

3 April 2018

RESUMPTION OF TRADE

On 28 March 2018, Blue Sky Alternative Investments Limited (ASX: BLA) (**Manager**) was placed into a voluntary trading halt following the release of an opinion published by a US based short seller. Accordingly, Blue Sky Alternatives Access Fund Limited (ASX: BAF) (**Alternatives Fund**) was also placed into a matching voluntary trading halt.

Both BLA and BAF were placed in a voluntary trading suspension earlier today, pending a review by the ASX of BLA's response to the opinion. BLA's response has now been released, and is available on the ASX.

Accordingly, the trading suspension for BLA and BAF shares will be lifted at the commencement of trading on Wednesday, 4 April 2018.

BAF confirms its current and ongoing compliance with its corporate governance policies and procedures, including particularly (but not limited to) the:

- Alternatives Fund's published Investment Valuation Policy; and
- fees charged to the Alternatives Fund by the Manager in accordance with the Management Services Agreement.

Investment Valuation Policy

Assets in BAF's investment portfolio are valued in accordance with the Alternatives Fund's Investment Valuation Policy, a full copy of which is available on the Alternatives Fund's website. Under this Policy, investments in closed ended funds (typically Private Equity, Private Real Estate and Real Asset funds not including the Blue Sky Water Fund) are reviewed at least annually by independent third party experts. The values of investments in open ended funds, such as the Blue Sky Water Fund, are subject to external independent valuation monthly and the unit prices are calculated by an external fund administrator.

Since inception BAF has realised nine closed ended funds delivering an equity weighted composite IRR of 27.2% (pre-tax and before the management and performance fees described below). These nine realised closed ended funds were exited at a weighted average premium to carrying value of 9.4%.

Further details are available in the Alternatives Fund's interim financial report for the six months ending 31 December 2017, which was reviewed by the company's independent auditor, EY, and lodged with the ASX on 19 February 2018.

Fees charged to the Alternatives Fund

Fees charged to BAF by the Manager are in accordance with the Management Services Agreement. An annual management fee equal to 1.20% per annum (excluding GST) of the

Portfolio Net Asset Value, is calculated and paid monthly. An annual performance fee equal to 17.5% (excluding GST) of the investment return (after the management fee has been paid) above a hurdle of 8.0% per annum, is calculated and accrued monthly, and paid annually. All management fees and performance fees otherwise charged by the Manager to other investors in the underlying funds are fully rebated to the Alternatives Fund. The Alternatives Fund is also required to pay its pro-rata share of non-rebateable transaction costs and establishment fees in relation to new investments made. For the half-year ended 31 December 2017 the Alternatives Fund incurred non-rebateable transaction costs and establishment fees of \$1,753,172, after deploying a further \$47.9 million into new and follow on investments during that period.

Further details are available in the Alternatives Fund's interim financial report for the six months ending 31 December 2017, which was reviewed by the company's independent auditor, EY, and lodged with the ASX on 19 February 2018.

Portfolio and Fund Performance

BAF maintains a well-balanced and highly diversified portfolio of directly managed alternative assets. Recent new investments have served to deepen and broaden BAF's allocations to its current cornerstone thematics, including water entitlements and strategic agricultural investments in Real Assets, purpose built student accommodation and retirement living in Private Real Estate, and growth and venture capital in Private Equity.

BAF has delivered a pre-tax Fund Performance of 11.19% for the last twelve months to 28 February 2018 (including NTA growth, dividends paid and franking credits), and has a pre-tax NTA of \$1.1425 per share as at 28 February 2018.

For more information, please contact:

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