

23 April 2018

Blue Sky announces Management and Board changes

Blue Sky Alternative Investments Limited (ASX: BLA) ('Blue Sky' or 'the Company') today announces the resignation of Mr Robert Shand as Managing Director and the appointment of Mr Kim Morison as interim Managing Director.

Blue Sky also announces that executive directors, Ms Elaine Stead and Mr Nicholas Dignam, will step down from the Board, and that both will continue in their executive roles in the business. Blue Sky confirmed that processes had commenced to appoint a permanent Managing Director and additional independent directors to the Board.

Mr John Kain, Blue Sky Chairman, said: "In offering his resignation, Robert agreed that as Blue Sky rebuilds market confidence, it was in the best interests of the company, its shareholders and its investors for Kim take over as interim Managing Director. Kim has been Managing Director of Blue Sky Water Partners and Head of Blue Sky's Real Assets business since 2010, he is a current executive director of Blue Sky, and he brings more than 20 years of executive experience to the role.

"We have also made changes to the composition of the Blue Sky Board to ensure greater independence, and we are seeking to appoint additional independent directors in line with our previously announced commitment to transitioning to a majority independent Board."

The Blue Sky Board now comprises Mr Kain as independent chairman, Mr Michael Gordon and Mr Phil Hennessy as independent non-executive directors, Mr Morison, as well as executive directors, Mr Tim Wilson and Mr Alex McNab.

Mr Morison said that as interim Managing Director his focus would be on rebuilding market confidence in Blue Sky's investment businesses, on delivering returns for shareholders and fund investors, and acting on the Board's commitment to greater transparency.

"Blue Sky's business fundamentals are strong. We have learnt, and we are continuing to learn, from our recent experiences and we are building for the future. We have a great platform, great people and continuing support amongst our funds investors and institutional clients."

"Blue Sky will accelerate initiatives to recalibrate Blue Sky's income mix toward a greater reliance on recurring cash income. We will also continue to develop new investment opportunities and we are well placed to do so given the strength of our balance sheet.

"Our focus will always remain on generating the best possible returns for our fund investors. By delivering these returns we will earn the right to grow our assets under management, our revenues and ultimately our returns to shareholders.

"I'm committed to ensuring Blue Sky strengthens its governance and transparency to our shareholders and investors in order to restore and build confidence among all of our stakeholders.

"In conjunction with the Board and building on the experience in our Real Assets division, I will be ensuring that across the business we have the appropriate skills, processes, and reporting and governance structures to continue to strengthen our institutional grade investment management business," Mr Morison said.

In announcing the changes, Mr Kain thanked Mr Shand for his commitment to the business.

"The Board would like to take the opportunity to thank Robert for his commitment to Blue Sky since he joined in 2010. During his tenure, Robert has played an important role in building the scale of Blue Sky and helping to drive its strong track record of investment performance. Robert has worked tirelessly for Blue Sky and we wish him every success in the future."

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Mr Shand commented: "It is time for a renewed board and management to take Blue Sky forward, build on the strong fundamentals and prepare the business for the next phase."

Mr Shand will receive his contractual entitlements but will forgo 1.3 million options previously allocated to him subject to his continuing employment. Mr Morison will be receiving the same benefits as interim Managing Director as he was entitled to in his former role.

In stepping down from the Blue Sky Board of Directors, both Ms Stead and Mr Dignam reaffirmed their commitment to the business.

Mr Kain said Ms Stead and Mr Dignam had made significant contributions as directors and they will continue to concentrate on delivering strong investor returns and growing the business through their executive roles as Heads of Venture Capital and Growth Capital, respectively.

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About Mr Morison

Kim Morison joined Blue Sky in 2010 as Managing Director of Blue Sky Water Partners and Head of Blue Sky's Real Assets division, which manages investments in Australian water entitlements, water infrastructure, agribusiness supply chain infrastructure, horticulture and private equity farmland ventures. Kim was appointed to the Blue Sky Board as Executive Director in April 2016 and as interim Managing Director in April 2018.

Prior to joining Blue Sky, Kim previously held senior management roles with CSR Sugar, Macquarie Bank's Agricultural Commodities Group; Twynam Agricultural Group and Colly Cotton Limited. Kim has more than 25 years' experience in agribusiness, water markets, commodity and currency derivatives trading, and international soft commodities markets.

Kim holds a Bachelor of Commerce and Graduate Diplomas in Agricultural Economics and Applied Finance & Investment. Kim is a Graduate of the Australian Institute of Company Directors and an Associate Member of the Financial Services Institute of Australasia (FINSIA).

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