

13 February 2019

Blue Sky to cease strategic agreement with Canadian Pension Fund

Blue Sky Alternative Investments Limited (ASX: BLA) ('Blue Sky' or 'the Company') has today agreed to terminate its strategic agreement with Canada's Public Sector Pension Investment Board ('PSP Investments') effective 31 March 2019.

Since December 2017, the Company's real assets division, Blue Sky Water Partners Pty Limited, has assisted PSP Investments to deploy capital across a variety of agricultural investments. Going forward PSP Investments intends to manage those investments directly with its local operating partners.

Blue Sky Water Partners continues to manage water and agricultural assets including its Water Fund and Strategic Australian Agriculture Fund which declared a final close as at 31 December 2018.

As at 31 December 2018, Blue Sky's real assets division managed \$1.1 billion, up from \$991 million at 30 June 2018.

Blue Sky Water Partners expects to continue to grow its funds under management leveraging its track record and various partnerships in Australia's irrigated agricultural industries.

Post the termination of the strategic agreement, the Real Assets division expects to continue to manage over \$900 million in water entitlements and agricultural assets.

The impact of the termination of the strategic partnership will trigger realisation of associated BLA co-investment and is not considered material to Blue Sky's earnings.

Following the appointment of a new Board of Directors, including an Executive Chair, and other key executives in December 2018, Mr Kim Morison resumed his prior role (held since 2010) as Managing Director of Real Assets, having acted as Blue Sky's interim Managing Director since April 2018.

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