

BlueSky

Alternatives
Access Fund

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BLUE SKY ALTERNATIVES ACCESS FUND LIMITED (ASX:BAF)

PORTFOLIO UPDATE

September 2015

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AGENDA

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- | | |
|---|------------------------------------|
| 1 | Introduction to BSAAF |
| 2 | About Blue Sky |
| 3 | BSAAF investment portfolio update |
| 4 | Investment performance and outlook |
| 5 | Dividend and options |

BSAAF INVESTMENT HIGHLIGHTS

BSAAF provides investors:

- ✓ A diverse portfolio of Blue Sky managed alternative assets
- ✓ Low expected correlation of returns to listed equities and fixed interest
- ✓ Access to the strong investment track record of Blue Sky
- ✓ Investment strategy aimed at achieving an attractive return for shareholders, driven by dividend income and an increase in BSAAF's NTA
- ✓ Liquidity as an ASX listed security
- ✓ Low cost structure

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INVESTMENT MANDATE

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| | |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Diversity across asset classes | <ul style="list-style-type: none"> Each asset class may represent up to 40% of total assets under management¹ |
| First right to invest | <ul style="list-style-type: none"> The Alternatives Fund has the right to invest in all new or open ended Blue Sky funds (up to its co-investment limit) |
| Co-investment limit | <ul style="list-style-type: none"> The Alternatives Fund may hold up to 50% (but not more) of any underlying fund managed by Blue Sky |
| Investment manager | <ul style="list-style-type: none"> BSAAF Management Pty Ltd (100% subsidiary of Blue Sky) |
| Management fee | <ul style="list-style-type: none"> 1.20% p.a. (excluding GST) of funds under management |
| Performance fee | <ul style="list-style-type: none"> 17.50% (excluding GST) of outperformance over an 8.0% p.a. fixed benchmark Performance below hurdle to be set off against future performance fees |
| No double-dipping of fees | <ul style="list-style-type: none"> No management or performance fees are charged to the Alternatives Fund by underlying Blue Sky funds The Alternatives Fund pays its pro-rata share of any transaction costs and establishment fees (excluding fundraising and marketing fees) for funds it chooses to invest in |

1. As at the time the investment is made.

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WHY ALTERNATIVES?

WHY ALTERNATIVES?

- Alternatives are used to **enhance risk/return characteristics** of investment portfolios
 - Increase diversification
 - Reduce overall volatility in an investment portfolio (given low correlations to more traditional investments)
 - Potential for delivery of attractive returns through periods of under performance in listed equities and bonds
- Potential for **strong returns**
 - Ability to selectively invest in private markets where pricing may be less efficient than public markets
- Alternative asset managers' **incentives are typically based on absolute returns** (not relative returns)

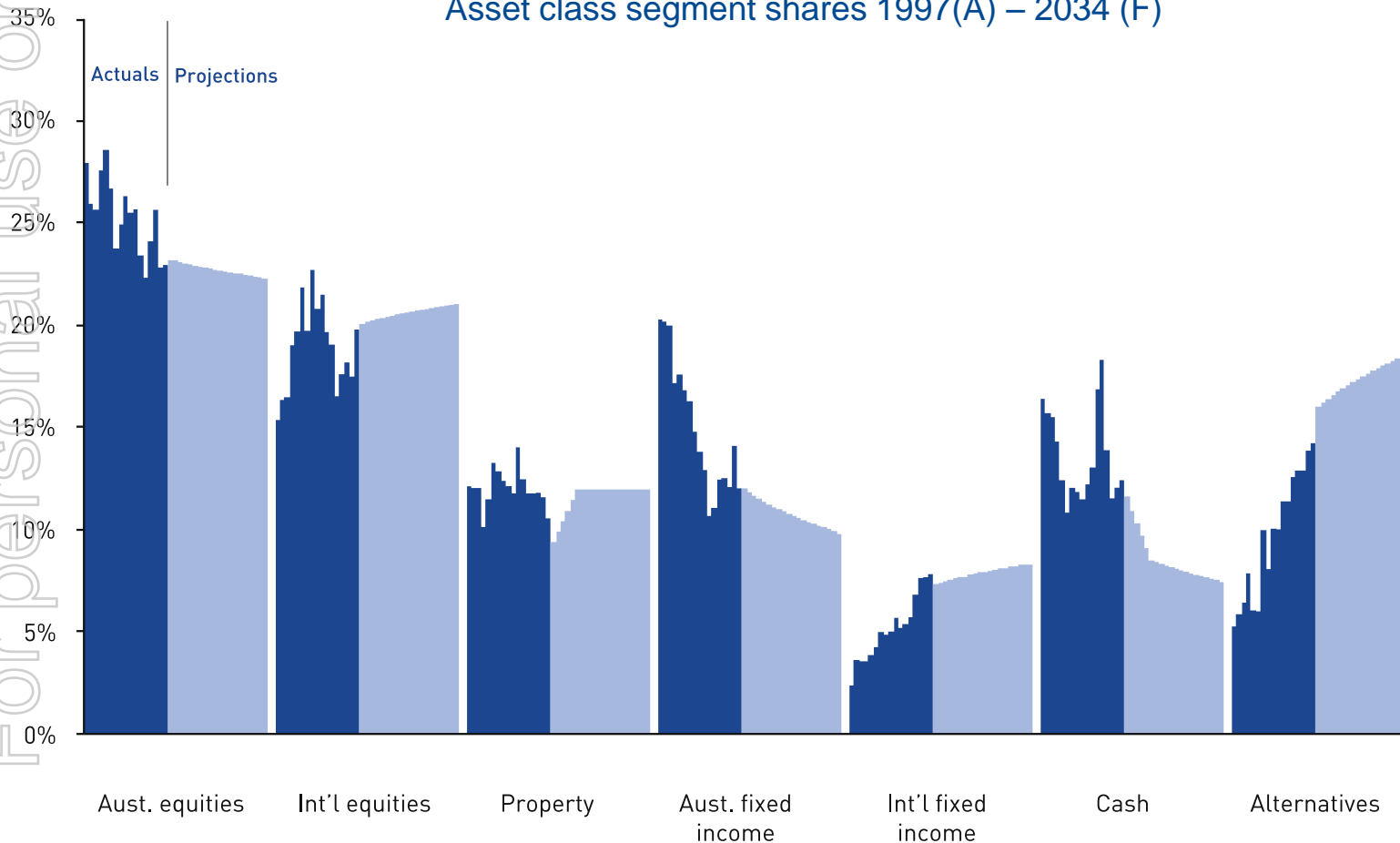
“Over the next five years, net flows in the global alternatives market are expected to grow at an average annual pace of 5 percent, dwarfing the 1 to 2 percent expected annual pace for industry as a whole. By 2020, alternatives could comprise about 15 percent of global industry assets.”

McKinsey & Company – Capturing the Next Wave of Growth in Alternative Investments (2014)

ALTERNATIVES ARE THE FASTEST GROWING ASSET CLASS IN AUSTRALIA

Asset class segment shares 1997(A) – 2034 (F)

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Allocations to alternatives have almost quadrupled from 1997 to 2014 (including growth of 35% in the 12 months to Dec-14).¹

1. Rainmaker Roundup – Edition 68 (December 2014)

ASSET ALLOCATIONS: THE FUTURE FUND

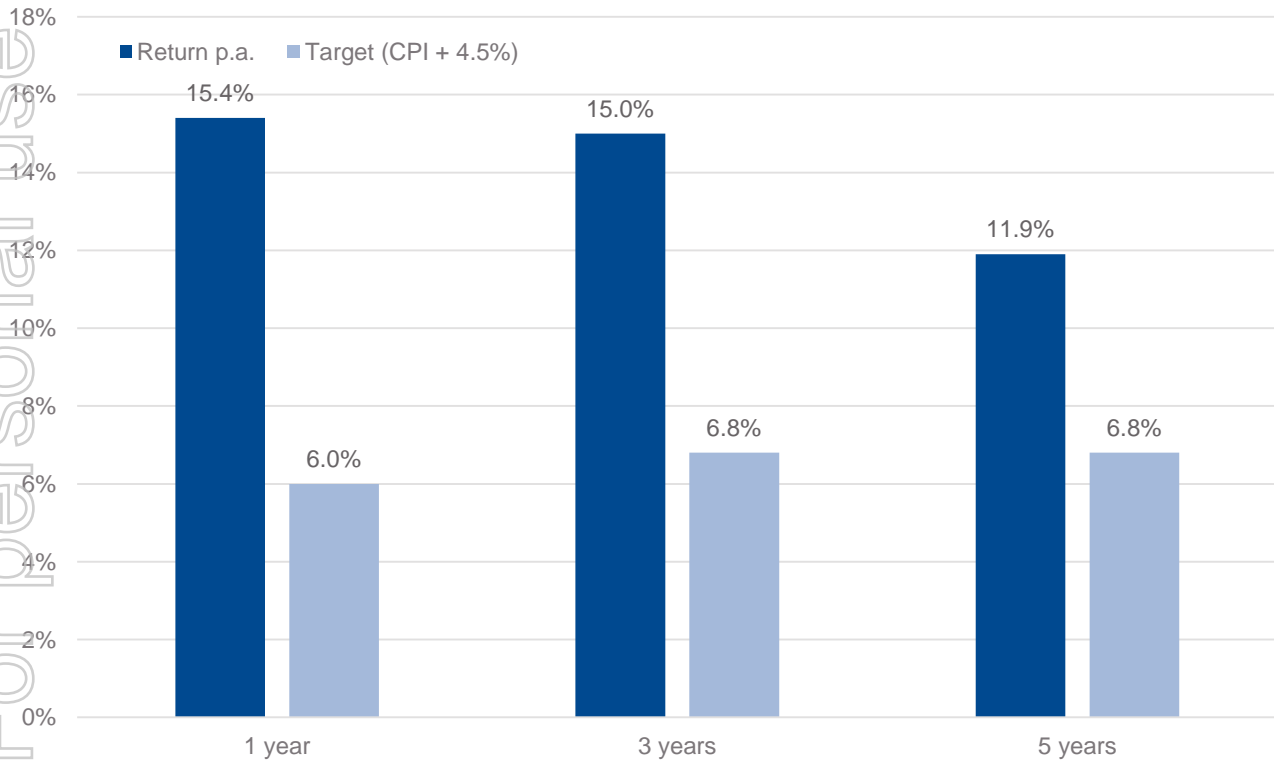
| ASSET CLASS | A\$ MILLION | % OF FUND |
|-------------------------------|----------------|--------------|
| Australian equities | 7,957 | 6.8 |
| Global equities: | | |
| Developed markets | 20,629 | 17.6 |
| Emerging markets | 11,034 | 9.4 |
| Private equity | 12,609 | 10.8 |
| Property | 6,980 | 6.0 |
| Infrastructure and timberland | 8,751 | 7.5 |
| Debt securities | 11,467 | 9.8 |
| Other alternative assets | 14,904 | 12.7 |
| Cash | 22,890 | 19.5 |
| Total | 117,222 | 100.0 |

Total Alternative
Asset Allocation:
37.0%

Source: Future Fund Asset Allocation as at 30 June 2015.
Note: data may not sum due to rounding.

ALTERNATIVES REMAIN A KEY DRIVER FUTURE FUND'S OUTPERFORMANCE

FUTURE FUND PERFORMANCE¹



**Mr David Neal –
 Managing Director,
 Future Fund:**

“Our emphasis on diversification has delivered strongly over [2014]. The private equity, property and infrastructure programs in particular performed extremely well, significantly outperforming listed markets.”²

1. Australian Government Future Fund - *Portfolio update at 30 June 2015* (September 2015)
 2. Australian Government Future Fund - *Portfolio update at 31 December 2014* (February 2015)

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THE MAINSTREAMING OF ALTERNATIVES: SOONER THE BETTER

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Future Fund's allocation lessons for private investors

JAMES KIRBY



The Future Fund pulled in another very strong set of investment results this week and usefully — for the private investor — this \$117 billion operator also revealed both its asset allocations and its view of the future.

Using the Future Fund as a role model for the individual investor is flawed, because the fund operates in a different space to most investors — even most super funds — but allowing for these exceptions there are still highly valuable investment insights on offer here.

The fund has a terrific fundamental objective that could be applicable to any investor: it promises to earn at least 4.5 per cent more than inflation every year (measured on a 10-year basis to iron out deviations). For the year to June the fund managed to double its target rate with earnings growth of 15.4 per cent.

As a fund that operates out of a



Australia's Future Fund, which is active in US property, has lifted its global exposure from 5.4 to 6 per cent

make local stocks relatively attractive, but the lesson is: you must move investments offshore to get a healthy diversification.

A window into the workings of the fund is the broader movements in allocation, particularly the movement in money flows over the year to June. There are three points of guidance here:

- The outstanding item to note is that the fund moved here

at the end of June when these figures were reported it had shot to 19.5 per cent up sharply from 11.2 per cent a year earlier.

Of course, "cash" for the Future Fund does not mean putting it into a local bank at 2 per cent — the fund holds its cash in a range of currencies: its US dollar cash holdings would have made a nice profit this year just by being in the right currency.

ethical investor movement — with chairman Peter Costello waving away questions about coal and oil investments. All the same, it's on the record that the fund has quit armaments and tobacco, which implicitly suggests over the longer term the fund will move with market consensus on whatever is deemed to be "ethical" as the notion evolves.

For ever investor, the outstanding takeaway from the Future Fund results is the comment of Costello that the market — and public servants lucky enough to be entitled to this fund — cannot expect these sort of 15 per cent returns to continue. Running at the double the target rate to return in an era of low rates and low returns and in nervous markets —

you qualify as a sophisticated investor with investable assets of \$25 million or an annual income for the last two years north of \$250,000. These "sophisticated" investments are seen as too complex and too risky for most investors (though since our bank stocks have plunged by 20 per cent plus in a matter of months

risk is a relatively concept here). Slowly, more alternative and private equity products are emerging in the market for mainstream retail investors and the sooner the better.

holdings in property: its property holdings inched up from 5.4 to 6 per cent. This level of property exposure would probably be much less than the exposure of

| Asset class | 30 June 2014 | | 30 June 2015 | |
|-----------------------------|----------------|--------------|----------------|--------------|
| | AS million | % of fund | AS million | % of fund |
| Australian equities | 9,565 | 9.4 | 7,957 | 6.8 |
| Global equities | | | | |
| Developed markets | 23,451 | 23.1 | 20,629 | 17.6 |
| Emerging markets | 9,840 | 9.7 | 11,034 | 9.4 |
| Private equity | 8,481 | 8.3 | 12,609 | 10.8 |
| Property | 5,475 | 5.4 | 6,980 | 6.0 |
| Infrastructure & Timberland | 8,326 | 8.2 | 8,751 | 7.5 |
| Debt securities | 11,344 | 11.2 | 11,467 | 9.8 |
| Alternative assets | 13,729 | 13.5 | 14,904 | 12.7 |
| Cash | 11,375 | 11.2 | 22,890 | 19.3 |
| TOTAL | 101,587 | 100.0 | 117,222 | 100.0 |

Source: Future Fund presentation

"Slowly, more alternative and private equity products are emerging in the market for mainstream retail investors and the sooner the better."

1. The Weekend Australian, 5-6 September 2015, page 32

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ABOUT THE MANAGER

ABOUT BLUE SKY

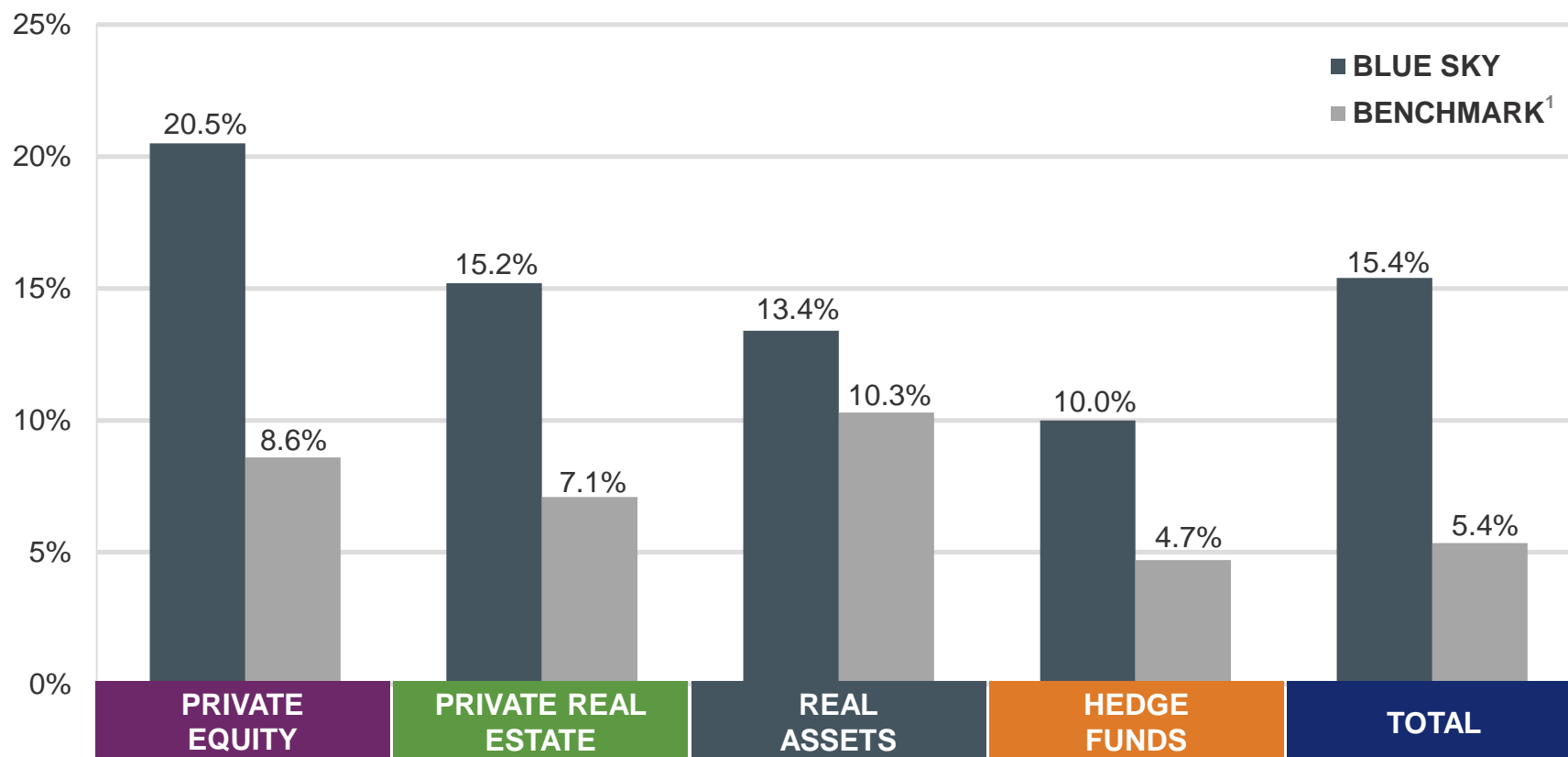
- Blue Sky Alternative Investments Limited (ASX:BLA) ('Blue Sky') is an ASX listed funds management business founded in 2006, focused on the four major alternative asset classes:
 - Real assets (water entitlements, water infrastructure and agribusiness)
 - Private equity and venture capital
 - Private real estate
 - Hedge funds
- Blue Sky's goal is to be Australia's leading diversified alternative asset manager
- Blue Sky today:
 - \$250m market cap¹
 - Over \$1.35 billion in assets under management
 - Offices in Brisbane, Sydney, Melbourne, Adelaide and New York
 - Over 75 staff
 - Published returns of 15.4% p.a. net of fees since inception to investors in Blue Sky funds to 30 June 2015²

1. As at 7 September 2015.

2. Note: Past performance is not a reliable indicator of future performance. Historical returns reflect the historical performance of Blue Sky funds only and do not relate to the past or future performance of the Alternatives Fund, and should not be relied upon as an indicator of future performance of the Alternatives Fund. Historical returns include a mix of realised and unrealised returns.

BLUE SKY PUBLISHED RETURNS

PUBLISHED RETURNS OF 15.4% P.A. NET OF FEES SINCE INCEPTION



Blue Sky notes that total returns are equity weighted returns since inception through to 30 June 2015 and returns are net of fees.

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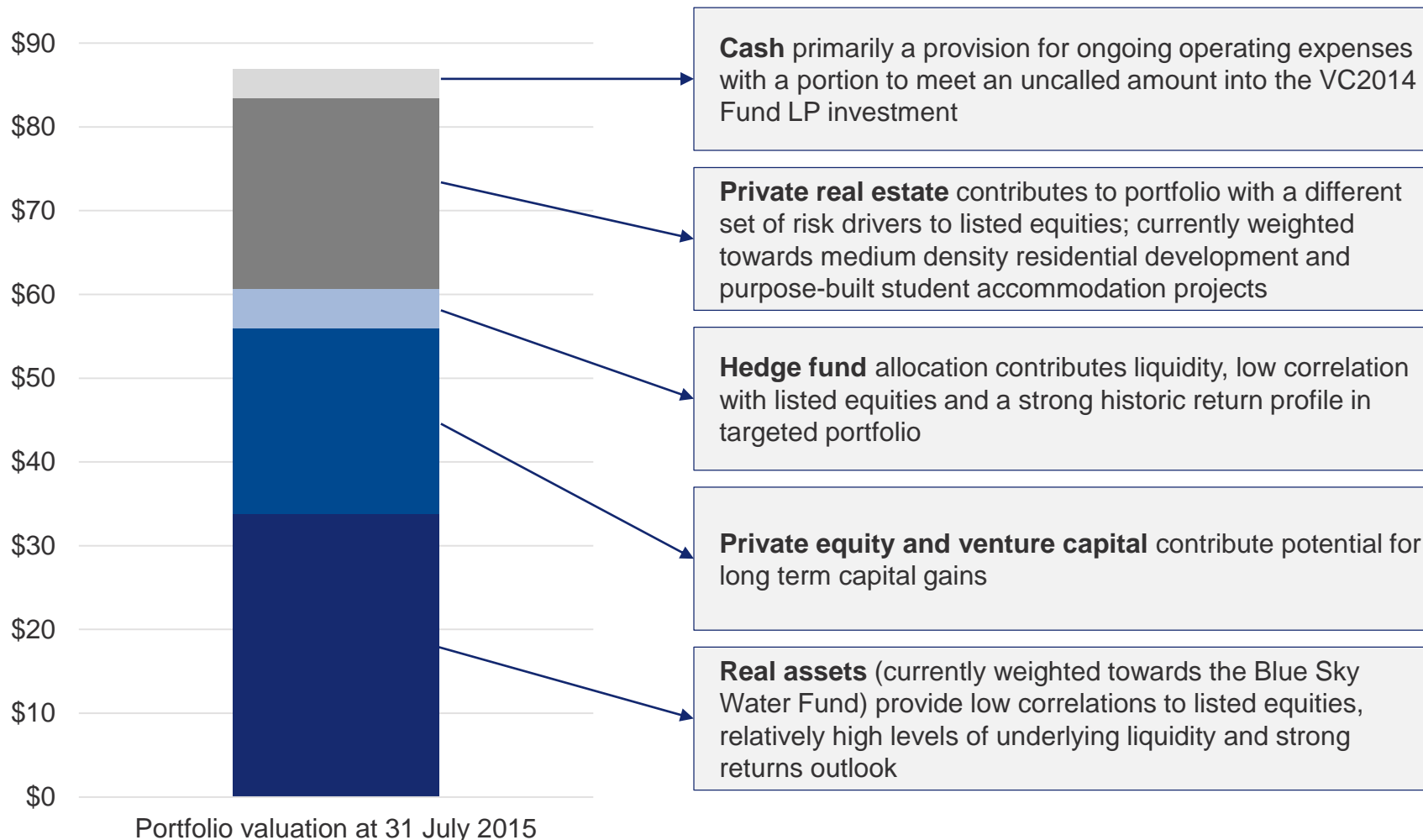
1. Benchmarks are measured over the same time period as the returns for each division and are sourced from Chant West's January 2015 and July 2015 media release. **Hedge Fund** – Chant West Hedge Fund performance over 7 years. **Real Assets** – Chant West Unlisted Infrastructure performance over 3 years. **Private Equity** – Average of Chant West Private Equity performance over 7 and 10 years. **Private Real Estate** – Average of Chant West Australian Unlisted Property performance over 7 and 10 years. **Overall** – ASX200 accumulation index since July 2006.

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BSAAF INVESTMENT PORTFOLIO UPDATE

ALTERNATIVES FUND: CURRENT DEPLOYMENT

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ASSET CLASS TARGET RETURNS

| | Target IRR ¹ | Hold period ¹ |
|------------------------------------------------------------------------------|-------------------------|--------------------------|
| Real Assets – <i>Water Rights</i> | 10.0% - 14.0% | Open-ended |
| Real Assets – <i>Other Real Assets</i> | 15.0% | 5 – 7 years |
| Private Equity | 25.0% - 30.0% | 3 – 5 years |
| Venture Capital | 30.0% | 3 – 5 years |
| Private Real Estate – <i>Residential Development Investments</i> | 20.0% - 25.0% | 2 – 3 years |
| Private Real Estate – <i>Commercial Asset Management Investments</i> | 13.0% - 18.0% | 5 – 7 years |
| Private Real Estate – <i>Residential Asset Management Investments</i> | 12.0% - 16.0% | 3 – 5 years |
| Hedge Funds | Cash + 6.0% - 10.0% | Open-ended |

1. These figures represent the general expectations of the investment managers of the underlying funds as to the returns the relevant asset class can generate over time. Neither BSAAF nor the Manager have independently formed a view as to the appropriateness of these expectations. Further, 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. The above information is of a general nature only and is subject to change due to factors including, but not limited to, asset class investment performance and prevailing market conditions.

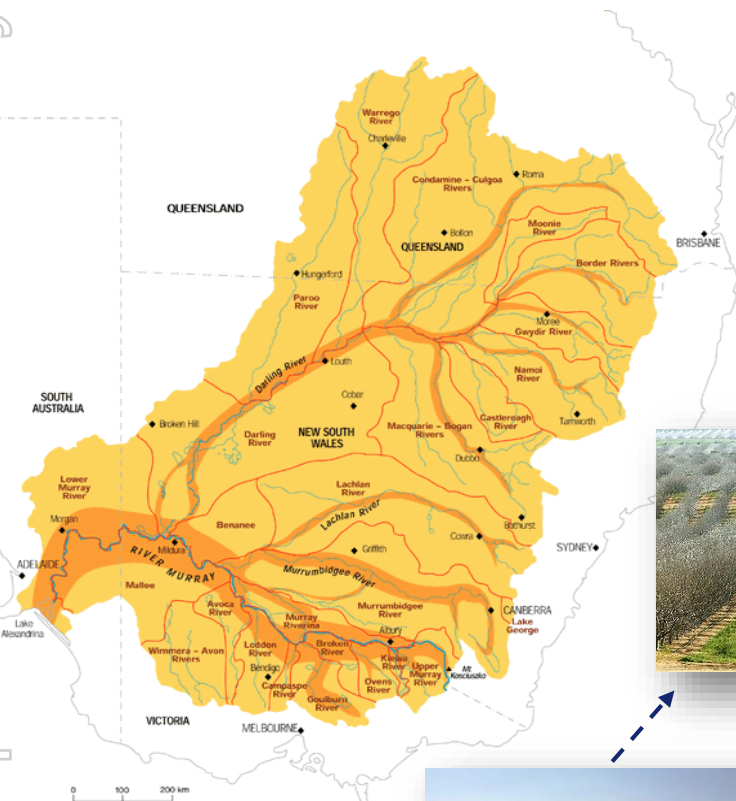
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BSAAF INVESTMENT PORTFOLIO UPDATE

REAL ASSETS

REAL ASSETS: BLUE SKY WATER FUND

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- Blue Sky Water Fund holds a **diversified portfolio of agricultural water entitlements** in the Southern Murray-Darling Basin
- **Low correlation** to traditional asset classes due to different return drivers
- Annualised **return since inception of 19.1%** and **36.7% in the last 12 months**, with relatively low volatility (7.6%)¹
- **Low water availability** from developing **El Niño conditions** driving up portfolio value and yield, although warm ocean temperatures may deliver additional rainfall and allocations in the short term
- **Migration from low value crops** (e.g. rice at ~\$80 per megalitre) **to high value crops** (e.g. almonds at ~\$1,000 per megalitre) increases value of water

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[1] Accumulated returns for the initial and lead unit series of the Blue Sky Water Fund Master Trust in AUD terms to 31 August 2015. All returns are net of management and performance fees and gross of tax (prior to tax provisions).

REAL ASSETS: BLUE SKY AGRICULTURE FUND



- Investment in a **large scale irrigated farming operation** in the Murrumbidgee region, NSW, with crop underwritten with reliable groundwater irrigation
- Primary value driver is **change of land use**: conversion of land from low value crops (e.g. rice) to higher value crops (e.g. cotton)
- Targeted **IRR of 15%** over a 5-7 year holding period (invested 2014)
- The Fund continues to meet key milestones in line with the investment case:
 - Independent, external valuations confirm **strong uplift in land and water values**
 - Majority of 2014/15 cotton crop ginned and **sold at attractive pricing**
 - Land redevelopment program **on track**
 - **Winter crop rotation established** despite some wet weather delays
- Price of Australian cotton remains **above historical trends**, supported by the **lower AUD** and **global demand for Australian fibre**
- **Upward pressure on irrigated land and water values** in the Murrumbidgee as the production reliability, flexibility and advantages of the region become better understood

REAL ASSETS: WATER UTILITIES AUSTRALIA



- WUA is the **first mover** in water infrastructure investment in Australia, with two **initial investments**:
 - **Willunga Basin Water Company**, the owner of irrigation networks supplying the McLaren Vale grape growing district in South Australia
 - **Lightsview Rewater**, the owner of a recycled water reticulation scheme for a residential estate in Adelaide
- The business continues to perform strongly with an above-budget trading performance in FY15
- Further optimisation of WUA's capital structure has enabled the implementation of a new growth strategy, entering new irrigation markets
- Willunga Basin Water Company **network expansion is well underway** with additional water to be delivered in late 2015 / early 2016
- Water Utilities Australia continues to seek opportunities to build a portfolio of water assets across the **residential, agricultural and industrial** sectors
- BSAAF's allocation to this investment is expected to deliver a combination of **capital growth and yield**

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BSAAF INVESTMENT PORTFOLIO UPDATE

PRIVATE EQUITY & VENTURE CAPITAL

PRIVATE EQUITY & VENTURE CAPITAL

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- Foundation Early Learning ('FEL') is a **premium Australian child care operator** with a presence across Qld, NSW, Vic, NT and WA
- Over the last year FEL's portfolio has grown to **19 owned centres and 32 managed centres** plus a strong pipeline of future growth opportunities
- Foundation is exploring opportunities for a potential exit (IPO or trade sale) in 2016 whilst continuing to execute on its acquisition strategy



- Wild Breads Pty Ltd ('Wild Breads') is a leading business in the rapidly growing **artisan and specialty bread** market
- Since investment in 2014, Wild Breads has expanded its offerings to major supermarket chains and secured its first sales into Asia
- With a **second production facility nearing completion**, the investment is likely to be a hold and grow period of 3-4 years



- Readify is a **leading Australian IT-services company** focused on application development and platform deployment
- Readify has made strong progress since investment, delivering **strong trading** results and **acquisition of two aligned businesses**
- Readify is targeting an **IPO in May 2016** to take advantage of **growth momentum** which developed through 2014-15

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PRIVATE EQUITY & VENTURE CAPITAL

-
- Hospital Pharmacy Services (HPS) is Australia's **leading provider of outsourced, in-hospital pharmacy services**
 - The business has performed strongly since investment, with earnings **tracking above the investment case**
 - HPS continues to be well positioned to capture opportunities from the **developing trend towards outsourcing and consolidation of existing contracts** to national providers
-
- Origo Education is a rapidly growing Australian business providing **digital and print education instructional materials** in to the USA, Australia, Canada and New Zealand
 - With **significant opportunities for further expansion** into the US and Asia, this asset is expected to contribute high growth returns over a 3-5 year investment
-
- To hold equity in GM Hotels, a portfolio of **three freehold and seven long-term leasehold hotels** in South Australia
 - The Hotel Fund's **high quality asset base, defensive and predictable earnings and strong free cash conversion**, is expected to deliver the Alternatives Fund with regular returns through the payment of a **quarterly yield** over a 5+ year hold
-
- The Blue Sky VC2014 Fund was established to invest in a **portfolio of high growth venture capital opportunities**
 - VC2014 recently made its first investment with growth capital injected into a last mile logistics and ecommerce software business, Parcel Point
-

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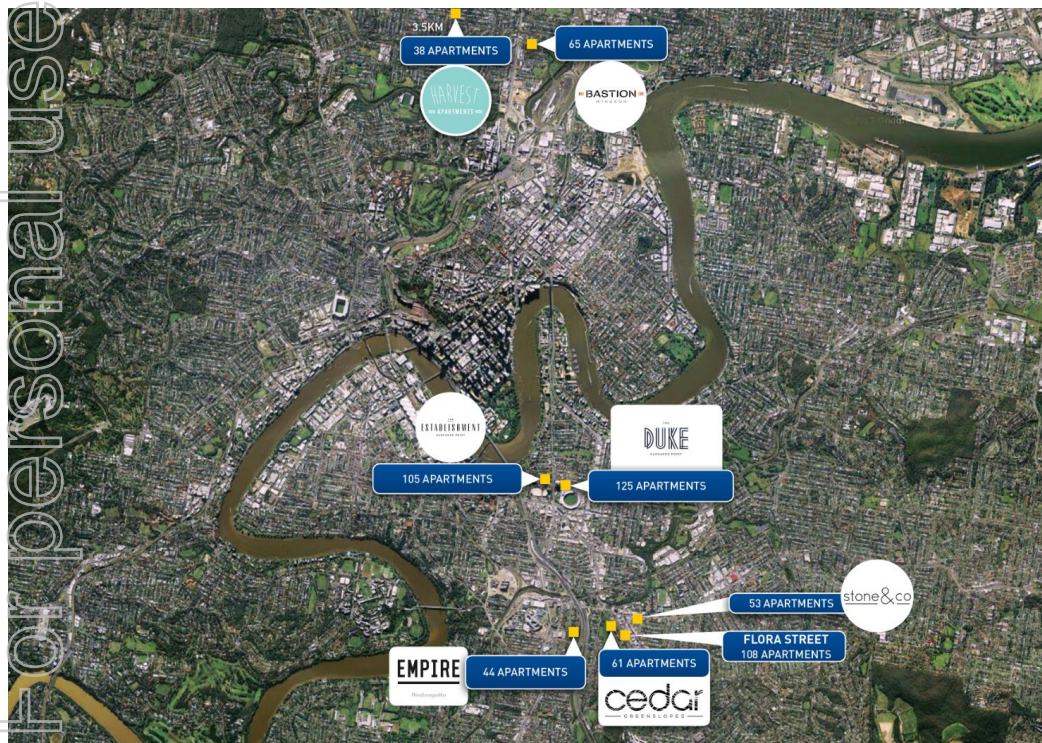
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BSAAF INVESTMENT PORTFOLIO UPDATE

PRIVATE REAL ESTATE

PRIVATE REAL ESTATE: RESIDENTIAL DEVELOPMENT

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- BSAAF has invested in eight medium density residential development opportunities within inner Brisbane
- BSAAF expects to recycle capital rapidly, with hold periods from 21 to 26 months
- To date, two funds have been revalued, namely Harvest, Kedron and Duke Street, Kangaroo Point
- Fundamentals in the market remain positive, with strong uptake from ongoing interstate migration and investment, median property prices substantially lower than Sydney and Melbourne, and limited prospect of near term interest rate increases
- A number of assets in the portfolio are expected to meet initial revaluation triggers in the next six months as sales targets are met, debt funding is secured and fixed-price construction contracts commence

PRIVATE REAL ESTATE: INCOME-PRODUCING REAL ESTATE



- Investment in the management rights to Southport Central, a 3 tower, 788 apartment complex located on the Gold Coast, occupied by long term (as opposed to holiday rental) tenants
- Since investment, this asset has delivered the Alternatives Fund with a fully franked monthly yield equivalent to 10% p.a., plus an additional 5% special distribution following a period of continued strong performance. This brings total annualised cash yield to 15%
- With occupancy remaining above 98.5% and active marketing strategies driving growth in the number of apartments managed by Blue Sky, the outlook for this asset remains positive
- The Alternatives Fund's second investment in income-producing real estate is in a fund which holds the freehold title to a quality single-tenant manufacturing, distribution and office facility in the Brisbane suburb of Darra
- In July 2015 the investment paid its first quarterly yield (9.75% per annum) whilst continued infrastructure investment in the local area is expected to provide moderate capital growth over the short to medium term

PRIVATE REAL ESTATE: SOCIAL INFRASTRUCTURE



Fund 1 – Regent St, Woolloongabba, 286 beds, open June 2016



Fund 2 – Merivale St, South Brisbane, 745 beds, open June 2017



Fund 3 – La Trobe St, Melbourne City, 789 beds, open January 2018



Fund 4 – Waymouth St, Adelaide City, 415 beds, open January 2018

- Strong conviction on sectoral tailwinds driving compelling returns from social infrastructure projects
- BSAAF has invested in four funds which will develop and operate student accommodation precincts across:
 - Woolloongabba, Brisbane ~ 12 stories, 283 beds
 - South Brisbane ~ 12 stories, 733 beds
 - La Trobe St, Melbourne CBD ~ 789 bed tower
 - Adelaide CBD ~ 12 stories, 415 beds
- All assets are in close proximity to several leading tertiary education institutions and cultural hubs
- These investments are expected to deliver BSAAF strong yields during the operational phase (10%-14% pa) and modest capital growth

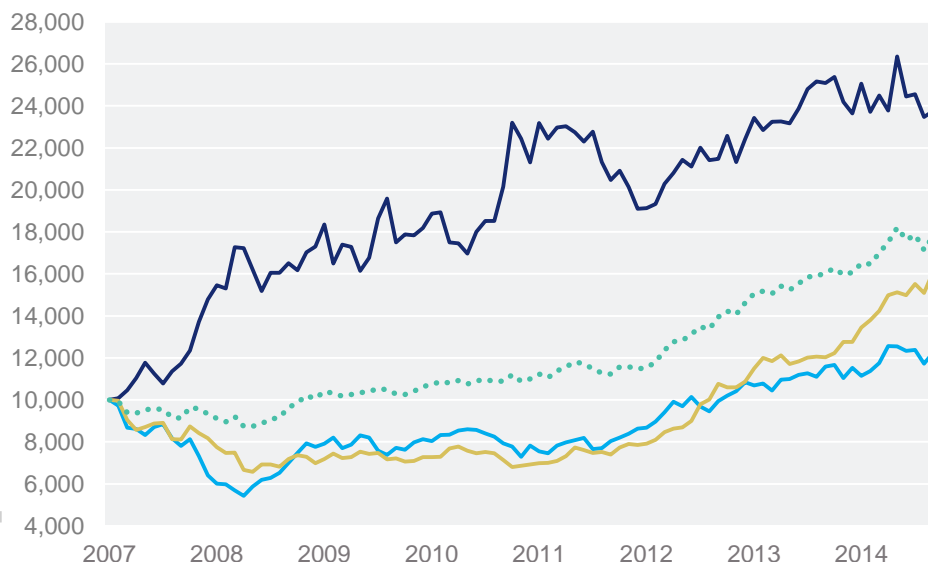
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BSAAF INVESTMENT PORTFOLIO UPDATE

HEDGE FUNDS

HEDGE FUNDS: BLUE SKY SRA ALLIANCE DIVERSIFIED QUANT

Diversified Quant Fund Performance



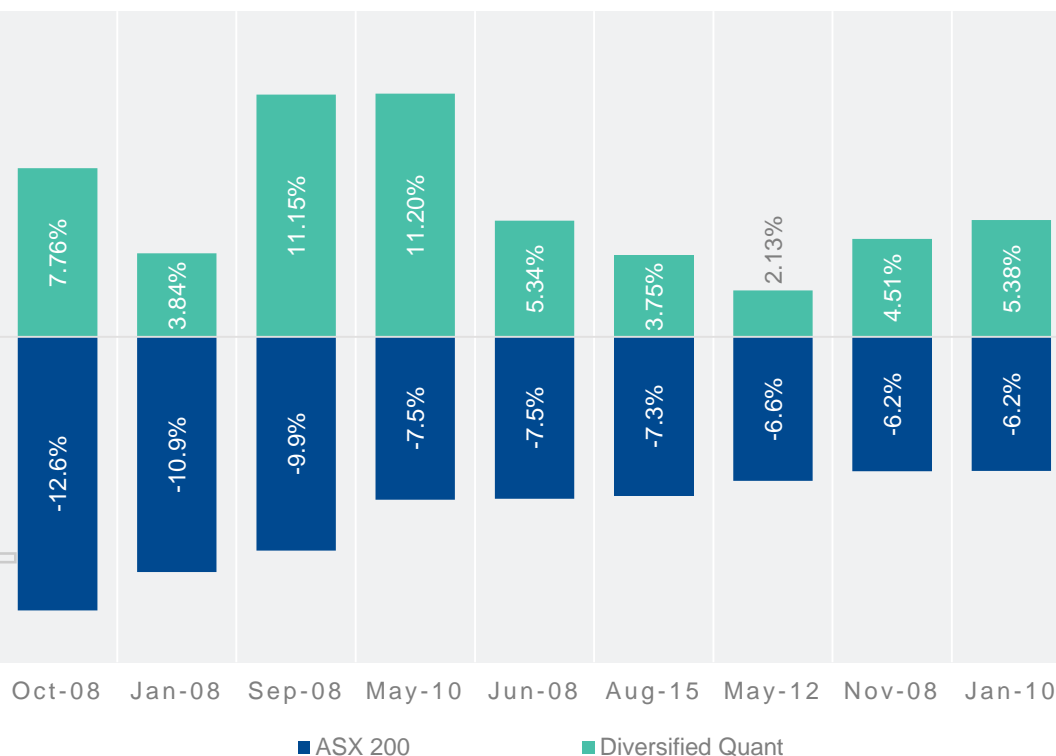
— Diversified Quant — S&P/ASX 200 (Total Return)
— MSCI (All World) Unhedged ⋯ Composite Portfolio 16Q (1/3)

- Current allocation to the Blue Sky Diversified Quant fund, a portfolio of quantitative trading strategies diversified across currency, commodity, equity and fixed income markets
- Demonstrated ability to make money across a range of market conditions, with returns since inception of 11.9% per year, volatility of 17.5% and correlation to listed equities of 0.37
- As the Alternatives Fund's most liquid asset, short term redemptions from the hedge have been used to invest in compelling opportunities as they arise
- Nevertheless, it is expected that the allocation will be rebalanced as capital is recycled and income yield from other investments is received

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DIVERSIFIED QUANT FUND: STRENGTH IN PERIODS OF VOLATILITY

Performance of the Diversified Quant portfolio over the worst 9 months of the ASX 200 since fund inception



The Diversified Quant Fund significantly outperforms during periods of equity market weakness.

- The Fund made strong gains during the Aug-15 ASX downturn, up 8.6% intra-month
- Performance was attributed to diversified interest rate, FX and short equities positions
- The diversification of assets classes ensured that a positive return of +3.75% was made by month end as equity and commodity markets staged a late rally

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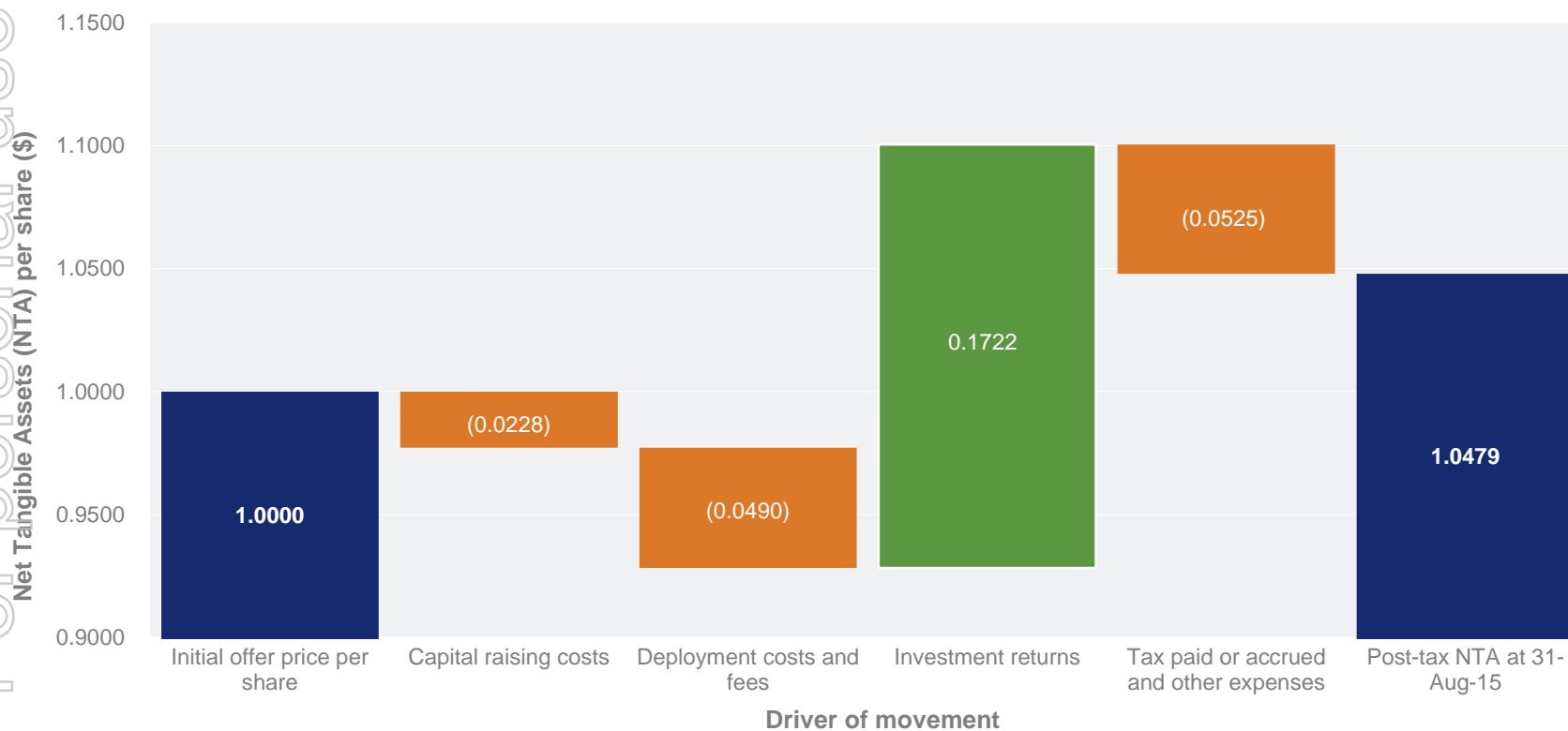
NET TANGIBLE ASSETS

PERFORMANCE BREAKDOWN

NET TANGIBLE ASSETS GROWTH

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BAF post-tax net tangible assets – 31 August 2015

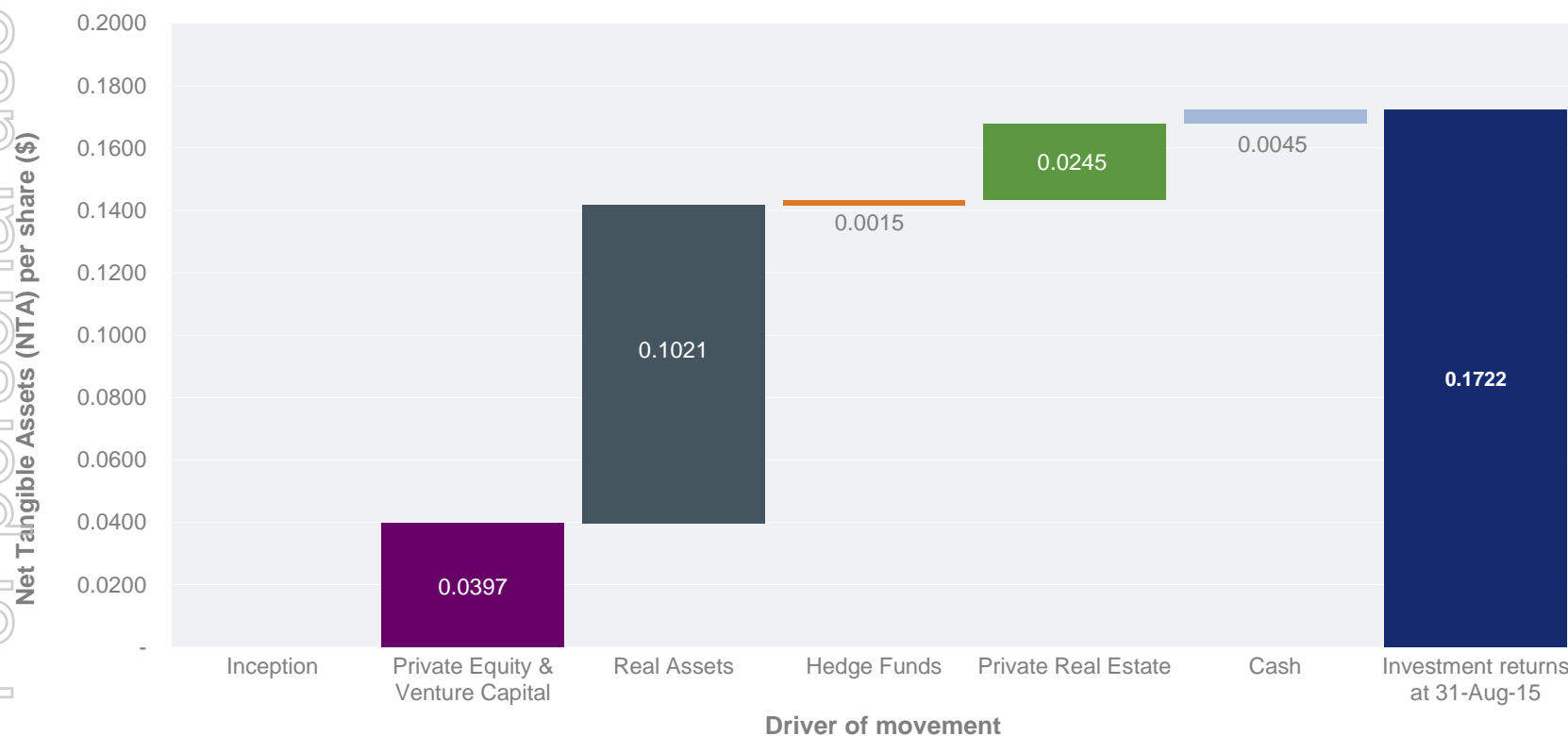


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INVESTMENT PERFORMANCE

MULTIPLE ASSETS IN PRIVATE EQUITY AND PRIVATE REAL ESTATE ARE YET TO BE REVALUED

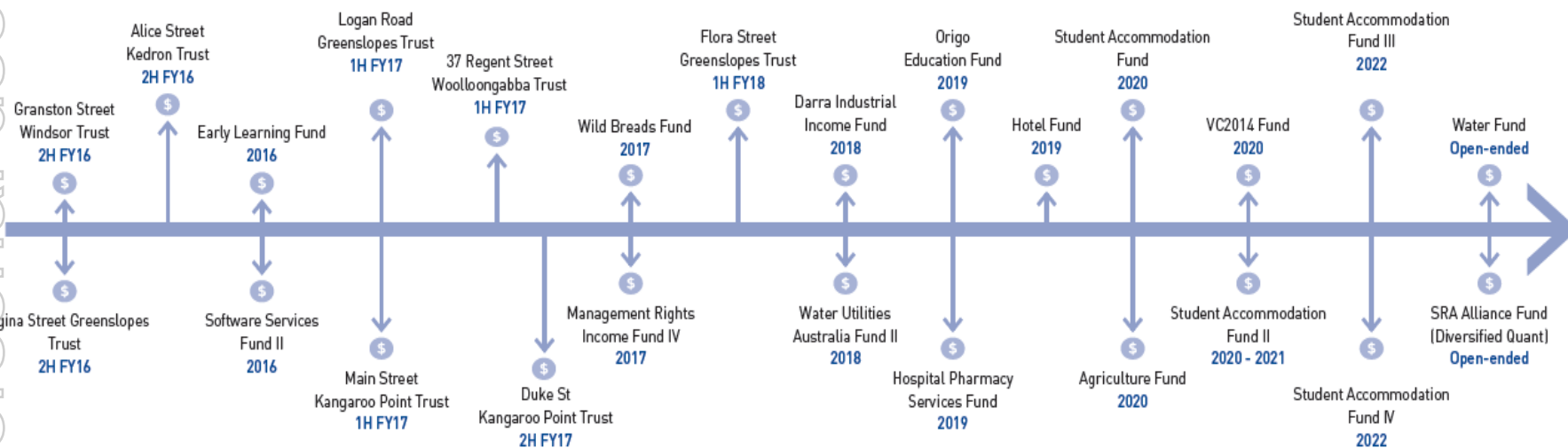
BAF investment performance – inception to 31 August 2015



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TIMELINE – EXIT HORIZON FOR ALL INVESTMENTS*

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Note: 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.

2015 FINAL DIVIDEND: 3.0 CENTS FULLY FRANKED

- On release of its FY15 annual results, the Alternatives Fund also declared a **fully franked 3.0 cents per share dividend**
- The Fund also announced the introduction of a **Dividend Reinvestment Plan ('DRP')**, giving shareholders the opportunity to **top up their holding** through electing to receive **dividends as ordinary shares instead of cash**
- **Key dates** are as follows:

| Event | Date |
|-----------------------------------|-----------------------------------|
| Ex-dividend date | 20 October 2015 |
| Dividend record date | 22 October 2015 |
| Last date for DRP election | 23 October 2015 |
| DRP valuation period | 26 October 2015 – 30 October 2015 |
| Payment date and share issue date | 6 November 2015 |

- BAFO optionholders have the **chance to participate** in the dividend by **exercising** their options **before 4:00pm AEDT on the dividend record date** (22 October 2015)
- The BAFO options are **exercisable at \$0.9827** and otherwise **expire on 16 December 2015**
- Instructions on how to exercise your options are available on the Alternatives Fund website at: <http://www.blueskyfunds.com.au/blue-sky-funds/alternatives-fund/>

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APPENDIX

SUMMARY OF CURRENT INVESTMENTS

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| Fund name | Amount invested ¹ | Date invested ² | % allocated capital | Target IRR ³ | Anticipated exit ⁴ |
|---------------------------------------------------|------------------------------|----------------------------|---------------------|-------------------------|-------------------------------|
| PRIVATE EQUITY & VENTURE CAPITAL | | | | | |
| PRIVATE EQUITY | | | | | |
| Early Learning Fund | 4,000,000 | Jun-14 | 4.9% | | 2016 - 2017 |
| Wild Breads Fund | 2,000,000 | Jun-14 | 2.4% | | 2017 - 2018 |
| Software Services Fund II | 2,800,000 | Jun-14 | 3.4% | | 2016 - 2017 |
| Hospital Pharmacy Services Fund | 3,500,000 | Jun-14 | 4.3% | | 2019 - 2020 |
| Origo Education Fund | 1,500,000 | Dec-14 | 1.8% | | 2019 - 2020 |
| Hotel Fund | 6,000,000 | Jun-15 | 7.4% | | 2019 - 2020 |
| Total Private Equity | 19,800,000 | | 24.5% | 25.0% - 30.0% | |
| VENTURE CAPITAL | | | | | |
| VC2014 Fund LP | 4,000,000 | Jun-14 | 4.9% | | 2020 |
| Total Venture Capital | 4,000,000 | | 4.9% | 30.0% | |
| Total Private Equity & Venture Capital | 23,800,000 | | 29.4% | | |

SUMMARY OF CURRENT INVESTMENTS

| Fund name | Amount invested ¹ | Date invested ² | % allocated capital | Target IRR ³ | Anticipated exit ⁴ |
|--------------------------------------------|------------------------------|----------------------------|---------------------|-------------------------|-------------------------------|
| REAL ASSETS | | | | | |
| WATER RIGHTS | | | | | |
| Water Fund | 24,000,000 | Jun-14 | 29.3% | | Open ended |
| Total Water Rights | 24,000,000 | | 29.3% | 10.0% - 14.0% | |
| OTHER REAL ASSETS | | | | | |
| Agriculture Fund | 4,365,000 | Jun-14 | 5.4% | | 2020 |
| Water Utilities Australia Fund II | 2,500,000 | Oct-14 | 3.1% | | 2018 |
| Total Other Real Assets | 6,865,000 | | 8.5% | 15.0% | |
| Total Real Assets | 30,865,000 | | 38.2% | | |
| PRIVATE REAL ESTATE | | | | | |
| RESIDENTIAL DEVELOPMENT INVESTMENTS | | | | | |
| Regina Street Greenslopes Trust | 1,000,000 | Jun-14 | 1.2% | | 2H FY16 |
| 37 Regent Street Woolloongabba Trust | 1,000,000 | Jun-14 | 1.2% | | 1H FY17 |
| Alice Street Kedron Trust | 1,000,000 | Jul-14 | 1.2% | | 2H FY16 |
| Logan Road Greenslopes Trust | 1,000,000 | Aug-14 | 1.2% | | 1H FY17 |
| Main Street Kangaroo Point Trust | 2,000,000 | Aug-14 | 2.5% | | 1H FY17 |

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SUMMARY OF CURRENT INVESTMENTS

| Fund name | Amount invested ¹ | Date invested ² | % allocated capital | Target IRR ³ | Anticipated exit ⁴ |
|-------------------------------------------------------|------------------------------|----------------------------|---------------------|-------------------------|-------------------------------|
| Granston Street Windsor Trust | 1,000,000 | Aug-14 | 1.2% | | 2H FY16 |
| Duke Street Kangaroo Point Trust | 2,000,000 | Sep-14 | 2.5% | | 2H FY17 |
| Flora Street Greenslopes Trust | 1,000,000 | Jun-15 | 1.2% | | 1H FY18 |
| Total Residential Development investments | 10,000,000 | | 12.4% | 20.0% - 25.0% | |
| COMMERCIAL ASSET MANAGEMENT INVESTMENTS | | | | | |
| Darra Industrial Income Fund | 2,000,000 | Dec-14 | 2.5% | | 2018 |
| Student Accommodation Fund | 1,500,000 | Dec-14 | 1.9% | | 2020 |
| Student Accommodation Fund II | 5,000,000 | Mar-15 | 6.2% | | 2020 - 2021 |
| Student Accommodation Fund III | 2,500,000 | Jun-15 | 3.1% | | 2022 |
| Student Accommodation Fund IV | 1,000,000 | Jun-15 | 1.2% | | 2022 |
| Total Commercial Asset Management investments | 12,000,000 | | 14.8% | 13.0% - 18.0% | |
| RESIDENTIAL ASSET MANAGEMENT INVESTMENTS | | | | | |
| Management Rights Income Fund IV | 2,200,000 | Oct-14 | 2.7% | | 2017 |
| Total Residential Asset Management Investments | 2,200,000 | | 2.7% | 12.0% - 16.0% | |
| Total Private Real Estate | 24,200,000 | | 29.9% | | |

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SUMMARY OF CURRENT INVESTMENTS

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| Fund name | Amount invested ¹ | Date invested ² | % allocated capital | Target IRR ³ | Anticipated exit ⁴ |
|---------------------------------------|------------------------------|----------------------------|---------------------|--------------------------------|-------------------------------|
| HEDGE FUNDS | | | | | |
| SRA Alliance Fund (Diversified Quant) | 2,015,200 | Jun-14 | 2.5% | | Open ended |
| Total Hedge Funds | 2,015,200 | | 2.5% | Cash + 6.0% - 10.0% | |
| Total portfolio | 80,880,200 | | 100.0% | | |

1. Total capital deployed to date, inclusive of follow-on investments and net of capital returned
2. Date of initial investment
3. 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.
4. 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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BlueSky

Alternatives
Access Fund

Blue Sky Alternatives Access Fund

Suite 1808, Level 18 Australia Square

264-278 George Street

Sydney NSW 2000

Australia

T +61 (0) 7 3270 7500

F +61 (0) 7 3270 7599

E investorservices@blueskyfunds.com.au

blueskyfunds.com.au/alternativesfund