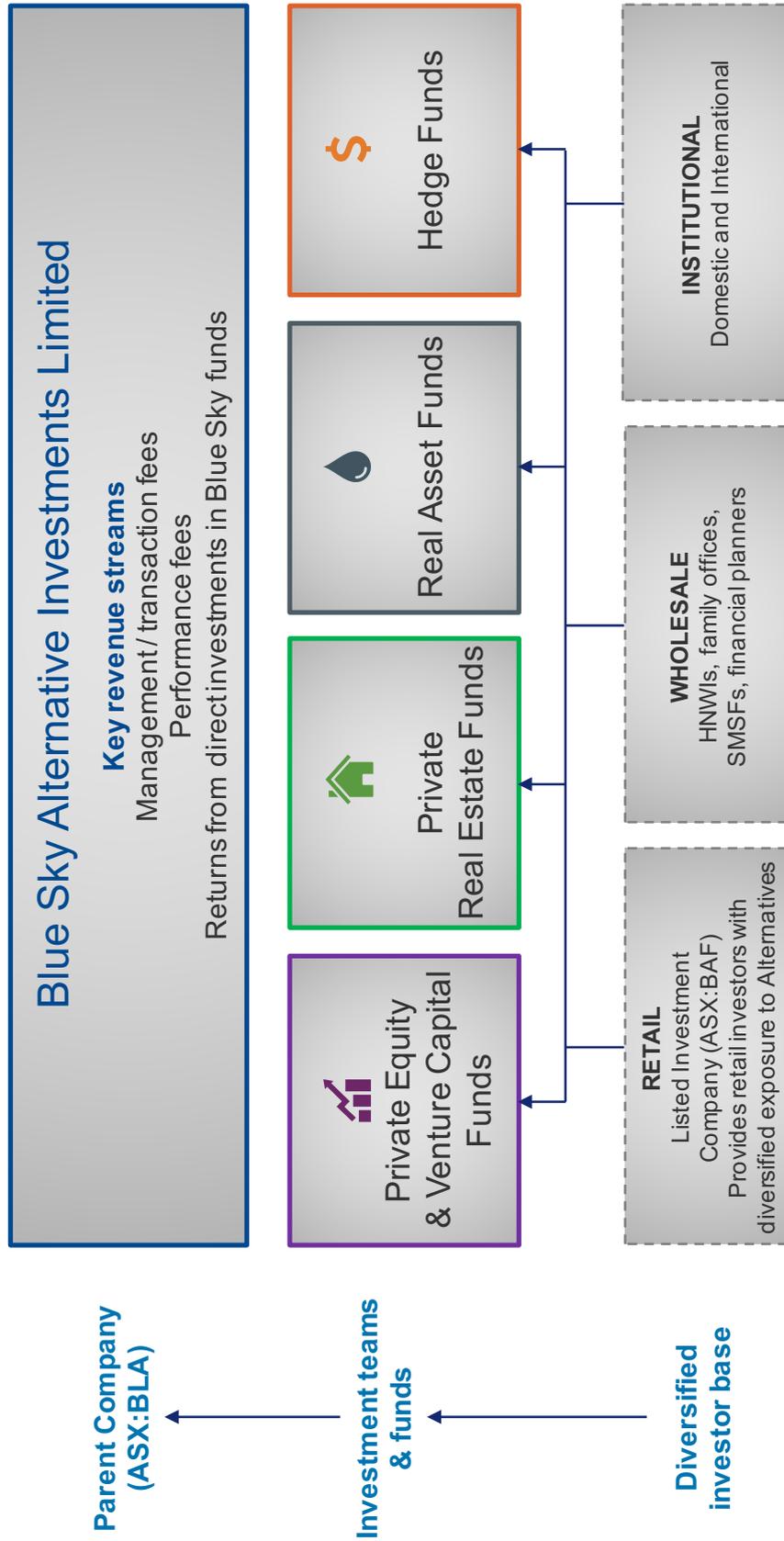
By attending an investor presentation or briefing, or accepting, accessing or reviewing this presentation, you represent and warrant that you are entitled to receive this presentation in accordance with the restrictions set out above and agree to the terms set out above.

<p>EQUITY RAISING</p>	<p>Equity raising announced to raise approximately \$66.8 million through a:</p> <ul style="list-style-type: none"> • Placement to institutional, professional and sophisticated investors of approximately \$30 million; and • 1 for 10 Entitlement Offer to raise approximately \$36.8 million through: <ul style="list-style-type: none"> • an Accelerated Entitlement Offer to eligible professional and sophisticated investors; and • a non-accelerated Retail Entitlement Offer to remaining eligible shareholders
<p>OFFER PRICE</p>	<p>Offer price of \$6.50 for both the Placement and the Entitlement Offer, which represents a:</p> <ul style="list-style-type: none"> • 9.2% discount to the last traded price (\$7.16); and • 7.1% discount to the previous 30 day VWAP (\$7.00); and • 7.9% discount to the TERP (\$7.06)
<p>USE OF FUNDS</p>	<p>Funds will be used to:</p> <ul style="list-style-type: none"> • Provide additional capital for ongoing co-investment alongside institutional investors in funds managed by Blue Sky • Provide balance sheet support for new funds launched • Demonstrate balance sheet scale to enhance conversion of institutional mandates • Payment of Equity Raising costs
<p>KEY DATES</p>	<p>Placement and Accelerated Entitlement Offer closes on 12 May 2016 Retail Entitlement Offer closes at 5pm AEST on 1 June 2016</p>

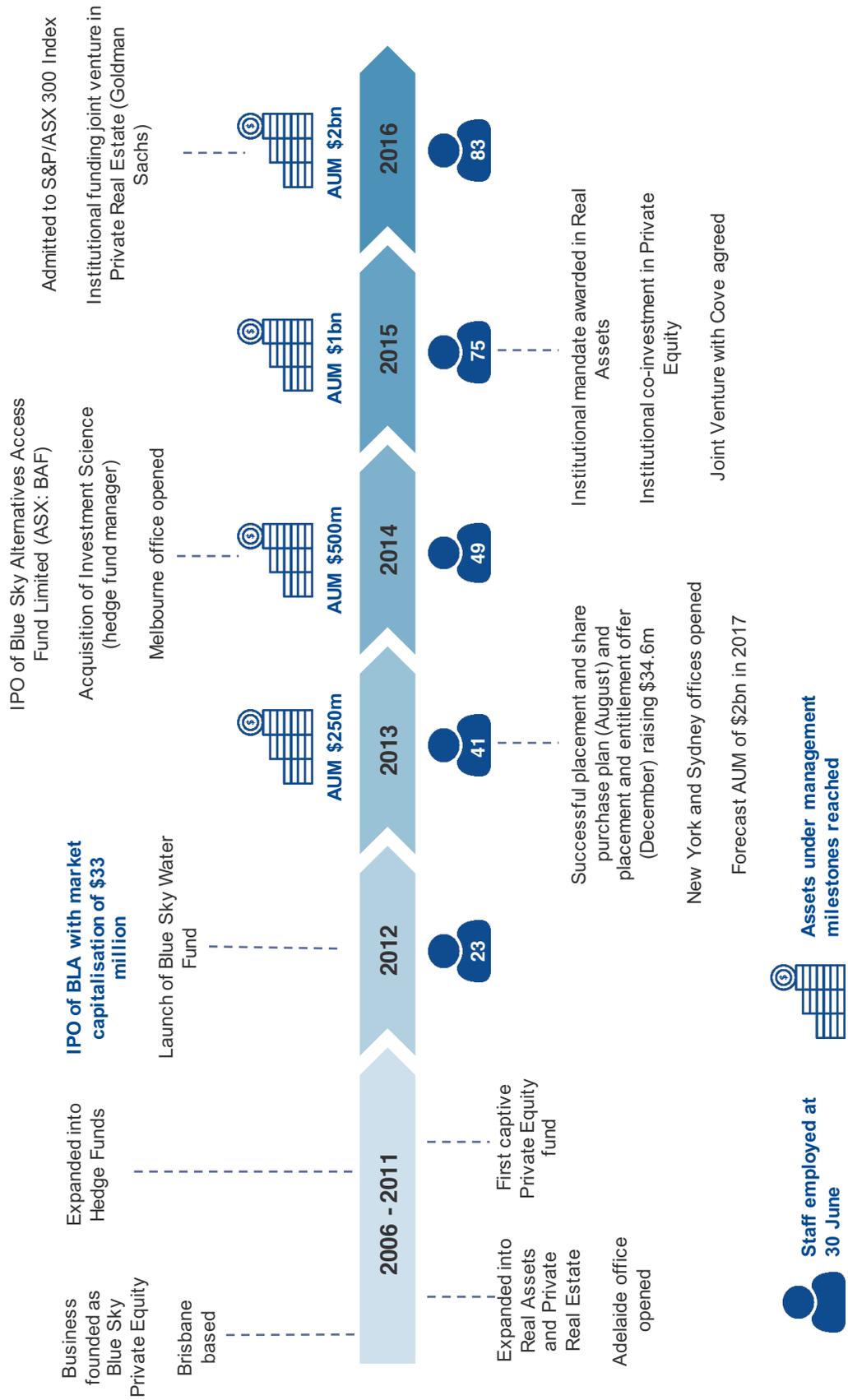
OVERVIEW OF BLUE SKY ALTERNATIVE INVESTMENTS

- Blue Sky is an ASX listed funds management business founded in 2006, focused on the four major alternative asset classes:
 - Private equity and venture capital
 - Private real estate
 - Real assets (water entitlements, water infrastructure and agribusiness)
 - Hedge funds
- Approx. \$395m market cap¹
- Over \$2.0bn in assets under management
- Offices in Brisbane, Sydney, Melbourne, Adelaide and New York
- 83 staff²
- Generated returns of 16.9% p.a. net of fees since inception to investors in its funds to 31 December 2015³

1. Closing price at 6 May 2016
2. Total number of staff employed by the Group at 30 April 2016.
3. Note that past performance is not a reliable indicator of future performance.



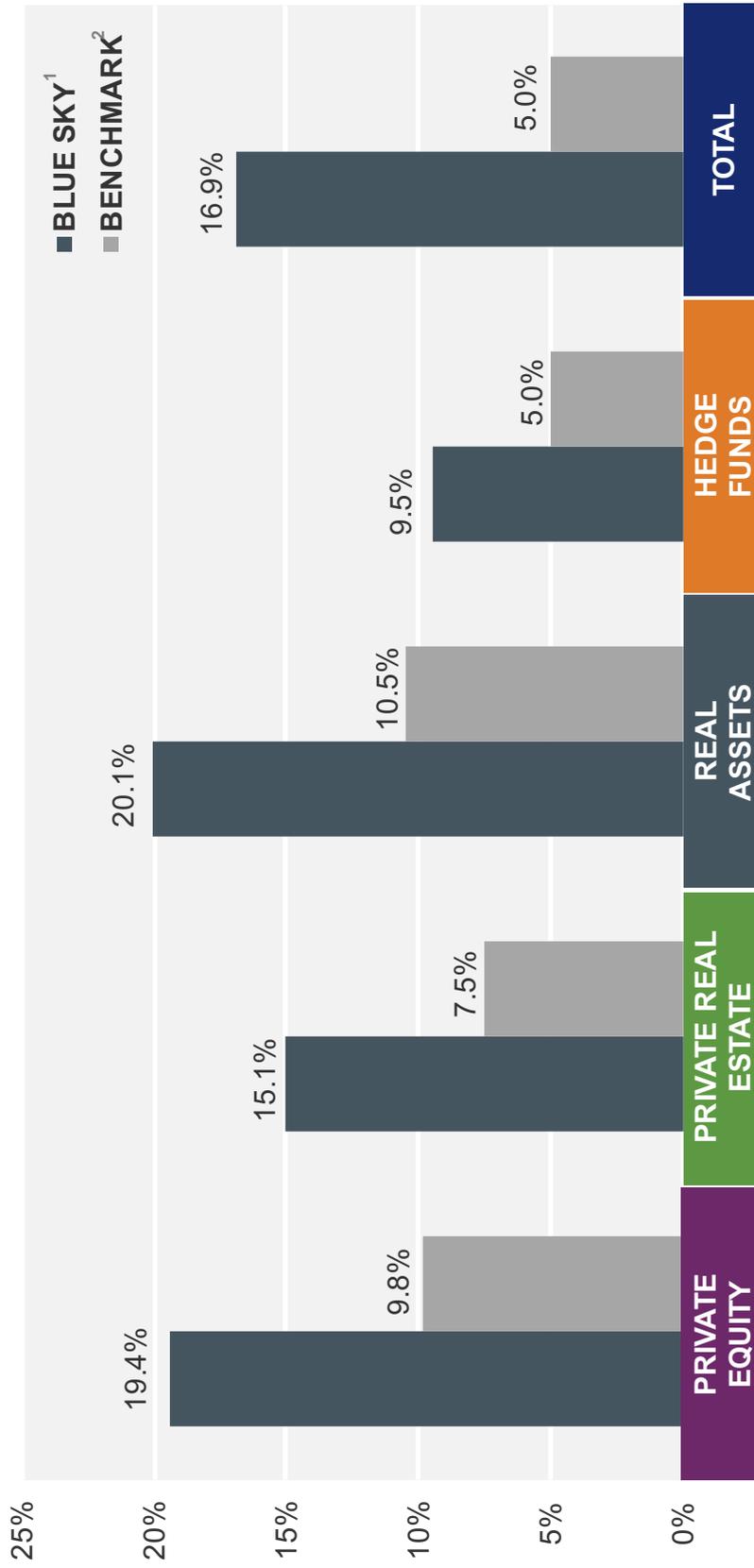
OUR HISTORY



Staff employed at 30 June

Assets under management milestones reached

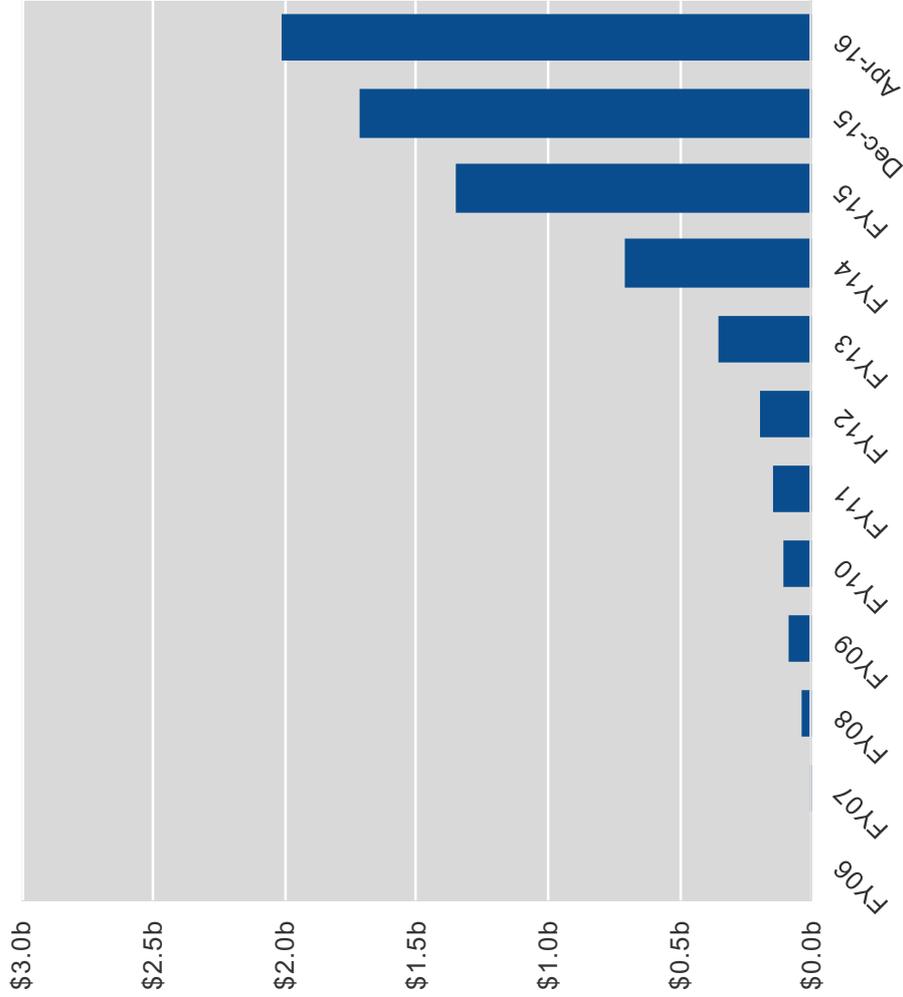
INVESTOR RETURNS: 16.9% NET OF FEES SINCE INCEPTION (AS AT 31 DEC 2015)



1. Total returns are equity weighted returns since inception through to 31 December 2015. Returns are net of fees and include a mix of realised and unrealised investments. Past performance is not a reliable indicator of future performance.

2. Benchmarks are measured over the same time period as the returns for each division and are sourced from Chant West's January 2016 media release. Private Equity – Average of Chant West Private Equity performance over 10 years. Private Real Estate – Average of Chant West Australian Unlisted Property performance over 7 and 10 years. Real Assets – Average of Chant West Unlisted Infrastructure performance over 3 and 5 years. Hedge Funds – Chant West Hedge Fund performance over 10 years. Overall – S&P ASX200 Accumulation Index since July 2006.

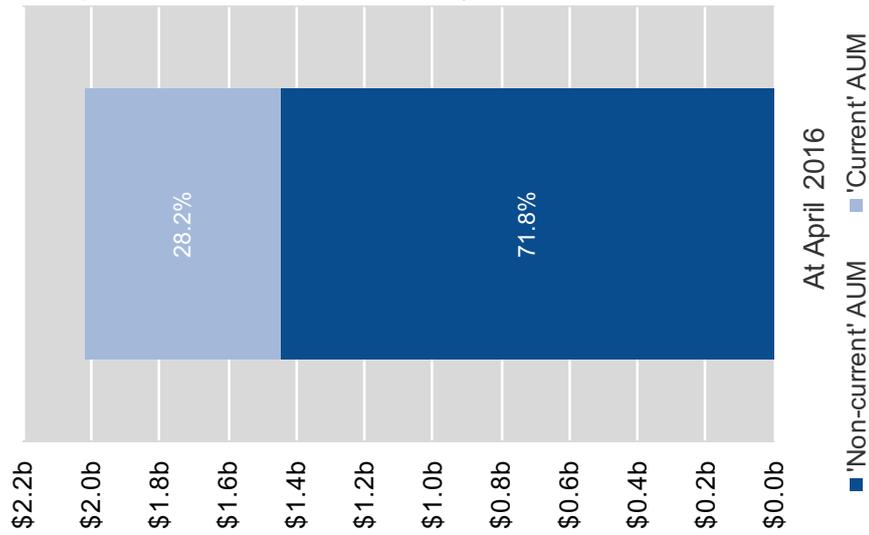
Fee earning assets under management



- Fee earning AUM grew from ~\$1.35b at 30 June 2015 to >\$2.0b at 30 April 2016
- \$2.0b in fee earning AUM was delivered ahead of original 2017 target

UNLIKE TRADITIONAL FUND MANAGERS, MOST OF OUR AUM IS 'STICKY'

Fee earning assets under management



Current AUM includes:

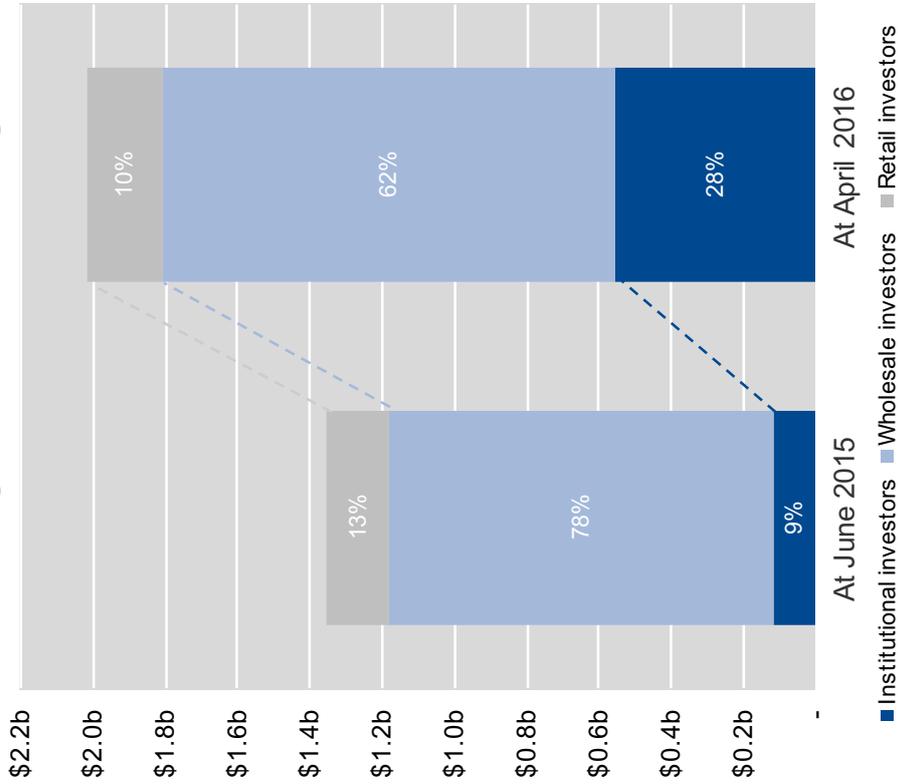
- Liquid funds: hedge funds; water fund (excl. institutional mandate)
- Closed-ended funds with anticipated realisations in FY17 (e.g. some private equity and private real estate funds)
- 28.2% of fee earning AUM (as at April 2016)

All remaining AUM are in closed-ended funds that are 'non-current'. These include:

- Private Equity and Venture Capital funds with anticipated realisations beyond FY17
- Private Real Estate funds with anticipated realisations beyond FY17
- Real Assets – water infrastructure; agribusiness; institutional investment into water entitlements
- BAF – 10 year management agreement
- Provides baseline level of AUM that generates fees over a multi-year period
- 71.8% of fee earning AUM (as at April 2016)

ALL THREE OF OUR CAPITAL SOURCES GREW TO APRIL 2016

Fee earning assets under management



Retail (10% of total)

- \$47m raised from exercise of options in BAF, taking total net assets of BAF to >\$130m



Wholesale (62% of total)

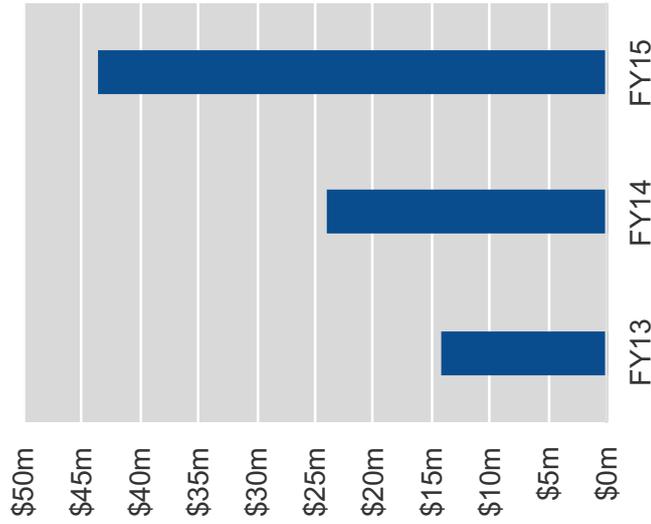
- Continues to be our dominant source of AUM, and represents 40%+ of assets in the Australian fund management industry
- Broadening engagement with family offices, HNWI's, SMSFs and financial planners as Alternatives become mainstream



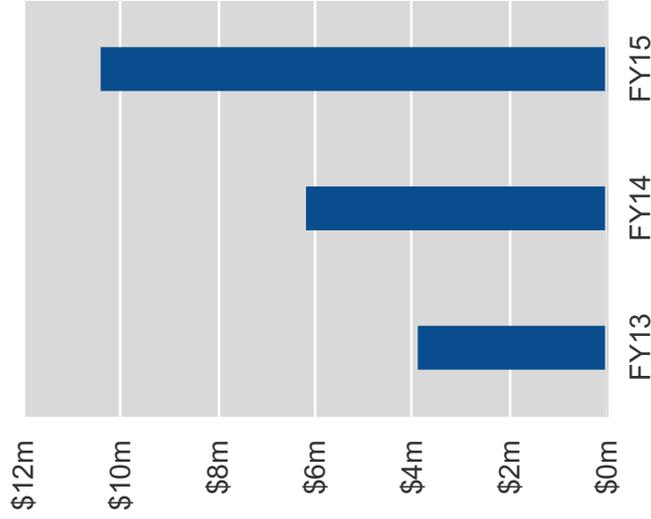
Institutional (28% of total)

- Has increased as a proportion of AUM as engagement with domestic and international institutions has deepened

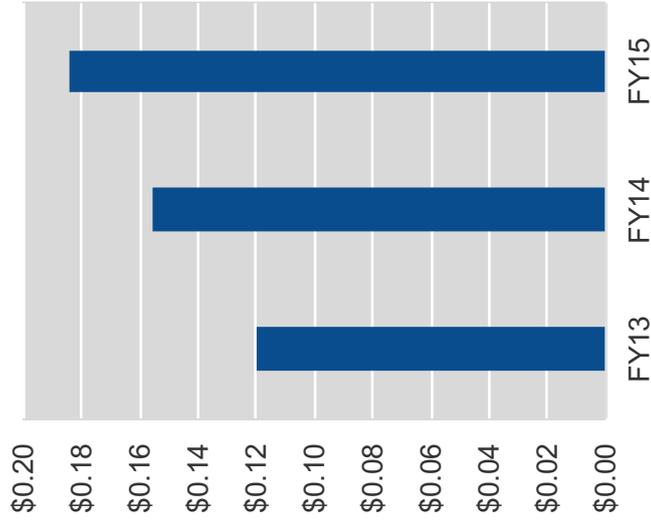
Underlying Revenue



Underlying NPAT



Basic Underlying EPS



Directors have provided guidance that FY16 underlying NPAT is anticipated to be between \$14.0m and \$16.0m

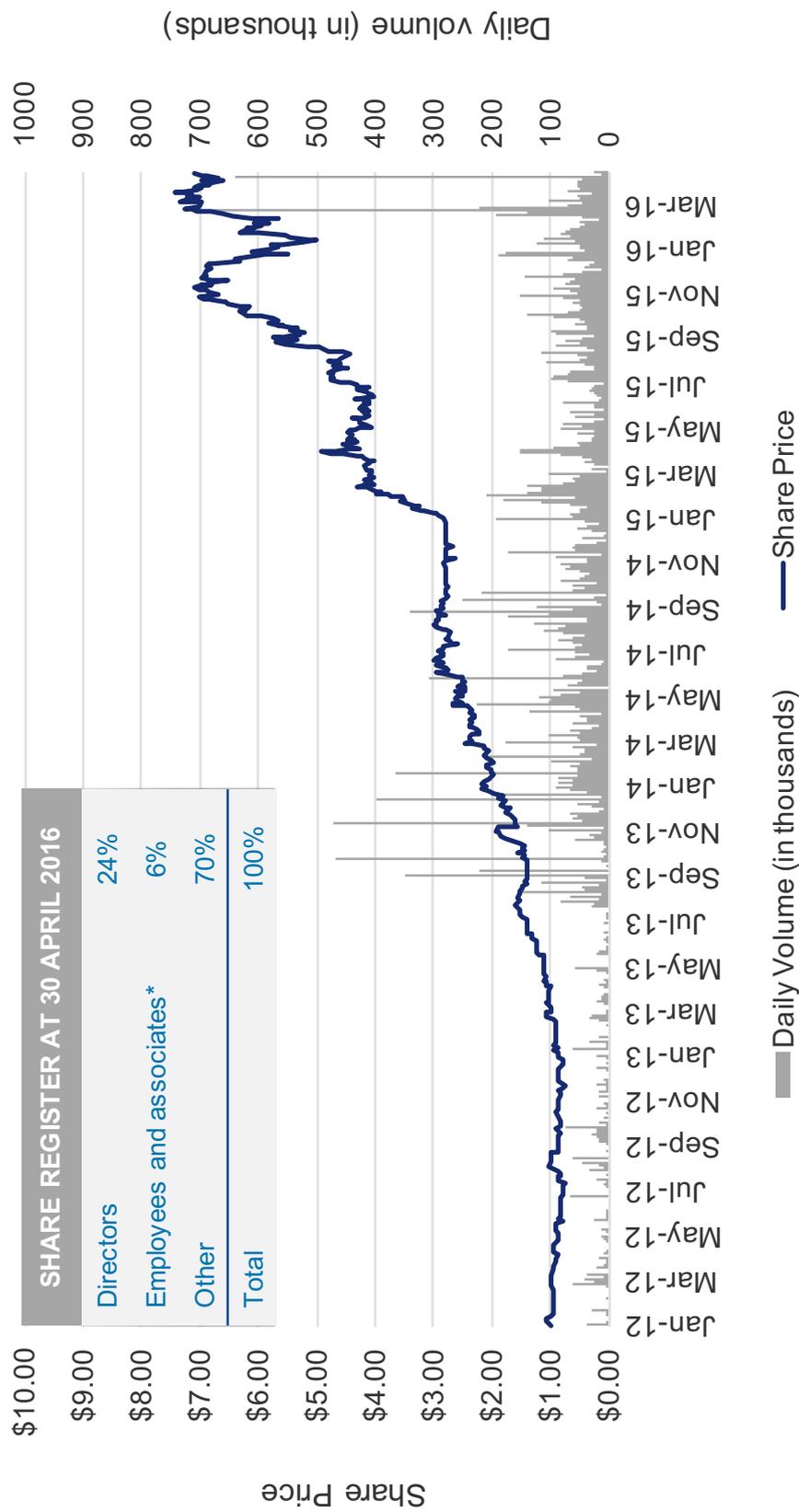
The above figures are underlying results. For statutory results please refer to Appendix B.

- Underlying net profit after tax for 1H FY16 up 69% to \$4.4 million (1H FY15: \$2.6 million)
- Since 1H FY16 results were announced, the following statements have been made to the ASX:
 - Blue Sky has established a student accommodation joint venture with Goldman Sachs
 - Cove - a New York based joint venture focused on investing in commercial property - has closed its first deal in the financial district near Wall St, Manhattan valued in excess of A\$280 million
 - BLA entry into the S&P/ASX 300 Index
 - AUM reached \$2 billion

	Underlying Results		% Change	Statutory Results		% Change
	1H FY15	1H FY16		1H FY15	1H FY16	
Total income	\$16.5m	\$23.8m	44.2%	\$26.0m	\$34.2m	31.5%
Net profit after tax	\$2.6m	\$4.4m	69.2%	\$2.5m ¹	\$4.3m ¹	72.0%
Net tangible assets	\$49.1m	\$55.7m	13.4%	\$56.7m	\$56.6m	-0.2%

1. Excluding non-controlling interest. Please refer to the Consolidated Interim Financial Report for the half-year ended 31 December 2015 for an explanation (and reconciliation) of the difference between the statutory and underlying results available at www.asx.com.au

SHARE PRICE PERFORMANCE SINCE IPO



*Associates includes Blue Sky consultants and direct family members of Blue Sky employees

Scalable

- High operational leverage - investment and distribution platform in place to grow AUM disproportionately to growth in fixed costs

Diversified

- Exposure to multiple uncorrelated alternative asset classes
- Funding sourced from multiple investor classes
- Investment and fund raising capability both domestically and internationally

Strong Brand

- Compelling investment returns track record over almost 10 years
- Increasingly recognised brand as leader in alternatives

Growth Industry

- Investment allocation to alternative assets continues to increase in Australia and globally and is predicted to be Australia's largest asset class by 2021¹

Hard to Replicate

- High barriers to entry (platform, people, track record)

Employee Alignment

- Key management have ownership alignment across a combination of BLA, BAF and underlying funds

1. Rainmaker Roundup – Volume 19 Number 3 (SEP Quarter 2015)

EQUITY RAISING DETAILS

SUMMARY

OFFER STRUCTURE

Placement (to institutional, professional and sophisticated investors) and a non-renounceable pro rata entitlement offer that has two components:

- an Accelerated Entitlement Offer: an initial offer to eligible institutional, professional and sophisticated shareholders; and
- A non-accelerated Retail Entitlement Offer: an offer to remaining eligible institutional, professional and sophisticated shareholders and retail shareholders

GROSS PROCEEDS

Approximately \$66.8 million

USE OF FUNDS

Proceeds of the Equity Raising will be applied principally to:

- provide additional capital for ongoing co-investment in funds managed by Blue Sky
- provide balance sheet support for new funds launched
- demonstrate balance sheet scale to enhance conversion of institutional mandates; and
- payment of Equity Raising costs

The quantum of equity being raised is considered to be sufficient, for the foreseeable future, to support expected ongoing strong growth in AUM, including newly announced joint ventures.

PLACEMENT

ISSUE PRICE

\$6.50 (9.2% discount to last traded price; 7.1% discount to 30 day VWAP)

SIZE

Approximately 4,615,385 shares. On issue, the shares will rank equally with existing BLA shares

GROSS PROCEEDS

Approximately \$30 million

ELIGIBILITY

Eligible institutional, professional and sophisticated investors

ENTITLEMENT OFFER

RATIO	1 share for every 10 existing ordinary shares
OFFER PRICE	\$6.50 (9.2% discount to last traded price; 7.1% discount to 30 day VWAP)
SIZE	Approximately 5,655,506 New Shares. On issue, the New Shares will rank equally with existing BLA shares
GROSS PROCEEDS	Up to \$36.8 million
ELIGIBILITY	Shareholders who have a registered address in Australia or New Zealand and who are either an Eligible Accelerated Shareholder (in respect of the Accelerated Entitlement Offer) or an Eligible Retail Shareholder (in respect of the Retail Entitlement Offer)
ACCELERATED ENTITLEMENT OFFER	The Accelerated Entitlement Offer will be conducted over Wednesday, 11 May 2016 and Thursday, 12 May 2016. Shares issued under the Accelerated Entitlement Offer will commence trading on the ASX on or around Friday, 20 May 2016
RETAIL ENTITLEMENT OFFER	The Retail Entitlement Offer opens Wednesday, 18 May 2016 and closes Wednesday, 1 June 2016 (unless extended). Shares issued under the Retail Entitlement Offer will commence trading on the ASX on or around Thursday, 9 June 2016
JOINT LEAD MANAGERS	Ord Minnett Limited and Morgans Corporate Limited have been appointed as joint lead managers for the equity raising

PRO FORMA FINANCIAL POSITION FOLLOWING EQUITY RAISE

In AUD \$m	Underlying Results				Pro-forma at 6 May 2016
	31-Dec-15	6-May-16		6 May 2016	
	Reviewed	Unaudited	Adjustments	Unaudited	
Cash	\$14.2	\$13.0	\$64.1	\$77.2	
Other current assets	\$30.2	\$39.1	-	\$39.1	
Total current assets	\$44.4	\$52.2	\$64.1	\$116.3	
Investments accounted for using the equity method	\$0.4	\$0.6	-	\$0.6	
Financial assets at fair value through profit and loss	\$33.7	\$42.4	-	\$42.4	
Property, plant and equipment	\$3.6	\$3.8	-	\$3.8	
Intangible assets	\$5.7	\$5.7	-	\$5.7	
Other non current assets	\$11.3	\$19.7	-	\$19.7	
Total non current assets	\$54.7	\$72.2	-	\$72.2	
Total assets	\$99.1	\$124.3	\$64.1	\$188.5	
Trade and other payables	\$10.1	\$17.5	(\$0.2)	\$17.3	
Borrowings	\$8.4	\$13.4	-	\$13.4	
Other current liabilities	\$10.1	\$10.5	-	\$10.5	
Total current liabilities	\$28.6	\$41.3	(\$0.2)	\$41.2	
Borrowings	-	-	-	-	
Other non current liabilities	\$9.1	\$17.1	(\$0.7)	\$16.3	
Total non current liabilities	\$9.1	\$17.1	(\$0.7)	\$16.3	
Total liabilities	\$37.7	\$58.4	(\$0.9)	\$57.5	
Net assets	\$61.4	\$65.9	\$65.0	\$131.0	
Net tangible assets	\$55.7	\$60.3	-	\$125.3	

Commentary on unaudited balance sheet as at 6 May 2016:

- Other current assets include \$11.1m in bridging finance provided to Blue Sky funds and \$10.4m in accrued performance fees anticipated to be received in cash in the next 12 months.
- Financial assets at fair value increased from \$33.7m at 31 December 2015 to \$42.4m at 6 May 2016, driven by new investments (e.g. investment in student accommodation operator, The PAD) and investment performance throughout the period.
- Other non-current assets include accrued performance fees of \$8.8m and \$2.1m of employee loans.
- Borrowings increased largely to provide bridging finance to Blue Sky funds (\$7m remains undrawn).
- Other non-current liabilities include \$6m in deferred tax liabilities and \$3.3m of deferred revenue.

Commentary on pro-forma balance sheet

- Underlying cash position includes net proceeds of \$64.1m from the offer (i.e. gross proceeds of \$66.8m less offer costs of \$2.7m).

Adjustments assume that the equity raising is fully subscribed. Note that due to rounding, not all numbers in the table may add. The underlying results columns are non-IFRS financial information and are based on all equity held by Blue Sky in funds that it manages being accounted for at fair value using the same approach as outlined in AASB 13. A reconciliation between the underlying results and the statutory results for 31 December 2015 is provided in the Consolidated Financial Statements which may be downloaded from the ASX's website at www.asx.com.au.

Announcement of Equity Raising and enter trading halt	Wednesday, 11 May 2016
Placement and Accelerated Entitlement Offer opens	Wednesday, 11 May 2016
Accelerated Entitlement Offer closes, Placement completed	Thursday, 12 May 2016
Announcement of completion of Placement and Accelerated Entitlement Offer, trading halt lifted, existing shares recommence trading	Friday, 13 May 2016
Record date for Entitlement Offer (7pm AEST)	Friday, 13 May 2016
Retail Entitlement Offer information booklet and entitlement and acceptance form despatched, Retail Entitlement Offer opens	Wednesday, 18 May 2016
Settlement of Accelerated Entitlement Offer and Placement and allotment of shares	Thursday, 19 May 2016
Quotation of shares issued under the Accelerated Entitlement Offer and Placement	Friday, 20 May 2016
Retail Entitlement Offer closes (5pm AEST)	Wednesday, 1 June 2016
Announcement of results of Retail Entitlement Offer	Monday, 6 June 2016
Settlement of Retail Entitlement Offer and allotment of shares	Wednesday, 8 June 2016
Quotation of shares issued under the Retail Entitlement Offer	Thursday, 9 June 2016

This Timetable is indicative only and subject to change. The Directors may vary these dates, subject to the Listing Rules. An variation or extension to the timetable may delay the anticipated date for issue of the New Shares. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time prior to allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

APPENDIX A: KEY RISKS

BUSINESS AND OPERATIONAL RISKS

ABILITY TO RAISE FUNDS

The Company may not be able to raise additional funds for its investment products and increase its AUM. As a result, management fees and performance fees may fall. This may reduce the Company's income, profitability and Share value.

ABILITY TO DEPLOY FUNDS

The Company may not be able to identify sufficient investment opportunities and products in which to invest its AUM. If this occurs, capital may be returned to investors. This may reduce its AUM with consequent reduction to management fees, performance fees, income, profit and Share value.

ABILITY TO RETAIN FUNDS

It is possible that some Funds could reduce in size or be terminated. Similarly, the unit holders of a Fund may have the right to remove the investment manager, responsible entity or trustee. This may reduce the Company's AUM with consequent reduction to management fees, performance fees, income, profit and Share value.

INVESTMENT PERFORMANCE

Current or future investments by Funds might not perform to the level expected. This may result in reduced (or no) performance fees. Poor performance can also decrease the ability to attract new investors and therefore AUM. This may reduce revenue, profit and Share value. In addition, the Company has made (and intends to continue to make) investments from its balance sheet into its Funds. These investments may not perform to the level expected and may reduce the value of these assets and hence revenue, profit and Share value.

REDEMPTIONS

Poor fund performance, badly performing markets or other factors may cause investors in open-ended Funds to redeem their investments. This may in turn reduce revenue, profit and Share value even if mandates are maintained.

OPERATIONAL AND CONTROLS

Operational risk relates to the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events which impact on the Company's business. The Company is exposed to operational risk present in the current business including risks arising from process error, fraud, system failure, failure of security and physical protection systems and any unit pricing errors. Operational risk has the potential to have an effect on the Company's financial performance and position as well as reputation.

UNIT PRICING

The Company uses external fund administrators to calculate the unit prices or valuations for some of its Funds. As the responsible entity, issuer, or manager of a Fund, the Company may bear the risk of any pricing error made by the fund administrator.

CREDIT AND COUNTERPARTY

The Company and/or its Funds may be exposed to the credit risk of its custodian, broking and other counterparties. Should any of these counterparties breach their contracts and/or go into administration/ liquidation, the Company and/or its Funds may lose some or all of its assets.

BUSINESS AND OPERATIONAL RISKS (CONT.)

SERVICE PROVIDER

The Company relies on a number of third parties in areas such as banking, custody, registry, legal advice, administration and accountancy/taxation. The failure of these parties to provide adequate services could create a material operational risk to the Company and also the Funds. The decision of these parties to terminate services to the Company or the Funds may create a material operational risk to the Company and to the Funds.

FUND SPECIFIC RISKS

Each Fund has its own risks as disclosed in each of the Fund's offer documents. Should these risks negatively impact on a Fund, or should other risks arise, then there may be an impact on the Company's financial position, and its ability to meet its corporate objectives. In addition, there is a risk that deficiencies may exist in disclosure documents and/or management agreements which may require rectification (financial or otherwise) by the Company.

INVESTMENT RISKS

ECONOMIC AND MARKET CONDITIONS

Unfavourable economic movements (globally or locally) can impact the amount invested in a Fund and returns on a Fund. These risks include global economic risks, currency fluctuations, interest rates, government policy (including fiscal and monetary policy and taxation), changes in debt or equity markets and many other factors. To the extent that these factors reduce a Fund's investment performance or AUM, they may also reduce the Company's revenue, profitability and Share value.

COMPETITION

INCREASED COMPETITION

The Company's competitors in Australia and abroad are numerous and include, among others, major multinational companies. There can be no assurance that the Company's competitors will not succeed in developing products that are more effective than any which have been, or are being developed, by the Company. As a strategic response to changes in the competitive environment, the Company's competitors may from time to time make certain pricing, service or marketing decisions or acquisitions that could have a material adverse effect on the Company's business, results of operations and financial conditions.

REGULATORY

FINANCIAL SERVICES

The Company operates in a highly regulated industry and must comply with the requirements of the Corporations Act and associated legislation and regulations and direction from ASIC and other regulators. Blue Sky Private Equity Limited and Blue Sky Investment Science Asset Management Pty Limited, each a wholly owned subsidiary of the Company must comply with the capital, solvency and other conditions of its AFSL. The Company's performance would be adversely affected if either AFSL were subjected to significant limitations as a result of misconduct. Changes to regulatory requirements may result in increased costs to the Company in order to comply with regulatory requirements and an increased risk of non-compliance with new and complex regulation. Non-compliance may result in financial penalties, additional expense or reputational damage.

FISCAL AND MONETARY POLICY

Investment returns are affected by a range of economic factors. Any change to fiscal or monetary policy can impact returns for the Funds, the attractiveness of the Funds to investors or any other matter that may directly reduce the revenue, profitability and Share value of the Company.

TAXATION

Taxation laws (both domestic and international) are often changed or reinterpreted. Those changes or re-interpretations can materially affect the Funds, the Company and the Company's profitability and Share value. In addition, there may be tax implications arising from applications for New Shares, the receipt of dividends (both franked and unfranked if any) from the Company, participation in any on-market Share buyback and on the disposal of Shares. Taxation law changes with regard to the superannuation industry may also have an adverse impact on funds flow to superannuation which may impact the ability of the Company to grow assets under management.

ACCOUNTING STANDARDS

Australian accounting standards are set by the Australian Accounting Standards Board (AASB) and are outside the Company's control. Changes to accounting standards issued by the AASB could adversely affect the financial performance and position reported in the Company's financial statements.

PEOPLE

KEY PERSON

The Company has a number of key senior management and specialist personnel. All senior management have employment agreements which contain obligations relating to the provision of notice for terminating employment and also include restraints on the senior management for the purpose of protecting the Company's legitimate business interests. However, there can be no assurance that the Company will be able to retain these key senior management personnel. Due to the specialist nature of the business, the Company may have difficulty in recruiting appropriately qualified personnel from time to time to support its current products or future products. Should the Company experience prolonged difficulty in replacing key senior management and/or specialist personnel, this may have a material adverse effect on the financial performance and/or financial position of the Company.

PEOPLE (CONT.)

**EMPLOYEE
TURNOVER**

The operations of the Company are labour intensive and the Directors recognise that the future growth of the Company is highly dependent on its ability to retain existing employees with relevant experience. Should the Company fail to retain existing employees and recruit and retain additional employees, this may have a negative impact on existing operations and future growth prospects of the Company, and adversely affect the financial performance and/or financial position of the Company.

**INCREASED LABOUR
COSTS**

Labour costs account for a substantial amount of the Company's costs. A substantial increase in labour costs may have an adverse impact on the financial performance and/or financial position of the Company.

OFFER

SHARE PRICE

The Company's Share price might rise or fall and Shares might trade at prices below or above the Offer Price. Factors affecting the Share price could include domestic or international economic conditions. The prices of many listed entities securities are affected by factors that might be unrelated to the operating performance of the relevant company. Such fluctuations might adversely affect the price of the Shares.

**EQUITY RAISING
DOCUMENTATION**

There is a risk that the documentation related to this Equity Raising is deemed to be misleading and/or deceptive as a result of error or omission. These risks could result in a material loss to the Company and its Shareholders.

DILUTION

Shareholders' Shares, and hence their voting power, will be diluted by any future capital raising by the Company. In addition, Shareholders may be diluted by the issue of any Shares, or options to employees under an employee incentive scheme (if any) from time to time.

APPENDIX B: FINANCIAL PERFORMANCE

Adoption of the revised AASB 10: Impact on Blue Sky's statutory financial statements

- Blue Sky adopted the revised AASB 10 - *Consolidated Financial Statements* in 1H FY14.
- As a result of adopting the revised AASB 10 in H1 FY14, Blue Sky changed its accounting policy for determining whether it has control over, and consequently whether it consolidates, the funds that it manages.
- The revised AASB 10 uses a control model that broadened the situations when a fund managed by Blue Sky is considered to be controlled by Blue Sky.
- As a result of adopting the revised AASB 10, the Group also changed its accounting policy for determining whether it has significant influence over and consequently whether it accounts for its investments in investees in accordance with the equity method.
- As a result, since H1 FY14 the vast majority of the funds in which Blue Sky has invested are now either consolidated or equity accounted in Blue Sky's statutory financial statements.

Underlying results

- In order to provide shareholders with insight into the financial condition and performance of the Group, since 1H FY14 Blue Sky has also reported its 'underlying' financial statements. These statements are prepared on the basis that all of Blue Sky's investments are accounted for using the same principles of fair value that are included in AASB 13 – *Fair Value Measurement*.¹
- The non-IFRS financial information at the end of each reporting period has been subject to review by Blue Sky's auditor (Ernst & Young).

1. A reconciliation between the Underlying Results and the Statutory Results is provided in the Consolidated Financial Statements which may be downloaded from the ASX's website.

In AUD \$m	Underlying Results				
	FY13	FY14	FY15	1H FY16	
Income					
Management fees	\$10.9	\$14.7	\$24.8	\$12.8	
Performance fees	\$0.9	\$2.7	\$8.8	\$8.2	
Investment income	\$1.0	\$4.1	\$5.5	\$0.4	
Share of gain/(loss) of associates	-	-	-	-	
Other income	\$1.4	\$2.5	\$4.5	\$2.4	
Total income	\$14.2	\$24.0	\$43.6	\$23.8	
Operating costs					
Employee benefits	(\$4.6)	(\$6.9)	(\$12.4)	(\$8.2)	
Occupancy	(\$0.4)	(\$0.5)	(\$1.1)	(\$1.0)	
External service providers	(\$1.0)	(\$2.0)	(\$3.0)	(\$1.9)	
External capital raising expenses	(\$0.2)	(\$1.1)	(\$3.0)	(\$0.8)	
Fee rebates to BSAAF Limited (BAF)	-	(\$1.2)	(\$3.3)	(\$2.7)	
Other operating costs	(\$2.2)	(\$2.8)	(\$5.3)	(\$2.5)	
Total operating costs	(\$8.3)	(\$14.5)	(\$28.1)	(\$17.1)	
EBITDA	\$5.9	\$9.5	\$15.5	\$6.7	
EBIT	\$5.7	\$9.2	\$15.2	\$6.5	
Net profit/(loss) after tax	\$3.9	\$6.2	\$10.4	\$4.4	
Non-controlling interests (NCI)	-	-	-	-	
Owners of Blue Sky	\$3.9	\$6.2	\$10.4	\$4.4	

Commentary on underlying results:

- For detailed commentary on underlying results for each period, please refer to the publicly available results presentations and financial reports from the appropriate year.
- Increase in management fees reflects larger AUM and ongoing deal activity across Private Equity, Private Real Estate and Real Assets.
- Increase in performance fees is driven by ongoing strong investment performance across a larger AUM base.
- Other income includes sales commissions, responsible entity revenue and interest revenue.
- Increase in employee expenses reflects the ongoing investment in our team (now 83 people) and increased performance fees paid.
- Fee rebates to BAF include rebates of costs of deployment, as well as the rebate of management fees and performance fees charged to its underlying fund investments.
- Other operating costs include travel and entertainment and administrative expenses.

The underlying results are non-IFRS financial information and are based on all equity held by Blue Sky in funds that it manages being accounted for at fair value using the same approach as outlined in AASB 13. A reconciliation between the underlying results and the statutory results is provided in the Consolidated Financial Statements which may be downloaded from the ASX's website at www.asx.com.au. The non-IFRS financial information has been subject to review by Blue Sky's auditor (Ernst & Young) with the exception of the breakdown of the income and operating costs which has been provided by Blue Sky management.

In AUD \$m	Statutory Results			
	FY13	FY14	FY15	1H FY16
Income				
Management fees	\$8.7	\$13.5	\$24.7	\$12.8
Performance fees	\$0.9	\$2.7	\$8.8	\$8.2
Investment income	\$0.1	\$0.3	\$2.3	(\$0.1)
Share of gain/(loss) of associates	\$0.2	\$2.7	\$3.7	\$0.5
Other income	\$1.1	\$16.0	\$25.0	\$12.8
Total income	\$10.9	\$35.2	\$64.5	\$34.2
Operating costs				
Employee benefits	(\$5.1)	(\$9.3)	(\$15.2)	(\$9.0)
Occupancy	(\$0.4)	(\$0.8)	(\$1.6)	(\$1.3)
External service providers	(\$1.1)	(\$2.7)	(\$3.2)	(\$2.0)
External capital raising expenses	(\$0.2)	(\$1.1)	(\$3.0)	(\$0.8)
Fee rebates to BSAAF Limited (BAF)	-	(\$1.2)	(\$3.3)	(\$2.7)
Other operating costs	(\$2.9)	(\$14.4)	(\$21.2)	(\$9.9)
Total operating costs	(\$9.7)	(\$29.5)	(\$47.5)	(\$25.7)
EBITDA	\$1.2	\$5.7	\$17.0	\$8.5
EBIT	\$1.0	\$4.1	\$14.8	\$7.4
Net profit/(loss) after tax	(\$0.6)	\$1.0	\$9.9	\$4.5
Non-controlling interests (NCI)	(\$2.1)	(\$2.9)	(\$0.5)	\$0.2
Owners of Blue Sky	\$1.6	\$3.9	\$10.4	\$4.3

Commentary on statutory results:

- For detailed commentary on statutory results for each period, please refer to the publicly available results presentations and financial reports from the appropriate year.
- Investment income excludes gains in fair value of balance sheet investments that are either consolidated or accounted for using the equity method under AASB10.
- Other income includes revenue earned by funds managed by Blue Sky that are consolidated under AASB10. This includes apartment sales revenue, supply of water revenue and management and letting rights revenue.
- Similarly, other operating costs are higher than the underlying results as they include expenses associated with funds consolidated under AASB10. This includes costs associated with apartment sales (e.g. construction costs), costs associated with the supply of water and management and letting rights expenses.

Note that the statutory results include the impact of a range of Blue Sky managed funds that have been consolidated or equity accounted following the adoption of AASB 10. A reconciliation between the underlying results and the statutory results is provided in the Consolidated Financial Statements which may be downloaded from the ASX's website at www.asx.com.au. The financial information has been subject to review by Blue Sky's auditor (Ernst & Young) with the exception of the breakdown of the income and operating costs which has been provided by Blue Sky management.

In AUD \$m	Underlying Results			
	30-Jun-13	30-Jun-14	30-Jun-15	31-Dec-15
Cash	\$5.6	\$14.8	\$21.1	\$14.2
Other current assets	\$2.4	\$9.0	\$17.2	\$30.2
Total current assets	\$8.0	\$23.8	\$38.3	\$44.4
Investments accounted for using the equity method	-	-	-	\$0.4
Financial assets at fair value through profit and loss	\$8.1	\$39.1	\$32.8	\$33.7
Property, plant and equipment	\$0.1	\$0.4	\$3.6	\$3.6
Intangible assets	\$4.9	\$5.6	\$5.7	\$5.7
Other non current assets	\$1.2	\$5.6	\$13.6	\$11.3
Total non current assets	\$14.3	\$50.7	\$55.7	\$54.7
Total assets	\$22.3	\$74.5	\$94.0	\$99.1
Trade and other payables	\$2.3	\$3.4	\$6.1	\$10.1
Borrowings	-	\$7.0	\$7.1	\$8.4
Other current liabilities	\$1.8	\$4.2	\$9.1	\$10.1
Total current liabilities	\$4.1	\$14.6	\$22.3	\$28.6
Borrowings	-	-	-	-
Other non current liabilities	\$0.6	\$4.0	\$9.1	\$9.1
Total non current liabilities	\$0.6	\$4.0	\$9.1	\$9.1
Total liabilities	\$4.7	\$18.6	\$31.4	\$37.7
Net assets	\$17.6	\$55.9	\$62.6	\$61.4
Net tangible assets	\$12.7	\$50.3	\$56.9	\$55.7

Commentary on underlying results:

- For detailed commentary on underlying results for each period, please refer to the publicly available results presentations and financial reports from the appropriate year.
- Other current assets at 31 December 2015 include \$11.6m in bridging finance provided to funds and \$9.6m in accrued performance fees, anticipated to be received in cash in the next 12 months.
- Financial assets at fair value are primarily driven by new co-investments in the period, investment performance throughout the period and realisations throughout the period.
- Other non current assets include accrued performance fees of \$6.6m and \$2.1m of employee loans. Employee loans are provided solely for investment into Blue Sky funds and matched with employee equity. This enhances employee alignment.
- Borrowings increased from \$7.1m at 30 June 2015 to \$8.4m at 31 December 2015 (\$6.2m remains undrawn).

The underlying results are non-IFRS financial information and are based on all equity held by Blue Sky in funds that it manages being accounted for at fair value using the same approach as outlined in AASB 13. A reconciliation between the underlying results and the statutory results is provided in the Consolidated Financial Statements which may be downloaded from the ASX's website at www.asx.com.au. The non-IFRS financial information has been subject to review by Blue Sky's auditor (Ernst & Young).

In AUD \$m	Statutory Results			
	30-Jun-13	30-Jun-14	30-Jun-15	31-Dec-15
Cash	\$6.6	\$16.3	\$22.4	\$14.9
Other current assets	\$4.3	\$18.0	\$22.9	\$35.6
Total current assets	\$10.9	\$34.3	\$45.3	\$50.5
Investments accounted for using the equity method	\$3.4	\$25.2	\$22.7	\$22.8
Financial assets at fair value through profit and loss	\$0.3	\$0.2	\$0.2	-
Property, plant and equipment	\$2.2	\$28.0	\$30.2	\$30.4
Intangible assets	\$5.6	\$18.9	\$18.9	\$18.8
Other non current assets	\$3.3	\$5.7	\$13.1	\$9.7
Total non current assets	\$14.8	\$78.0	\$85.1	\$81.7
Total assets	\$25.7	\$112.3	\$130.4	\$132.2
Trade and other payables	\$2.4	\$4.6	\$7.8	\$12.3
Borrowings	\$1.5	\$10.9	\$11.6	\$9.2
Other current liabilities	\$2.3	\$4.7	\$9.6	\$10.9
Total current liabilities	\$6.2	\$20.2	\$29.0	\$32.4
Borrowings	\$1.6	\$3.3	\$9.3	\$9.3
Other non current liabilities	\$0.4	\$9.8	\$15.2	\$15.1
Total non current liabilities	\$2.0	\$13.1	\$24.5	\$24.4
Total liabilities	\$8.2	\$33.3	\$53.5	\$56.8
Net assets	\$17.5	\$79.0	\$76.9	\$75.4
Net tangible assets	\$11.9	\$60.1	\$58.0	\$56.6

Commentary on statutory results:

- For detailed commentary on statutory results for each period, please refer to the publicly available results presentations and financial reports from the appropriate year.
- Higher cash (vs underlying results) includes cash in funds consolidated by Blue Sky.
- Other current assets include receivables payable to funds that were consolidated under AASB10 as well as inventory related to a residential real estate development.
- PP&E includes water infrastructure assets and land and buildings held by funds consolidated under AASB10.
- Intangible assets include the value of long term customer contracts that were acquired as part of the purchase of the Willunga Basin Water Company infrastructure asset in 2013 by a fund managed by Blue Sky.
- Borrowings include debt that is consolidated from funds under AASB10 (e.g. construction debt; debt related to water infrastructure) and that is non-recourse to Blue Sky.

Note that the statutory results include the impact of a range of Blue Sky managed funds that have been consolidated or equity accounted following the adoption of AASB 10. A reconciliation between the underlying results and the statutory results is provided in the Consolidated Financial Statements which may be downloaded from the ASX's website at www.asx.com.au. The financial information has been subject to review by Blue Sky's auditor (Ernst & Young).

In AUD \$m	Underlying Results			
	FY13	FY14	FY15	1H FY16
Receipts from customers	\$11.1	\$19.4	\$32.5	\$23.4
Payments to suppliers and employees	(\$9.2)	(\$14.7)	(\$25.4)	(\$18.6)
Interest received	\$0.1	\$0.5	-	\$0.4
Interest and other finance costs paid	-	(\$0.0)	-	(\$0.2)
Income tax paid	(\$1.0)	(\$0.8)	(\$1.0)	(\$1.9)
Net cash from operating activities	\$1.0	\$4.4	\$6.1	\$3.1
Payment for equity investments	-	(\$25.9)	(\$2.4)	(\$2.0)
Payment for property, plant and equipment	-	(\$0.3)	(\$0.5)	(\$0.4)
Payment for intangible assets	-	(\$0.6)	(\$0.2)	(\$0.1)
Proceeds from disposal of equity investments	\$1.3	\$0.9	\$9.5	\$2.5
Receivables from/(to) related parties	(\$0.4)	(\$7.0)	(\$2.0)	(\$5.0)
Net cash used in investing activities	\$0.9	(\$32.9)	\$4.4	(\$5.0)
Proceeds from issue of shares	-	\$34.6	\$0.1	-
Issue of shares to non-controlling interests	-	-	-	-
Proceeds from borrowings	-	\$11.9	\$3.8	\$16.8
Repayment of borrowings	-	(\$5.0)	(\$4.2)	(\$15.6)
Dividends paid	(\$2.0)	(\$2.3)	(\$3.9)	(\$6.2)
Other financing cash flows	-	(\$1.5)	-	-
Net cash used in financing activities	(\$2.0)	\$37.7	(\$4.2)	(\$5.0)
Starting cash balance	\$5.7	\$5.6	\$14.8	\$21.1
Ending cash balance	\$5.6	\$14.8	\$21.1	\$14.2

Commentary on underlying results:

- For detailed commentary on underlying results for each period, please refer to the publicly available results presentations and financial reports from the appropriate year.
- >70% of equity raised in FY14 was co-invested into a range of Blue Sky managed funds.
- Dividend payments historically have been at the lower end of the dividend payment policy (60-100% of NPAT).

The underlying results are non-IFRS financial information and are based on all equity held by Blue Sky in funds that it manages being accounted for at fair value using the same approach as outlined in AASB 13. A reconciliation between the underlying results and the statutory results is provided in the Consolidated Financial Statements which may be downloaded from the ASX's website at www.asx.com.au. The non-IFRS financial information has been subject to review by Blue Sky's auditor (Ernst & Young).

In AUD \$m	Statutory Results			
	FY13	FY14	FY15	1H FY16
Receipts from customers	\$11.5	\$30.2	\$51.8	\$30.2
Payments to suppliers and employees	(\$11.6)	(\$28.5)	(\$46.8)	(\$23.1)
Interest received	\$0.1	\$0.5	\$0.1	\$0.4
Interest and other finance costs paid	(\$0.2)	(\$0.5)	(\$0.6)	(\$0.4)
Income tax paid	(\$1.0)	(\$1.2)	(\$1.7)	(\$2.0)
Net cash from operating activities	(\$1.2)	\$0.5	\$2.8	\$5.1
Payment for equity investments	(\$1.3)	(\$53.7)	(\$3.0)	(\$2.0)
Payment for property, plant and equipment	-	(\$4.4)	(\$1.0)	(\$1.4)
Payment for intangible assets	-	(\$5.1)	(\$0.4)	(\$0.1)
Proceeds from disposal of equity investments	\$1.3	\$0.9	\$8.2	\$2.5
Receivables from/(to) related parties	(\$0.4)	(\$6.5)	(\$0.5)	(\$4.6)
Net cash used in investing activities	(\$0.4)	(\$68.8)	\$3.3	(\$5.6)
Proceeds from issue of shares	-	\$34.6	\$0.1	-
Issue of shares to non-controlling interests	\$3.9	\$37.5	(\$4.4)	-
Proceeds from borrowings	\$1.6	\$24.8	\$18.7	\$17.0
Repayment of borrowings	(\$1.2)	(\$14.4)	(\$10.1)	(\$17.8)
Dividends paid	(\$2.0)	(\$2.8)	(\$4.3)	(\$6.2)
Other financing cash flows	-	(\$1.7)	-	-
Net cash used in financing activities	\$2.3	\$78.0	(\$0.0)	(\$7.0)
Starting cash balance	\$5.9	\$6.6	\$16.3	\$22.4
Ending cash balance	\$6.6	\$16.3	\$22.4	\$14.9

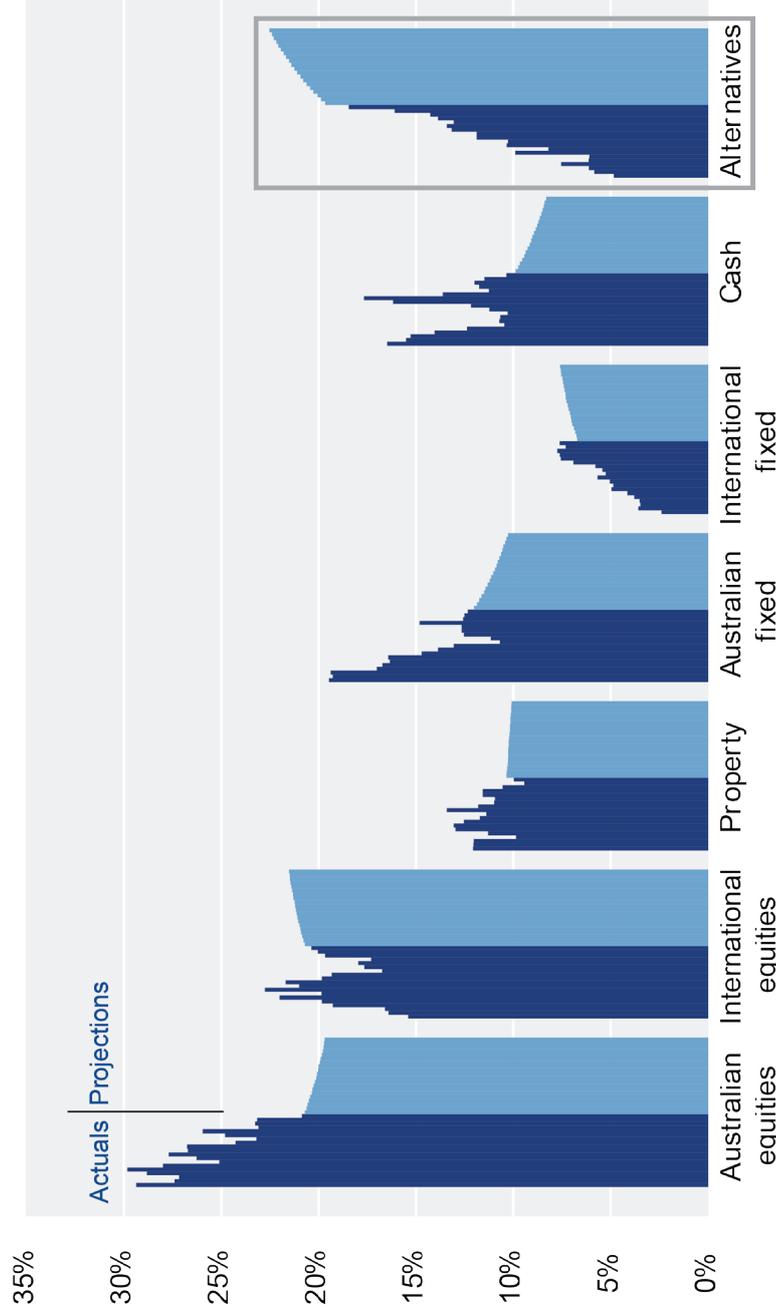
Commentary on statutory results:

- For detailed commentary on statutory results for each period, please refer to the publicly available results presentations and financial reports from the appropriate year.
- Significantly higher cash receipts and payments to suppliers reflect the impact of consolidating several funds under AASB10. Receipts include cash from the sale of water, proceeds from the sale of apartments and management rights letting income (and payments to suppliers reflecting the relevant funds' costs of providing these services).
- Proceeds from borrowings include debt that is consolidated from funds under AASB10 (e.g. construction debt; debt related to water infrastructure) and that is non-recourse to Blue Sky.
- Payment for equity investments includes cash acquired as part of the purchase and/or cash disposed of as part of a sale.

Note that the statutory results include the impact of a range of Blue Sky managed funds that have been consolidated or equity accounted following the adoption of AASB 10. A reconciliation between the underlying results and the statutory results is provided in the Consolidated Financial Statements which may be downloaded from the ASX's website at www.asx.com.au. The financial information has been subject to review by Blue Sky's auditor (Ernst & Young).

APPENDIX C: THE ALTERNATIVES INDUSTRY

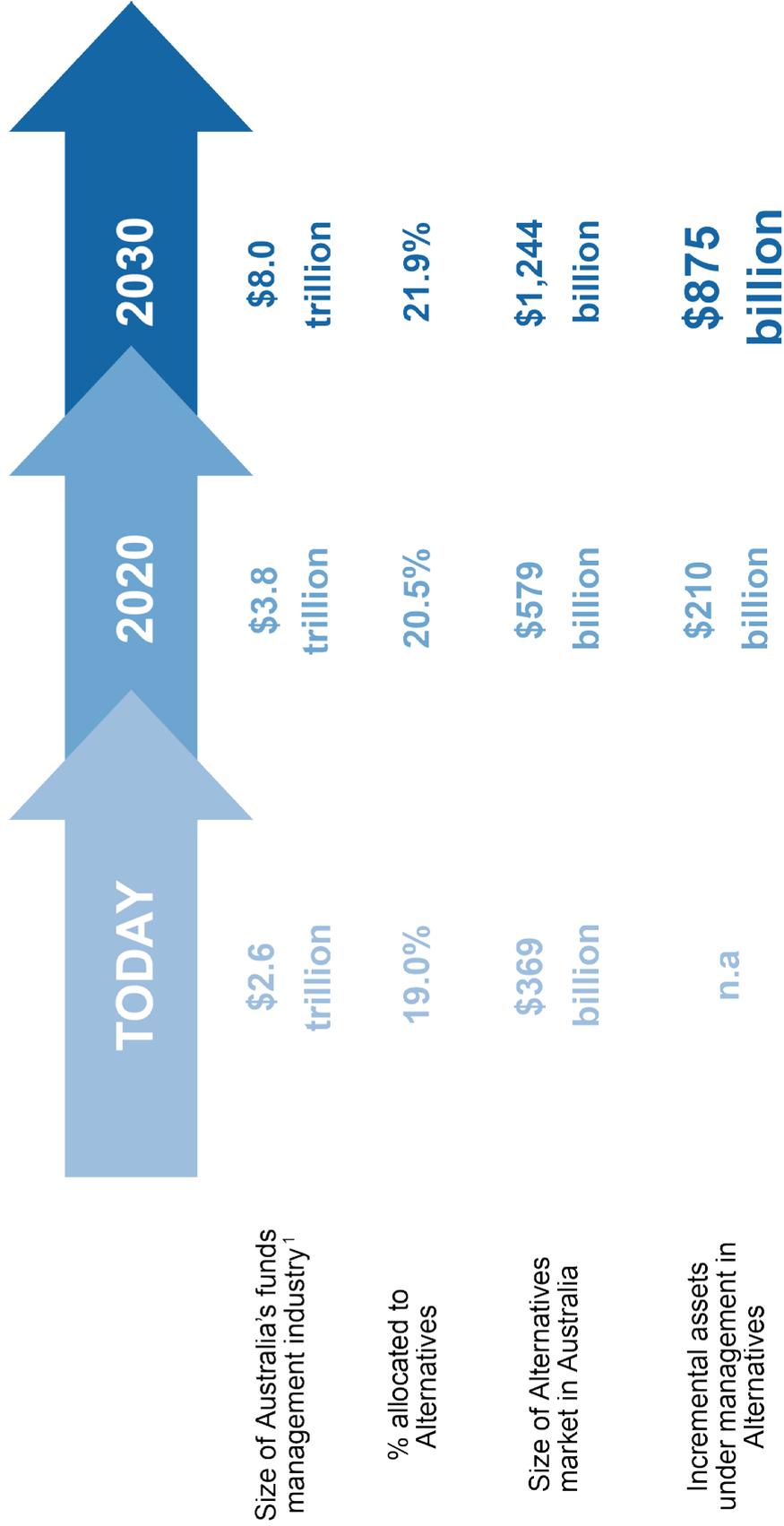
ASSET CLASS SEGMENT SHARES 1997-2035



Alternatives are projected to become **Australia's largest** asset class by 2021 (with international equities the next largest)

Source: Rainmaker Roundup – Volume 19 Number 3 (SEP Quarter 2015)

**MORE THAN \$850B IN NEW MONEY
ALLOCATED TO ALTERNATIVES BY 2030**



1. Includes overseas sourced funds under management.
Source: Rainmaker Roundup – Volume 19 Number 3 (SEP Quarter 2015)

APPENDIX D: GLOSSARY

TERM	DEFINITION
\$	Australian dollars.
AASB	Australian Accounting Standards Board.
ACCELERATED ENTITLEMENT OFFER	The component of the Entitlement Offer made to Eligible Accelerated Shareholders in accordance with the timetable and structure set out in the 'Equity Raising Details' section of this presentation.
AEST	Australian Eastern Standard Time.
AFSL	Australian Financial Services Licence.
ASIC	Australian Securities and Investments Commission.
ASX	ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
AUM	Assets under management calculated (i) for Blue Sky Private Real Estate Funds, as gross realisable value of the Fund; and (ii) for all other Funds, as debt and equity capital committed to that Fund.
BAF	Blue Sky Alternatives Access Fund Limited ACN 168 941 704.
BLUE SKY OR COMPANY OR BLA	Blue Sky Alternative Investments Limited ACN 136 866 236.
CORPORATIONS ACT	<i>Corporations Act 2001</i> (Cth).
DIRECTORS	The directors of the Company.
ELIGIBLE ACCELERATED SHAREHOLDER	An institutional, professional or sophisticated Shareholder on the Record Date who: a) is not an Ineligible Shareholder; and b) has successfully received an offer under the Accelerated Entitlement Offer (either directly or through a nominee).

TERM	DEFINITION
ELIGIBLE RETAIL SHAREHOLDER	<p>A Shareholder on the Record Date who:</p> <ul style="list-style-type: none"> a) has a registered address in Australia or New Zealand or is a Shareholder that Blue Sky and the JLMs have otherwise determined is eligible to participate; b) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; c) was not invited to participate in the Accelerated Entitlement Offer and was not treated as an Ineligible Shareholder under the Accelerated Entitlement Offer; and d) is eligible under all applicable securities laws to receive an offer under the non-accelerated Retail Entitlement Offer without any requirement for a prospectus to be lodged or registered.
ENTITLEMENT OFFER	<p>The pro rata accelerated non-renounceable offer to subscribe for 1 New Share for every 10 Shares of which the Shareholder is the registered holder on the Record Date, at the Offer Price and comprised of the Accelerated Entitlement Offer and the Retail Entitlement Offer components.</p>
EQUITY RAISING	<p>The Entitlement Offer and the Placement.</p>
FUND	<p>Any fund (registered or unregistered), syndicated direct investment or other vehicle in respect of which a member of the Group acts, or has acted as investment manager.</p>
GROUP	<p>Blue Sky and its subsidiaries.</p>
HWNI	<p>High net worth investors.</p>
INELIGIBLE SHAREHOLDER	<p>A Shareholder (or beneficial holder of Shares) on the Record Date with a registered address outside Australia or New Zealand or any other jurisdiction that Blue Sky and the JLMs agree to whom ASX Listing Rule 7.7.1(a) applies.</p>
INFORMATION BOOKLET	<p>The Retail Entitlement Offer Information Booklet issued under section 708AA of the Corporations Act and to be lodged by Blue Sky with the ASX on 13 May 2016.</p>

TERM	DEFINITION
JOINT LEAD MANAGERS OR JLM	Morgans Corporate Limited, Ord Minnett Limited
LISTING RULES	The official listing rules of ASX.
NEW SHARE	Shares to be allotted and issued under the Entitlement Offer.
OFFER PRICE	\$6.50 per New Share.
PLACEMENT	The offer of Shares to institutional, professional and sophisticated investors announced on 11 May 2016.
RECORD DATE	7pm AEST on 13 May 2016.
RETAIL ENTITLEMENT OFFER	The component of the Entitlement Offer made to Eligible Retail Shareholders in accordance with the timetable and structure set out in the 'Equity Raising Details' section of this presentation and which will be made pursuant to the Information Booklet.
SHARE	Fully paid ordinary shares in the capital of Blue Sky.
SHAREHOLDER	A holder of Shares.
TERP	Theoretical ex-rights price.
VWAP	Volume weighted average price.

**NOT FOR DISTRIBUTION OR RELEASE
IN THE UNITED STATES**

Bluesky

Alternative Thinking

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Level 46, 111 Eagle Street
Brisbane, Queensland
4000

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E: investorservices@blueskyfunds.com.au
blueskyfunds.com.au

13 May 2016

**Successful completion of Placement and Accelerated Entitlement Offer
Blue Sky Alternative Investments Limited (ASX: BLA)**

Key points:

- Accelerated Entitlement Offer and Placement successfully closed, raising approximately \$45.15 million.
- Placement of approximately 4.62 million new ordinary shares to institutional, professional and sophisticated investors completed to raise approximately \$30 million.
- Strong support received for the Placement and Accelerated Entitlement Offer which was oversubscribed.
- Retail Entitlement Offer fully underwritten by Ord Minnett Limited and Morgans Corporate Limited.
- Retail Entitlement Offer opens 18 May 2016.

Successful completion of Placement and Accelerated Entitlement Offer

Blue Sky Alternative Investments Limited (**Company**) is pleased to announce that it has successfully completed the first stage of the Company's \$66.8 million Equity Raising announced on 11 May 2016.

The Company has raised:

- approximately \$30 million from the placement to institutional, professional and sophisticated investors (**Placement**); and
- approximately \$15.15 million from the accelerated institutional component (**Accelerated Entitlement Offer**) of the accelerated 1 for 10 non-renounceable entitlement offer of fully paid ordinary shares in the Company (**New Shares**) (**Entitlement Offer**).

The offer price for the shares under the Placement and the Accelerated Entitlement Offer was \$6.50 per share (**Offer Price**). Approximately 6.95 million new shares will be issued under the Placement and Accelerated Entitlement Offer.

Entitlements not taken up under the Accelerated Entitlement Offer along with the entitlements of ineligible shareholders were placed through a bookbuild process that was strongly supported by new and existing investors and closed oversubscribed. The Company welcomes a number of new institutional investors to its register.

Settlement of the Placement, issue of the Placement shares and issue of new shares under the Accelerated Entitlement Offer is expected to occur on 19 May 2016.

The Company expects its trading halt to be lifted and shares to recommence trading today from market open.

As noted in the Company's earlier announcement, the proceeds of the Equity Raising will be applied principally to provide additional capital for ongoing co-investment in funds managed by the Company, to provide balance sheet support for new funds launched and to demonstrate balance sheet scale to enhance conversion of potential institutional mandates.

The quantum of equity being raised is considered to be sufficient, for the foreseeable future, to support expected ongoing strong growth in assets under management, including newly announced joint ventures.

Commencement of the Retail Entitlement Offer

The non-accelerated component of the Entitlement Offer will open on Wednesday, 18 May 2016 (**Retail Entitlement Offer**).

Under the Retail Entitlement Offer, eligible shareholders (**Eligible Retail Shareholders**) will be invited to subscribe for 1 new ordinary share in the Company for every 10 existing shares held in the Company at 7.00pm (AEST) on Friday, 13 May 2016 (**Record Date**), at the same Offer Price as the Accelerated Entitlement Offer and the Placement.

The Retail Entitlement Offer is fully underwritten by the joint lead managers to the Equity Raising, Ord Minnett Limited and Morgans Corporate Limited.

Entitlements are non-renounceable and will not be tradeable on ASX or otherwise transferable. Shareholders who do not take up their entitlement will not receive any value in respect of those entitlements.

Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer should carefully read the information booklet, which will be lodged with the ASX today and sent to Eligible Retail Shareholders on or around 18 May 2016 and follow the instructions set out on the personalised entitlement and acceptance form that will accompany the information booklet. The Retail Entitlement Offer closes at 5.00pm (AEST) on 1 June 2016.

A copy of the information booklet will also be made available on the Company's website at blueskyfunds.com.au.

For further information, please contact Jane Prior, Company Secretary on (07) 3270 7500 (inside Australia) or +617 3270 7500 (outside Australia) between 8.00am to 5.00pm (Brisbane time) Monday to Friday during the offer period. Alternatively, consult your professional adviser.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933 (the 'US Securities Act'), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, within the United States, unless the securities have been registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available.

This document may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative thereof or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. The Company does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.

3. How to apply

3.1 Shareholder's choices

The number of New Shares to which Eligible Retail Shareholders are entitled (their **Entitlement**) is shown on the accompanying Entitlement and Acceptance Form. Eligible Retail Shareholders may:

- (a) take up their Entitlement in full (refer to section 3.2);
- (b) take up part of their Entitlement, in which case the balance of the Entitlement would lapse (refer to section 3.3); or
- (c) allow their Entitlement to lapse (refer to section 3.4).

Ineligible Shareholders may not take up any of their Entitlements.

The Company reserves the right to reject any Entitlement and Acceptance Form that is not correctly completed or that is received after the Closing Date.

The Closing Date for acceptance of the Retail Entitlement Offer is 5pm (AEST) on 1 June 2016 (however, that date may be varied by the Company, in accordance with the Listing Rules).

3.2 Taking up all of your Entitlement

If you wish to take up your Entitlement in full, follow the instructions set out in the Entitlement and Acceptance Form.

You may apply by completing the Entitlement and Acceptance Form accompanying this Information Booklet or by downloading your Entitlement and Acceptance Form online at blueskyfunds.com.au by clicking on the 'Offer Button' and completing the validation requirements.

Please return your completed Entitlement and Acceptance Form together with your Application Monies in accordance with section 3.6 for the amount shown on the Entitlement and Acceptance Form to the Share Registry so that it is received no later than 5pm (AEST) on 1 June 2016 at the address set out below:

By hand delivery (not to be used if mailing)

Blue Sky Alternative Investments Limited

C/- Link Market Services
1A Homebush Bay Drive
Rhodes NSW 2138

By post

Blue Sky Alternative Investments Limited

C/- Link Market Services
GPO Box 3560
Sydney NSW 2001

Alternatively, you may also take up all of your Entitlement by payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form or by downloading your Entitlement and Acceptance Form online at blueskyfunds.com.au by clicking on the 'Offer Button' and completing the validation requirements.

If payment is being made through BPAY, you do not need to return the Entitlement and Acceptance Form. Your payment must be received by no later than 5pm (AEST) on 1 June 2016.

If you do not return the Entitlement and Acceptance Form, amounts received by the Company in excess of the Offer Price multiplied by your Entitlement will be refunded.

Refund amounts, if any, will be paid in Australian dollars. You will be paid either by cheque sent by ordinary post to your address as recorded on the share register (the registered address of the first-named in the case of joint holders), or by direct credit to the nominated bank account as noted on the share register as at the closing date of the offer. If you wish to advise or change your banking instructions with the Share Registry you may do so by going to:

<https://investorcentre.linkmarketservices.com.au/Login.aspx/Login> and following the instructions.

If you apply online and do not pay via BPAY, you must personally print out and complete the online Entitlement and Acceptance Form. Entitlement and Acceptance Forms downloaded online must not be completed by third parties, including authorised third parties (e.g. the Applicant's broker).

3.3 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement, complete the Entitlement and Acceptance Form for the number of New Shares you wish to take up and follow the other steps required in accordance with section 3.2. No further action is required in relation to the balance of your Entitlements that are not taken up which will simply lapse.

You may arrange for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form. If payment is made through BPAY and the Company receives an amount that is less than the Offer Price multiplied by your Entitlement (**Reduced Amount**), your payment may be treated as an application for as many New Shares as your Reduced Amount will pay for in full.

3.4 Allow your Entitlement to lapse

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

The Entitlement Offer is non-renounceable and therefore your Entitlement will not be tradable on the ASX or otherwise transferable.

3.5 Consequences of not accepting your Entitlement

If you do not accept all of your Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer (or New Shares that relate to the portion of your Entitlement that has not been accepted) may be acquired by the Joint Lead Managers in accordance with the underwriting arrangements or any sub-underwriters.

Shareholders will have their interest in the Company diluted because of the issue of Shares under the Placement. In addition, Eligible Retail Shareholders who do not take up all of their Entitlements will have their percentage shareholding in the Company further diluted.

3. How to apply

3.6 Payment

The consideration for the New Shares is payable in full on application by a payment of \$6.50 per New Share. The Entitlement and Acceptance Form must be accompanied by a cheque for the Application Monies. Cheques must be drawn in Australian currency on an Australian bank and made payable to **'Blue Sky Alternative Investments Limited – Entitlement Offer'** and crossed 'Not Negotiable'.

Alternatively, you may arrange for payment of the Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Eligible Retail Shareholders must not forward cash by mail. Receipts for payment will not be issued.

3.7 Entitlement and Acceptance Form is binding

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Information Booklet and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' (or their delegates') decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Retail Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Retail Entitlement Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia or New Zealand; and
- (c) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

3.8 Brokerage and stamp duty

No brokerage fee is payable by Eligible Retail Shareholders who accept their Entitlement. No stamp duty is payable for subscribing for New Shares under the Entitlement Offer.

3.9 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this Information Booklet or any Entitlement and Acceptance Form in any country outside Australia, except to beneficial holders of Shares in New Zealand, and beneficial holders of Shares who are institutional, sophisticated or professional investors in other countries to the extent the Company may determine it is lawful and practical to make the Retail Entitlement Offer.

4. Additional information

4.1 Rights attaching to New Shares

From allotment and issue, the New Shares will rank equally in all respects with Existing Shares.

4.2 Interests of Directors

Directors are entitled to take up their Entitlements to New Shares. Directors did not take up Placement Shares.

4.3 ASX quotation

The Company has made an application to ASX for the New Shares to be granted quotation on ASX. If permission is not granted for quotation of the New Shares on ASX, then no allotment and issue of any New Shares will take place and Application Monies (without interest) will be returned in full to Applicants.

Trading of New Shares will, subject to ASX approval, occur on or about the date specified in the Timetable.

4.4 Allotment and despatch of Shareholding Statements

Subject to the New Shares being granted quotation on ASX, the New Shares will be allotted and issued and holding statements despatched in accordance with the Timetable. It is expected that allotment and issue of New Shares under the Retail Entitlement Offer will take place on or about 8 June 2016. It is expected that holding statements for the New Shares will be despatched on or about 10 June 2016.

Application Monies will be held in trust in a subscription account until allotment and issue of the New Shares. No interest will be paid to Applicants.

4.5 CHESS

The Company will apply to have the New Shares issued under this Entitlement Offer admitted to participate in CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules. The Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the principal register of New Shares.

4.6 Taxation

You should be aware that there may be taxation implications associated with participating in the Entitlement Offer and receiving New Shares.

The Directors consider that it is not appropriate to give advice regarding the taxation consequences of subscribing for New Shares under this Information Booklet, or the subsequent disposal of any New Shares allotted and issued under this Information Booklet. The Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to potential Applicants. The Directors recommend that all Shareholders consult their own professional tax advisers in connection with subscribing for, and subsequent disposal of, New Shares allotted and issued under this Information Booklet.

4.7 Withdrawal of the Entitlement Offer

The Company reserves the right to withdraw or not proceed with the whole or any part of the Entitlement Offer at any time prior to the allotment of New Shares. In that event, any relevant Application Monies that have been received under the Retail Entitlement Offer will be refunded without interest.

4.8 Enquiries

If you have any queries about your Entitlement please contact the Company, the details for which are set out in the Corporate Information section at the back of this Information Booklet.

Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

5. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Information Booklet.

\$ means Australian dollars.

Accelerated Entitlement Offer means the component of the Entitlement Offer made to Eligible Accelerated Shareholders in the manner set out in section 1.2 of this Information Booklet.

AEST means Australian Eastern Standard Time.

Applicant means a person who has applied to subscribe for New Shares by submitting an Acceptance Form or arranging for payment through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application means the submission of an Entitlement and Acceptance Form accompanied by the relevant Application Monies or arranging for payment of the relevant Application Monies through BPAY in accordance with the instructions on the Entitlement and Acceptance Form.

Application Monies means the aggregate amount of money payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).

ASX Settlement Operating Rules means the official operating rules of ASX Settlement Pty Ltd ACN 008 504 532.

Board means the board of Directors of the Company.

Business Day has the same meaning as in the Listing Rules.

CHES means Clearing House Electronic Subregister System, operated by ASX Settlement Pty Ltd ACN 008 504 532.

Closing Date means 5pm AEST on 1 June 2016, the day the Retail Entitlement Offer closes or such other date as the Directors in their absolute discretion determine, subject to the Listing Rules.

Company means Blue Sky Alternative Investments Limited ACN 136 866 236.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Eligible Accelerated Shareholder means an institutional, professional or sophisticated Shareholder on the Record Date who:

- (a) is not an Ineligible Shareholder; and
- (b) has successfully received an offer under the Accelerated Entitlement Offer (either directly or through a nominee).

Eligible Retail Shareholder means a Shareholder on the Record Date who:

- (a) has a registered address in Australia or New Zealand or is a Shareholder that the Company and the Joint Lead Managers have otherwise determined is eligible to participate;
- (b) is not in the United States and is not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States;
- (c) was not invited to participate in the Accelerated Entitlement Offer and was not treated as an Ineligible Shareholder under the Accelerated Entitlement Offer; and
- (d) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus to be lodged or registered.

Entitlement means the right to subscribe for New Shares pursuant to the Entitlement Offer.

Entitlement and Acceptance Form means the Entitlement and Acceptance Form accompanying this Information Booklet.

Entitlement Offer means the pro rata accelerated non-renounceable offer to subscribe for 1 New Share for every 10 Shares of which the Shareholder is the registered holder on the Record Date, at the Offer Price, and comprised of the Accelerated Entitlement Offer and the Retail Entitlement Offer components.

Equity Raising means the Entitlement Offer and the Placement.

Equity Raising Costs means direct costs of the Placement and Entitlement Offer including fees paid to the Joint Lead Managers and advisers and to providers of specific services to cover share registry, printing and postage costs.

Existing Shares means the Shares already on issue in the Company as at the Record Date.

Ineligible Shareholder means a Shareholder (or beneficial holder of Shares) on the Record Date with a registered address outside Australia or New Zealand or any other jurisdiction that the Company and the Joint Lead Managers agree to whom ASX Listing Rule 7.7.1(a) applies.

Information Booklet means this document issued under section 708AA of the Corporations Act.

Investor Presentation means the presentation to investors, released to the ASX on 11 May 2016, incorporated in section 2 of this Information Booklet.

Joint Lead Managers means Ord Minnett Limited ACN 002 733 048 and Morgans Corporate Limited ACN 010 539 607.

Legal Adviser means Talbot Sayer Lawyers.

Listing Rules means the official listing rules of ASX.

5. Definitions

New Shares means Shares to be allotted and issued under the Entitlement Offer and Placement (as the context requires).

non-IFRS financial information means financial information that is presented other than in accordance with all relevant accounting standards.

Offer Price means \$6.50 per New Share.

Options mean all options on issue to acquire Shares in the Company.

Placement means the offer of New Shares to institutional, sophisticated and professional investors announced on 11 May 2016 at an issue price of \$6.50 per share.

Record Date means 7pm AEST on 13 May 2016.

Retail Entitlement Offer means the component of the Entitlement Offer made to Eligible Retail Shareholders pursuant to this Information Booklet in the manner set out in section 1.3.

Shareholders mean holders of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

Share Registry means Link Market Services Limited ACN 083 214 537.

Timetable means the indicative timetable set out in the 'Summary of Equity Raising' section on page 5 of this Information Booklet.

USA means United States of America.

US Securities Act means the US Securities Act of 1933, as amended.

VWAP means volume weighted average price.

6. Corporate information

Company

Blue Sky Alternative Investments Limited
ACN 136 866 236
blueskyfunds.com.au

Principal Office

Level 46, 111 Eagle Street
Brisbane, QLD 4000

Registered Office

Level 46, 111 Eagle Street
Brisbane, QLD 4000

Directors

Mr Mark Sowerby
Mr John Kain
Mr Tim Wilson
Mr Alexander McNab
Mr Kim Morison

Company Secretary

Jane Prior

Share Registry

Link Market Services

Level 15, 324 Queen Street
Brisbane, QLD 4000

Phone:
Within Australia: +61 2 8280 7111
Fax: +61 2 9287 0303

www.linkmarketservices.com.au

Joint Lead Managers and Underwriters

Ord Minnett Limited ACN 002 733 048

Level 31, 10 Eagle Street
Brisbane, QLD 4000

www.ords.com.au

Morgans Corporate Limited ACN 010 539 607

Level 29, 123 Eagle Street
Brisbane, QLD 4000

www.morgans.com.au

Legal Advisor

Talbot Sayer Lawyers

Level 11, 241 Adelaide Street
Brisbane, QLD 4000

www.talbotsayer.com.au

7. Entitlement and Acceptance Form

SRN/HIN:

Entitlement Number:

Number of Eligible Shares held as at the Record Date, 7:00pm (AEST) on 13 May 2016:

Entitlement to New Shares (on a 1 New Share for 10 basis):

Amount payable on full acceptance at A\$6.50 per Share:

Offer Closes 5:00pm (AEST):	1 June 2016
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ENTITLEMENT AND ACCEPTANCE FORM

As an Eligible Shareholder you are entitled to acquire 1 New Share for every 10 Existing Shares that you hold on the Record Date, at an Offer Price of A\$6.50 per New Share. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

IMPORTANT: The Offer is being made under the Information Booklet dated 13 May 2016. The Information Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Information Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Information Booklet.

If you do not have a paper copy of the Information Booklet, you can obtain a paper copy at no charge, by calling Blue Sky Alternative Investments Limited on 07 3270 7500.

PAYMENT OPTIONS

If you wish to take up all or part of your entitlement, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEST) on 1 June 2016. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry in time. By paying by BPAY® you will be deemed to have completed an Application Form for the number of Shares subject of your application payment.

OPTION 2: PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

If paying by cheque, bank draft or money order, complete and return the acceptance slip below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEST) on 1 June 2016.



Billers Code: [XXXXXXX]
Ref:

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: www.bpay.com.au

® Registered to BPAY Pty Ltd ABN 69 079 137 518

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.

Please detach and enclose with payment



SRN/HIN:

Entitlement Number:



A Number of New Shares accepted (being not more than your Entitlement shown above)

B Payment amount (Multiply the number in section A by A\$6.50)

A\$

C PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to “Blue Sky Alternative Investments Limited” and crossed “Not Negotiable”.

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

D CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name

BLUE SKY ALTERNATIVE INVESTMENTS LIMITED

The Entitlement Offer to which this Entitlement and Acceptance Form relates is not being made to investors located or resident outside of Australia and New Zealand. In particular the Entitlement Offer is not being made to any person in the U.S. or to a U.S. person. The Information Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Information Booklet and that you acknowledge the matters, and make the warranties and representations;
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Blue Sky Alternative Investments Limited.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®: www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by A\$6.50.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Payment Amount

Enter into section B the total amount payable by you. To calculate the total amount multiply the number in Section A by A\$6.50.

C. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section C. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Blue Sky Alternative Investments Limited" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque or money order for the incorrect amount, Blue Sky Alternative Investments Limited may treat you as applying for as many New Shares as your cheque, bank draft or money order will pay for.

D. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Information Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance Form.** You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Blue Sky Alternative Investments Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

Hand Delivery

Blue Sky Alternative Investments Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and application payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (AEST) on 1 June 2016. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Blue Sky Alternative Investments Limited reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact Blue Sky Alternative Investments Limited on 07 3270 7500.

