

14 December 2018

Dear Shareholder

Blue Sky Alternatives Access Fund Limited (ASX: BAF) (the 'Alternatives Fund') – Net Tangible Assets ('NTA') per share for November 2018

The Alternatives Fund reports a pre-tax NTA increase to \$1.1103 per share in November, a gain of 0.2%. The growth in NTA was primarily driven by a positive month for the Blue Sky Water Fund and the impact of the share buyback program which was continued throughout November, acquiring 1,267,894 shares at a weighted average 23% discount to November's pre-tax NTA.

On 29 November 2018, the Alternatives Fund held its Annual General Meeting at which an appreciable number of BAF shareholders voted against the re-election of two of BAF's three independent non-executive directors. Accordingly, Paul Masi and Peter Wade retired from office at the conclusion of the meeting, alongside executive director Andrew Champion who had previously announced that he would not be standing for re-election.

Replacing Paul Masi and Peter Wade are two incoming independent non-executive directors John Baillie and Kym Evans. Existing director Michael Cottier has assumed the role of non-executive Chair and the BAF board is now composed entirely of independent non-executive directors. Short biographies on the new directors are available in BAF's ASX announcement on 29 November 2018.

The newly constituted board of BAF wishes to thank the outgoing directors for their contribution and stewardship. Moving forward, BAF will continue working toward finalising BAF's investment manager arrangements, including holding further meetings and discussions with Wilson Asset Management regarding its proposal, and will provide further updates to shareholders in due course. It is currently anticipated that an Extraordinary General Meeting will be called in early 2019 to consider new investment manager arrangements.

We look forward to bringing you our next investor update in relation to December 2018 and BAF's interim financial statements in early 2019.

Yours faithfully



Michael Cottier
Independent Non-Executive Chair

Important note

This document has been prepared for the purpose of providing general information only, without taking account of any particular investor's objectives, financial situation or needs. It is not an offer or invitation for subscription or purchase, or a recommendation of any financial product and is not intended to be relied upon by investors in making an investment decision. Past performance is not a reliable indicator of future performance.

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Monthly Update

November 2018

Net Tangible Assets – as at 30 November 2018¹

Net Tangible Assets (NTA) per share (pre-tax)	\$1.1103
Net Tangible Assets (NTA) per share (post-tax)	\$1.0843

1. NTA figures in this report are unaudited.

Pre-Tax Net Tangible Assets - Since Inception



Source: Blue Sky Alternatives Access Fund, 2018

Portfolio Valuation²

	Current value (\$'m)	% of Portfolio
Private Equity		
Growth Capital	\$46.64	20.8%
Venture Capital	\$12.83	5.7%
Subtotal	\$59.47	26.5%
Real Assets		
Water Fund	\$48.55	21.7%
Strategic Australian Agriculture Fund	\$13.84	6.2%
Other Real Assets	\$15.54	6.9%
Subtotal	\$77.93	34.8%
Private Real Estate		
Residential Development	\$3.67	1.6%
Student Accommodation	\$32.62	14.6%
Other Real Estate	\$15.73	7.0%
Subtotal	\$52.02	23.2%
Cash³	\$34.77	15.5%
Grand Total	\$224.19	100.0%

2. Figures in this report are unaudited. The current value for each investment in the table above is consistent with the Alternatives Fund's investment valuation policy found at blueskyfunds.com.au/alternativesfund. Note that the total value of the investment portfolio will not directly reconcile to the NTA due to the impact of interest revenue, management fees, accrued performance fees, etc.

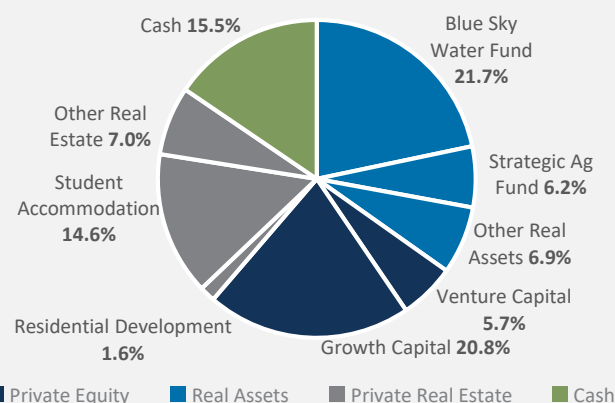
3. Includes capital to fund the remaining \$2.25 million of the \$15.0 million commitment to the Strategic Australian Agriculture Fund, which is to be called progressively over a three-year investment period commencing in July 2017.

Fund Performance⁴

Period	Pre-Tax	Post-Tax
1 month	0.15%	0.15%
3 months	2.23%	1.99%
6 months	2.70%	2.30%
12 months	4.23%	4.00%
Since inception (per annum)	8.35%	7.77%
Since inception (total) (compounding)	43.00%	39.61%

4. Includes NTA growth, dividends and franking credits.

Sector Weightings



Blue Sky Alternatives Access Fund, 2018

Note: Total allocation to the Blue Sky Water Fund (including through the Strategic Ag Fund) is 24.1% of the Portfolio.

About the Alternatives Fund

Blue Sky Alternatives Access Fund Limited ('Alternatives Fund') is a listed investment company that invests in a diverse range of alternative assets including: private equity, real assets and private real estate. The Alternatives Fund is the only listed investment company on the Australian Securities Exchange ('ASX') that allows investors to make a strategic allocation to a diverse portfolio of directly managed alternative assets. The Alternatives Fund is listed on the ASX under the code BAF.

Objectives of the Alternatives Fund

- Deliver long term absolute returns to shareholders, driven by an increase in the Alternatives Fund's NTA over time and dividend income (franked to either 100% or the maximum extent possible).
- Provide access to a diverse range of alternative assets.
- Provide investors with the ability to invest in alternative assets through an ASX-listed structure that is more readily accessible and liquid than is typical for many alternative assets.

Manager of the Alternatives Fund

BSAAF Management Pty Limited ('Manager') is the manager of the Alternatives Fund. All investments made by the Manager on behalf of the Alternatives Fund are directly managed by wholly owned subsidiaries of Blue Sky Alternative Investments Limited (ASX: BLA) ('Blue Sky').

Summary

The pre-tax NTA of the Alternatives Fund increased by 0.2 cents per share, or 0.2% in November to \$1.1103 per share. The growth in NTA was a result of a positive month for the Blue Sky Water Fund and the impact of the share buyback program.

Investment Performance

Blue Sky Water Fund

The carrying value of the Alternatives Fund's investment in the Blue Sky Water Fund increased by 0.2%⁵ in November as a result of the marked to market gains on the Fund's underlying portfolio of Water Entitlements.

5. The monthly return reported by the Alternatives Fund is on a post-tax basis and will differ to that separately reported by the Blue Sky Water Fund which is on a pre-tax basis.

Realised Investments

Duke Street Kangaroo Point Trust

Further exit proceeds from the Duke Street Kangaroo Point residential development project were received during the month, bringing the total capital returned to date to ~1.2x (including rebates). Additional profit distributions are expected in the coming months.

* Before fees and tax on BAF's portfolio as a whole

Distributions

The Alternatives Fund received a 3.24% quarterly distribution from the Blue Sky Hotel Fund during the month. This distribution had been previously accrued.

Other Matters

Update on share buyback

During November, the Alternatives Fund continued the share buyback program and acquired an additional 1,267,894 shares at an average price of \$0.86 representing a 23% discount to November's pre-tax NTA. The buyback will recommence following lodgement of this report.

For more information

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IMPORTANT NOTICE

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Past performance is not a reliable indicator of future performance. Further, forward looking statements, including projections, guidance on future earnings, opinions and estimates in this announcement ('Forward Looking Statements') are based on assumptions and contingencies which are subject to change, as are statements about market and industry trends, which are based on interpretations of current market conditions. These statements are also subject to known and unknown risks and uncertainties many of which are outside the control of the Manager or the Alternatives Fund. Forward Looking Statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.