

13 January 2017

Dear Shareholder

Blue Sky Alternatives Access Fund Limited (ASX:BAF) – Net Tangible Assets ('NTA') per share for December 2016

BAF is pleased to report a pre-tax NTA increase to \$1.0867 per share in December, a gain of 0.6%. This was the net result of a number of movements during the month, including:

- the independent review of a range of close ended funds across Private Equity & Venture Capital and Private Real Estate;
- a slight uplift in the carrying value of the Water Fund for the period;
- the receipt of distributions from the Blue Sky Hotel Fund and Blue Sky Darra Industrial Income Fund, as well as the accrual of distributions receivable from the Blue Sky Water Fund, Blue Sky Aquila Fund and Blue Sky Student Accommodation Fund I; and
- the deployment of capital into a range of new investments, the costs of which were deducted from NTA.

In continuing the investment of the capital raised from the recent entitlement offer in line with the expected 3-5 month deployment period, the Alternatives Fund allocated \$24 million to seven new funds in December. These allocations were made across:

- two new Private Equity & Venture Capital investments;
- two further retirement living projects;
- two new Student Accommodation projects in the Melbourne and Sydney CBDs respectively; and
- one Real Assets fund.

Further information on these investments is available in the attached report.

Yours faithfully



Andrew Champion
Executive Director

Important note

BSAAF Management Pty Ltd ABN 82 168 923 279 has prepared the information in this document. 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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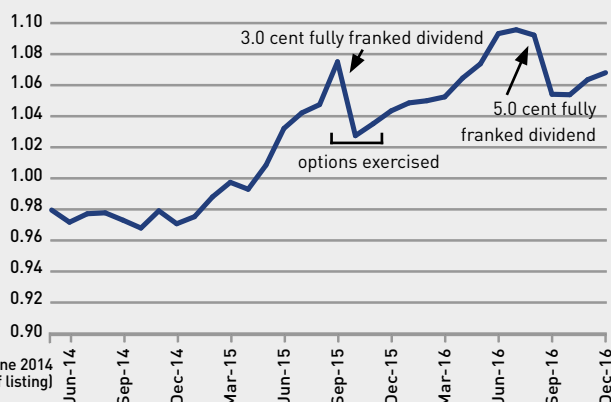
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NET TANGIBLE ASSETS – AS AT 31 DECEMBER 2016¹

Net Tangible Assets (NTA) per share (pre-tax)	\$ 1.0867
Net Tangible Assets (NTA) per share (post-tax)	\$ 1.0686

1. NTA figures in this report are unaudited.

NET TANGIBLE ASSETS – SINCE INCEPTION

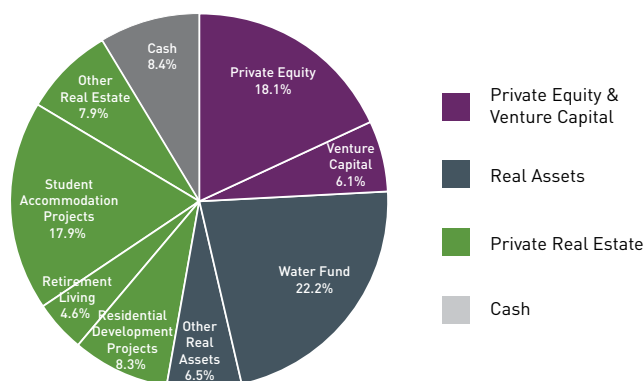


FUND PERFORMANCE³

Period	Pre-Tax	Post-Tax
1 month	0.58%	0.42%
3 months	0.61%	1.33%
6 months	3.30%	4.29%
12 months	8.44%	9.31%

3. Includes NTA growth, dividends and franking credits.

SECTOR WEIGHTINGS



PORTFOLIO VALUATION²

	Current value (\$'m)	% of Portfolio
PRIVATE EQUITY AND VENTURE CAPITAL		
Private Equity	\$33.29	18.1%
Venture Capital	\$11.33	6.1%
Subtotal	\$44.62	24.2%
REAL ASSETS		
Water Fund	\$40.88	22.2%
Other Real Assets	\$11.98	6.5%
Subtotal	\$52.86	28.7%
PRIVATE REAL ESTATE		
Residential Development Projects	\$15.28	8.3%
Retirement Living Projects	\$8.48	4.6%
Student Accommodation Projects	\$32.95	17.9%
Other Real Estate	\$14.52	7.9%
Subtotal	\$71.23	38.7%
Cash	\$15.51	8.4%
GRAND TOTAL	\$184.23	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, which may be 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.

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 and venture capital;
- Real assets;
- Private real estate; and
- Hedge funds.

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

The primary objectives of the Alternatives Fund are to:

- Deliver long term absolute returns to shareholders, comprised of both capital appreciation and a dividend yield (franked to either 100% or the maximum extent possible);
- Provide investors with access to a diverse range of alternative assets; and
- 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').

Blue Sky has \$2.4 billion in assets under management and a ten year track record of generating overall returns to investors in its funds of 16.7% p.a. (net of fees, since inception).⁴

4. Assets under management as at 30 September 2016. Overall returns to investors in Blue Sky managed funds are equity weighted to 30 June 2016. For more details, please refer to BLA's regular ASX announcements on the investment performance of its funds. Please also note that past performance is not a reliable indicator of future performance.

FURTHER INFORMATION

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During December the pre-tax NTA of the Alternatives Fund increased by 0.63 cents per share, or 0.58%, to \$1.0867. This gain was the net result of a number of movements during the month, including:

- the independent review of a range of close ended funds across Private Equity & Venture Capital and Private Real Estate which increased NTA by 1.11 cents;
- a slight uplift in the carrying value of the Water Fund for the period driving NTA up by 0.10 cents;
- the receipt of distributions from the Blue Sky Hotel Fund and Blue Sky Darra Industrial Income Fund, as well as the accrual of distributions receivable from the Blue Sky Water Fund, Blue Sky Aquila Fund and Student Accommodation Fund I collectively which added 0.27 cents to NTA;
- the deployment of \$24 million into seven new investments in December, the costs of which reduced NTA by 0.65 cents; and
- the payment or accrual of other fund expenses which were a 0.19 cent reduction on NTA.

INVESTMENT PERFORMANCE

Blue Sky Water Fund

The Water Fund's performance was marginally positive for December, recording a 0.19% uplift. Water Entitlement values strengthened in many regions. Victorian assets were the best performers, reversing the trend of recent months. Prior to FY17, the Water Fund had forward sold some of its temporary water allocations at favourable levels and during FY17 has continued to progressively sell these allocations. Given these sales, the Water Fund anticipates generating a cash yield for FY17 of 5% (for the full year), and declared a 2.5% interim distribution as at 31 December 2016. This distribution is scheduled to be paid in January.

Other closed-ended funds

Independent reviews of the following funds were completed in the month of December and led to an overall uplift in NTA:

- Blue Sky Hospital Pharmacy Services Fund;
- Blue Sky VC2014 Fund;
- Blue Sky Vinomofu Fund;
- Student Accommodation Fund;
- Student Accommodation Fund II;
- Student Accommodation Fund III;
- Duke Street Kangaroo Point Fund;
- Darra Industrial Income Fund; and
- Cove Property Group 2 Rector Street Trust.

REALISED INVESTMENTS

Blue Sky Water Utilities Australia Fund II

During December, Blue Sky completed the sale of the Water Utilities Australia Group ('WUG') to Colonial First State's Global Diversified Infrastructure Fund ('CFS'). Proceeds from the sale are expected to be distributed in two tranches, with an initial \$0.69 per share received prior to 31 December and the balance received in the coming months.

The total return, inclusive of fee rebates and the \$0.18 per share received in June 2015, is expected to be slightly in excess of BAF's investment of \$2.5 million. WUG was acquired by the Real Assets team as a cornerstone investment as part of a strategy to roll up small scale water infrastructure in Australia. Attractive opportunities have not been available and accordingly the Manager has elected to sell WUG in order to focus on other strategies in Real Assets.

UPDATE ON RECENT INVESTMENTS

Blue Sky Hospital Pharmacy Services Fund B

The Alternatives Fund invested \$1.0 million in the Blue Sky Hospital Pharmacy Services Fund B ('HPS B') in September. The capital raised was to fund an acquisition of MPS, another pharmacy services business which services the aged care industry. The vendor of MPS failed to meet certain conditions precedent under the Asset Purchase Agreement, and as such HPS chose to terminate the agreement and not to proceed with the acquisition. As such, the Alternatives Fund received the return of its application monies in December.

HPS continues to perform very well, with revenue up 86% and earnings up 70% since the Alternatives Fund's investment.

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DISTRIBUTIONS

- **Blue Sky Hotel Fund**

The Alternatives Fund received a 2.1% special distribution from the Blue Sky Hotel Fund in December, paying to investors surplus cash generated from operations and the sale of a block of land adjacent to one asset in the portfolio. This distribution is in addition to the quarterly 2.5% distributions paid by the fund, the latest of which (in respect of the quarter ended 31 December 2016) was accrued in December and is scheduled to be received in February 2017.

These distributions bring total yield from the Hotel Fund in respect of 2016 to 14.1%.

- **Blue Sky Darra Industrial Income Fund**

The Alternatives Fund received its regular 2.4% quarterly distribution from the Blue Sky Darra Industrial Income Fund during December.

- **Other distributions**

The Alternatives Fund also accrued distributions from the following funds in December, all of which are scheduled to be received in January 2017:

- **Blue Sky Aquila Fund** ~ declared a 2.5% distribution after a strong Christmas trading period for Aquila. The fund is targeting an increase in the annual yield to 5.0% p.a. from 2017.
- **Blue Sky Water Fund** ~ declared a 2.5% interim distribution in respect of H1 FY17. As detailed above, the Water Fund is targeting a total cash yield for FY17 of 5.0%. Note: as the accrual of this distribution has the corresponding effect of reducing the Water Fund's unit price, it has no net impact on NTA.
- **Blue Sky Student Accommodation Fund I** ~ declared a 2.0% quarterly distribution as the asset continues to trade well and in line with plan.

NEW INVESTMENTS

The Alternatives Fund allocated \$24.0 million into 7 new investments during December, continuing the deployment of the capital raised from the recent entitlement offer in line with the expected 3-5 month deployment period.

- **Blue Sky Private Equity QFS Fund**

The Alternatives Fund deployed \$6.0 million into the Blue Sky Private Equity QFS Fund during December. This fund will invest growth equity into Quality Food Services, a Queensland-based food and beverage wholesale and distribution business founded in 1988.

QFS has grown to be a leading business in its geographic sector through a combination of organic growth initiatives and by successfully integrating bolt-on acquisitions. QFS is led by an excellent management team with deep experience in driving each of the separate growth pillars within QFS.

As a platform asset with a quality, stable earnings base, Blue Sky's investment will assist QFS with its expansion strategy including organic growth opportunities and further acquisitions.

The Alternatives Fund anticipates an investment term up to five years with the fund contributing returns through an annual yield of ~7% p.a. and an attractive capital gain opportunity.

- **Australian out of home advertising business**

This month, the Alternatives Fund deployed \$2.5 million into a Venture Capital opportunity which will invest expansion capital into a rapidly-growing out of home advertising ('OOHA') business. Founded by senior executives from a large incumbent OOHA provider, the business is well positioned to grow market share through targeting fragmented and underpenetrated segments of the OOHA market.

Confidentiality restrictions in force at the time of this report prohibit release of further transaction details. Additional information will be provided in future reports.

- **Blue Sky Retirement Living Maroochydore Fund**

During December, the Alternatives Fund invested \$3.0 million in the Blue Sky Retirement Living Maroochydore Fund which will develop a premium retirement living village in the heart of Maroochydore, Sunshine Coast.

The project, developed and operated together with Blue Sky's joint venture partner Aura Australia, will construct 116 Independent Living Units over two stages as well as a community centre and associated amenity. With the final stage expected to be completed in late 2019, the Alternatives Fund anticipates a 3-year investment period and is targeting strong returns driven by capital growth.

- **Blue Sky Retirement Living Middle Ridge Fund**

The Alternatives Fund deployed \$3.0 million into the Blue Sky Retirement Living Middle Ridge Fund during December. This fund will develop a premium retirement living village, consisting of 77 Independent Living Units, on a parcel of land located on the Middle Ridge Golf Course in Toowoomba, Queensland. The Toowoomba Golf Club, Middle Ridge is Queensland's second oldest golf club and sports an 18-hole championship course.

Blue Sky and Aura are targeting completion of the project in late 2018 and a circa 2.5-year investment period with strong capital growth.

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- **Blue Sky Student Accommodation Fund VII**

The Alternatives Fund invested \$2.5 million into the Blue Sky Student Accommodation Fund VII in December. This fund will develop a purpose-built student accommodation facility of approximately 544 beds at a premium site on A'Beckett Street in Melbourne's CBD. The property provides excellent accessibility to Melbourne's major university campuses, immediately bordering RMIT and is within close walking distance to The University of Melbourne.

- **Blue Sky Student Accommodation Fund VIII**

In addition, the Alternatives Fund also deployed \$5.0 million into the Blue Sky Student Accommodation Fund VIII in December. This fund will develop a purpose-built student accommodation facility at a prime inner-Sydney site. The property is ideally located in close proximity to several tertiary education institutions, transport infrastructure and the Sydney CBD.

Both this site and the site on A'Beckett Street in Melbourne are being developed in partnership with a subsidiary of Goldman Sachs, and will be operated by leading operator Atira Student Living (formerly trading as The PAD), which is majority owned by the joint venture partners.

- **Blue Sky Premium Beef Development Fund**

The Alternatives Fund committed \$2.0 million into the Blue Sky Premium Beef Development Fund during December. This fund will invest in certain elements of Australia's premium beef value chain. 40% of the Alternatives Fund commitment has been invested, with the remaining 60% callable over two tranches as the project progresses.

Having originally invested \$1.0 million into the Blue Sky Livestock Opportunity Fund (June 2016) on the basis of terms that had been agreed between Blue Sky and its counterparty to the transaction, changing commercial circumstances in the second half of calendar 2016 have led to both Blue Sky and the counterparty agreeing to re-negotiate the terms of the deal.

Because the revised transaction represents a material change from the original terms, capital from the Blue Sky Livestock Opportunity Fund have been returned.

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SUMMARY OF CURRENT INVESTMENTS

Fund name	Amount invested ⁵	Date invested ⁶	% allocated capital	Target IRR ⁷	Anticipated exit ⁸	Description
PRIVATE EQUITY & VENTURE CAPITAL						
PRIVATE EQUITY						
Early Learning Fund	4,000,000	Jun-14	2.6%		CY17	Holds equity in Foundation Early Learning Limited, a premium Australian child care operator.
Wild Breads Fund	2,000,000	Jun-14	1.3%		CY17 - CY18	Holds equity in Wild Breads Pty Ltd, a leading business in the rapidly growing artisan and specialty bread category in Australia.
Hospital Pharmacy Services Fund	3,500,000	Dec-14	2.3%		CY17	Holds equity in Hospital Pharmacy Services Pty Ltd, Australia's largest outsourced hospital and oncology pharmacy business.
Origo Education Fund	1,500,000	Jun-15	1.0%		CY19 - CY20	Holds equity in Origo Education, a rapidly growing Australian business providing digital and print education instructional materials to in the United States of America, Australia, Canada and New Zealand.
Hotels Fund	6,000,000	Jun-15	3.9%		CY19 - CY20	Holds equity in the GM Hotels, a portfolio of three freehold and seven long-term leasehold hotels in South Australia.
Aquila Fund	4,000,000	Dec-15	2.6%		CY19 - CY20	Holds equity in Aquila, an Australian retail business focusing on the men's footwear and smart casual fashion segment.
Digital Outdoor Advertising Fund	2,110,595	Feb-16	1.4%		CY20 - CY21	Holds equity in a US-based business which will construct, own and operate a network of digital billboards in a major US metropolitan market.
Wild Breads Convertible Note Fund	750,000	Aug-16	0.5%		CY17 - CY18	A fund to provide follow-on expansion capital into Wild Breads Pty Ltd, a leading business in the rapidly growing artisan and specialty bread category in Australia.
Blue Sky Private Equity QFS Fund	6,000,000	Dec-16	3.9%		CY21	Holds equity in Quality Food Services, a Queensland-based food and beverage wholesale and distribution business.
Australian out of home advertising business ⁹	2,500,000	Dec-16	1.6%		CY21	Holds equity in a rapidly-growing out-of-home advertising business.
Total Private Equity	32,360,595		20.8%	25.0% - 30.0%		

5. Total capital deployed to date, inclusive of follow-on investments and net of capital returned.

6. Date of initial investment.

7. These figures represent the Manager's general expectations as to the returns the relevant asset class can generate over time. These figures are not intended to represent a forecast or guidance and do not take into account the performance to date of the existing portfolio of investments or the Manager's view on the likely future performance of any one or more specific assets.

8. These dates reflect the most recent information provided to the Manager by the manager of the relevant fund. An exit in this context generally refers to a disposal of the underlying fund assets by the fund's manager rather than the disposal by the Alternatives Fund of its investment (for which there is typically no secondary market or redemption mechanism). These dates are subject to change at the discretion of the relevant fund's manager taking into account factors including investment performance and prevailing market conditions.

9. Confidentiality restrictions in force at the time of this report prohibit release of certain transaction details, including the name of the business invested in. Further information will be provided in future reports.

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SUMMARY OF CURRENT INVESTMENTS (CONT.)

Fund name	Amount invested ⁵	Date invested ⁶	% allocated capital	Target IRR ⁷	Anticipated exit ⁸	Description
VENTURE CAPITAL						
VC2014 Fund	4,000,000	Jun-14	2.6%		CY20	A fund to invest in a diversified portfolio of venture capital investments, including Parcel Point/ Fluent Retail, Shoes of Prey, Vinomofo, THR1VE and Eloquii.
Shoes of Prey Fund	1,000,000	Oct-15	0.6%		CY20	Holds equity in Shoes of Prey, a rapidly growing fashion footwear company that has developed a unique platform enabling customised women's footwear to be manufactured and sold 'on demand'.
Vinomofo Fund	3,000,000	Dec-15	1.9%		CY19 - CY20	Holds equity in Vinomofo, Australia's leading pure-play online wine retailer.
aCommerce Fund	1,305,664	Jul-16	0.8%		CY20	Has an interest in aCommerce, the largest provider of outsourced e-commerce solutions in South East Asia.
aCommerce Fund II	2,500,000	Nov-16	1.6%		CY20	A fund to provide follow-on capital into aCommerce.
Total Venture Capital	11,805,664		7.6%	30.0%		
Total Private Equity & Venture Capital	44,166,259		28.4%			
REAL ASSETS						
WATER RIGHTS						
Water Fund	35,000,000	Jun-14	22.5%		Open-ended	Invests in a diversified portfolio of agricultural water entitlements, largely in the Southern Murray-Darling Basin.
Total Water Rights	35,000,000		22.5%	10.0% - 14.0%		
OTHER REAL ASSETS						
Agriculture Fund	4,365,000	Jun-14	2.8%		CY17	Holds equity in Gundaline Pty Ltd, the owner and operator of a large-scale irrigated cropping business east of Hay in NSW.
Agriculture Fund II	4,000,000	Oct-15	2.6%		CY22	Holds the freehold property and business assets comprising Hillston Citrus, an irrigated citrus orchard near Hillston in NSW.
Premium Beef Development Fund ⁹	2,000,000	Dec-16	1.3%		CY22 - CY25	A fund to invest in certain elements of Australia's premium beef value chain.
Total Other Real Assets	10,365,000		6.7%	15.0%		
Total Real Assets	45,365,000		29.2%			

5. Total capital deployed to date, inclusive of follow-on investments and net of capital returned.

6. Date of initial investment.

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SUMMARY OF CURRENT INVESTMENTS (CONT.)

Fund name	Amount invested ⁵	Date invested ⁶	% allocated capital	Target IRR ⁷	Anticipated exit ⁸	Description
PRIVATE REAL ESTATE						
RESIDENTIAL DEVELOPMENT INVESTMENTS						
Regina Street Greenslopes Trust	1,000,000	Jun-14	0.6%		2H FY17	A residential development of 61 apartments (29 one bedroom and 32 two bedroom) in the South Brisbane suburb of Greenslopes.
Logan Road Greenslopes Trust	1,000,000	Aug-14	0.6%		2H FY17	A residential development of 53 apartments (12 one bedroom, 36 two bedroom and 5 three bedroom) in the South Brisbane suburb of Greenslopes.
Main Street Kangaroo Point Trust	2,000,000	Aug-14	1.3%		2H FY17	A residential development of 105 apartments (25 one bedroom, 72 two bedroom and 8 three bedroom) in the Central Brisbane suburb of Kangaroo Point.
Grantson Street Windsor Trust	1,000,000	Aug-14	0.6%		2H FY17	A residential development of 65 apartments (2 one bedroom, 49 two bedroom and 14 three bedroom) in the North Brisbane suburb of Windsor.
Duke Street Kangaroo Point Trust	2,000,000	Sep-14	1.3%		1H FY18	A residential development of 125 apartments (46 one bedroom, 75 two bedroom and 4 three bedroom) in the Central Brisbane suburb of Kangaroo Point.
Flora Street Greenslopes Trust	1,000,000	Jun-15	0.6%		1H FY18	A residential development of 107 apartments (15 one bedroom, 84 two bedroom and 8 three bedroom) in the South Brisbane suburb of Greenslopes.
19 Railway Terrace Milton Trust	2,000,000	Sep-15	1.3%		1H FY18	A residential development of 82 apartments (10 one bedroom, 64 two bedroom and 8 three bedroom) in the Brisbane suburb of Milton.
Wellington Road East Brisbane Trust	2,000,000	Sep-15	1.3%		1H FY18	A residential development of 71 apartments (17 one bedroom, 46 two bedroom and 8 three bedroom) in the Brisbane suburb of East Brisbane.
Wellington Road East Brisbane Trust II	1,000,000	Nov-15	0.6%		2H FY18	The second stage of the Wellington Road East Brisbane development, consisting of 75 apartments (17 one bedroom, 50 two bedroom and 8 three bedroom).
High Street Lutwyche Trust	1,000,000	Nov-15	0.6%		2H FY18	A residential development of 59 apartments (15 one bedroom, 41 two bedroom and 3 three bedroom) in the North Brisbane suburb of Lutwyche.
Total Residential Development investments	14,000,000		9.0%	20.0% - 25.0%		

5. Total capital deployed to date, inclusive of follow-on investments and net of capital returned.

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SUMMARY OF CURRENT INVESTMENTS (CONT.)

Fund name	Amount invested ⁵	Date invested ⁶	% allocated capital	Target IRR ⁷	Anticipated exit ⁸	Description
RETIREMENT LIVING INVESTMENTS						
Retirement Living Corinda Fund	3,000,000	Jun-16	1.9%		CY21	A project to develop a multi-stage independent living retirement precinct in South Brisbane
Retirement Living Maroochydore Fund	3,000,000	Dec-16	1.9%		CY19	A project to develop an independent living retirement precinct in Maroochydore, Sunshine Coast
Retirement Living Middle Ridge Fund	3,000,000	Dec-16	1.9%		CY19	A project to develop a multi-stage independent living retirement precinct in Toowoomba
Total Retirement Living investments	9,000,000		5.8%	20.0%+		
STUDENT ACCOMMODATION INVESTMENTS						
Student Accommodation Fund	1,500,000	Dec-14	1.0%		CY20 - CY22	A project to develop and operate a purpose-built, 286 bed student accommodation precinct in the Brisbane suburb of Woolloongabba, close to several large tertiary education institutions.
Student Accommodation Fund II	5,000,000	Mar-15	3.2%		CY20 - CY22	A project to develop and operate a purpose-built, 733 bed student accommodation precinct in the Brisbane suburb of South Brisbane, close to several large tertiary education institutions.
Student Accommodation Fund III	6,000,000	Jun-15	3.9%		CY20 - CY22	A project to develop and operate a purpose-built, 789 bed student accommodation precinct on La Trobe Street in the Melbourne CBD and in close proximity to six university campuses.
Student Accommodation Fund IV	3,500,000	Jun-15	2.3%		CY20 - CY22	A project to develop and operate a purpose-built, 415 bed student accommodation precinct on Waymouth Street in Adelaide's West End, close to Uni SA, Adelaide Uni and a new \$3b health and biomedical precinct.
Student Accommodation Fund V	3,000,000	Nov-15	1.9%		CY20 - CY22	A project to develop and operate a purpose-built, 574 bed student accommodation precinct on Peel Street, North Melbourne opposite the University of Melbourne Parkville Campus.
Student Accommodation Fund VI	2,500,000	May-16	1.6%		CY20 - CY22	A project to develop and operate a purpose-built, 546 bed student accommodation precinct in the Brisbane suburb of Toowong, a short distance from the University of Queensland.
Student Accommodation Fund VII	2,500,000	Dec-16	1.6%		CY20 - CY22	A project to develop and operate a purpose-built, 544-bed student accommodation precinct on A'Beckett Street in Melbourne, bordering RMIT and within walking distance to The University of Melbourne.
Student Accommodation Fund VIII	5,000,000	Dec-16	3.2%		CY20 - CY22	A project to develop and operate a purpose-built student accommodation precinct at a prime inner-Sydney site, in close proximity to several tertiary education institutions.
Total Student Accommodation investments	29,000,000		18.6%	13.0% - 18.0%		

5. Total capital deployed to date, inclusive of follow-on investments and net of capital returned.

6. Date of initial investment.

7. These figures represent the Manager's general expectations as to the returns the relevant asset class can generate over time. These figures are not intended to represent a forecast or guidance and do not take into account the performance to date of the existing portfolio of investments or the Manager's view on the likely future performance of any one or more specific assets.

8. These dates reflect the most recent information provided to the Manager by the manager of the relevant fund. An exit in this context generally refers to a disposal of the underlying fund assets by the fund's manager rather than the disposal by the Alternatives Fund of its investment (for which there is typically no secondary market or redemption mechanism). These dates are subject to change at the discretion of the relevant fund's manager taking into account factors including investment performance and prevailing market conditions.

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SUMMARY OF CURRENT INVESTMENTS (CONT.)

Fund name	Amount invested ⁵	Date invested ⁶	% allocated capital	Target IRR ⁷	Anticipated exit ⁸	Description
OTHER REAL ESTATE INVESTMENTS						
Darra Industrial Income Fund	2,000,000	Dec-14	1.3%		CY18	To hold the freehold title to a 3,479m ² single-tenant industrial manufacturing, distribution and office facility sited on a 7,254m ² land holding in the Brisbane suburb of Darra.
Cove Property Group 2 Rector Street Trust	6,974,473	Feb-16	4.5%		CY23	A project to acquire, reposition and lease up a 26 storey building at 2 Rector Street in the Financial District, Manhattan, New York.
Cove Property Group 441 Ninth Avenue Trust	5,000,000	Nov-16	3.2%		CY21	A trust to acquire and redevelop an existing eight storey building at 441 Ninth Avenue, Manhattan, New York.
Total Other Real Estate Investments	13,974,473		9.0%	13.0% - 18.0%		
Total Private Real Estate	65,974,473		42.4%			
Total portfolio	155,505,733		100.0%			

5. Total capital deployed to date, inclusive of follow-on investments and net of capital returned.

6. Date of initial investment.

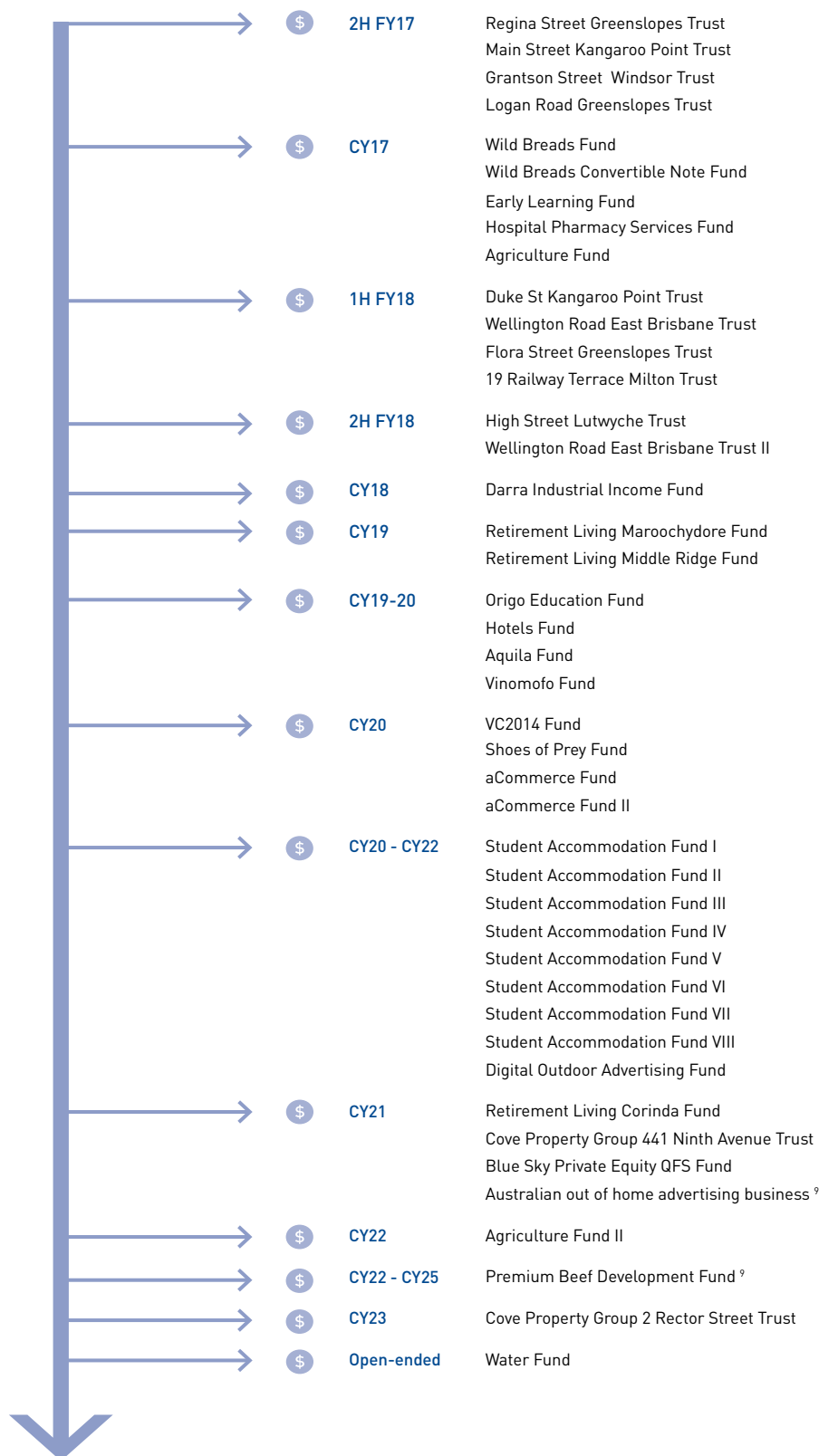
7. These figures represent the Manager's general expectations as to the returns the relevant asset class can generate over time. These figures are not intended to represent a forecast or guidance and do not take into account the performance to date of the existing portfolio of investments or the Manager's view on the likely future performance of any one or more specific assets.

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TIMELINE - EXIT HORIZON FOR ALL INVESTMENTS⁸

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⁸ These dates reflect the most recent information provided to the Manager by the manager of the relevant fund. An exit in this context generally refers to a disposal of the underlying fund assets by the fund's manager rather than the disposal by the Alternatives Fund of its investment (for which there is typically no secondary market or redemption mechanism). These dates are subject to change at the discretion of the relevant fund's manager taking into account factors including investment performance and prevailing market conditions.

⁹ Confidentiality restrictions in force at the time of this report prohibit release of certain transaction details, including the name of the business invested in. Further information will be provided in future reports.

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