

18 October 2016

Offer to raise up to approximately \$47 million

Overview

- 1 for 3 non-renounceable entitlement offer to raise up to approximately \$47 million through the issue of approximately 43 million fully paid ordinary shares
- Issue price of \$1.10 per share represents a 6.8% discount to the last traded price of BAF shares on 14 October 2016

About the Offer

Blue Sky Alternatives Access Fund Limited (ASX:BAF) (**Alternatives Fund** or the **Company**) announces that it will raise up to \$47 million through a 1 for 3 non-renounceable entitlement offer (**Offer**) of fully paid ordinary shares in the Company (**New Shares**).

The issue price for the Offer will be \$1.10 per New Share (**Offer Price**) which represents a 9.0% discount to the 30-day volume weighted average price (**VWAP**) of the Company's Shares traded on the ASX over the 30 trading days up to and including 14 October 2016.

The Offer is not underwritten.

The proceeds from the Offer will be used to continue to build a diversified and actively-managed portfolio of alternative assets. With the fund now fully deployed, the Company is seeking to raise additional capital through the Offer to take advantage of a strong flow of attractive investment opportunities across its alternative asset classes. The deployment of the funds raised from the Offer will be consistent with the Company's investment strategy as detailed in the IPO Prospectus lodged with the ASX in 2014.

Under the Offer, eligible shareholders have the opportunity to subscribe for 1 New Share for every 3 existing shares held at 7:00pm (AEDT) on Friday 21 October 2016 (**Record Date**) at the Offer Price.

The Offer will include a top up facility under which eligible shareholders who take up their full entitlement will be invited to apply for additional New Shares in the Offer from a pool of those not taken up by other eligible shareholders (**Top Up Facility**). There is no guarantee that applicants under the Top Up Facility will receive all or any of the shares they apply for under the facility.

The Offer is non-renounceable which means that the entitlements to participate in the Offer are not transferable and therefore cannot be traded on the ASX or any other exchange or transferred privately. 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.

It is expected that approximately 43 million New Shares will be issued as part of the Offer. New Shares issued under the Offer will rank equally with existing ordinary shares.

Eligible shareholders will receive a prospectus including a personalised entitlement and acceptance form which will provide full details of how to participate in the Offer. The prospectus was lodged with the Australian Securities and Investments Commission on Monday 17 October 2016 and released to the ASX today.

Those shareholders who the Alternatives Fund determines to be ineligible shareholders will also be notified.

Key dates*

| Activity | Date |
|--|-----------------------------------|
| Announcement of the Offer | Tuesday, 18 October 2016 |
| Release of Prospectus and Appendix 3B with ASX | Tuesday, 18 October 2016 |
| Ex Date The date from which Shares commence trading without the entitlement to participate in the Offer | Thursday, 20 October 2016 |
| Record Date The date for determining Entitlements of Eligible Shareholders to participate in the Offer | 7:00pm, Friday, 21 October 2016 |
| Prospectus and Entitlement and Acceptance Form despatched | Tuesday, 25 October 2016 |
| Offer opening date The first day for Applications under the Offer including Applications under the Top-Up Facility | Tuesday, 25 October 2016 |
| Offer closing Date The final day for Applications under the Offer including Applications under the Top-Up Facility | 5:00pm on Friday, 4 November 2016 |
| Deferred settlement trading New Shares issued quoted on a deferred settlement basis | Monday, 7 November 2016 |
| ASX notified of under subscriptions and Shortfall Shares (if any) | Wednesday, 9 November 2016 |
| Shortfall Facility opening date (if required) | Thursday, 10 November 2016 |
| Allotment of New Shares issued under the Offer | Friday, 11 November 2016 |
| Holding statements for New Shares issued under the Offer despatched | Monday, 14 November 2016 |
| Normal Trading | Monday, 14 November 2016 |

Normal trading of New Shares on ASX expected to commence

All references to time are to Australia Eastern Daylight Time (**AEDT**).

**This Timetable is indicative only and subject to change without notice. The Directors may vary any or all of the dates of the Offer, including the Closing Date, subject to the Listing Rules and the Corporations Act. An extension of the Closing Date will 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 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.

Further information contact:

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About the Alternatives Fund

The Alternatives Fund is a listed investment company that invests in a diverse range of alternative assets including private equity and venture capital, real assets, private real estate and hedge funds. We are the only listed investment company on the ASX that allows investors to make a strategic allocation to a diverse portfolio of directly managed alternative assets. Listed on the ASX on 16 June 2014, investments are made by BSAAF Management Pty Limited (**Manager**) with the aim of providing investors with a balance between capital gains and income.

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 Alternatives Fund 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.