

14 September 2020

Dear Shareholder

**Blue Sky Alternatives Access Fund Limited (ASX: BAF) (the 'Alternatives Fund' or the 'Company') – Net Tangible Assets ('NTA') per share for August 2020**

The Board confirms that the pre-tax NTA of the Alternatives Fund decreased by 0.28 cents per share, or 0.26%, to \$1.0835 per share in August.

During the month, the Alternatives Fund acquired an additional 252,706 shares at an average price of \$0.76159 representing a 30% discount to August's pre-tax NTA.

There were minimal asset movements during August with the majority of asset reviews performed for 30 June in order to capture the movement in the audited financial statements which were lodged on 28 August 2020. Some additional movements relating to agricultural assets were brought to account during August.

**Manager transition update**

The Board is delighted that the resolutions proposed at the Company's extraordinary general meeting on 8 September 2020 were resoundingly supported by shareholders. The completion of the transition of the management of the Company to Wilson Asset Management (International) Limited ('WAM') is one major step closer. The transaction is still subject to some further conditions precedent, which are procedural in nature, and which are likely to be satisfied in the coming days. Upon completion of the transition and in addition to the change of manager taking legal effect, the name of the Company will change to WAM Alternative Assets Limited, with a new ASX code: ASX:WMA. Shareholders will be kept informed as this occurs and the rebranding of the Company is progressed.

The Board is also delighted to welcome Mr Geoff Wilson AO and Mr Adrian Siew as Directors. We are thrilled to be entering into this new chapter with the team at WAM and thank shareholders once again for their patience and ongoing support.

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

August 2020

# BlueSky

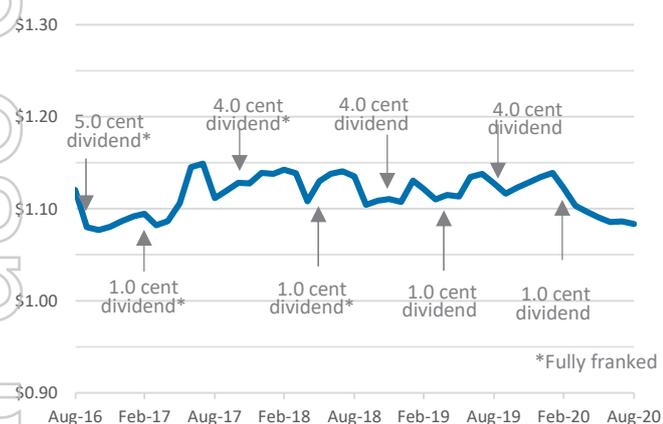
Alternatives  
Access Fund

## Net Tangible Assets – as at 31 August 2020<sup>1</sup>

Net Tangible Assets (NTA) per share (pre-tax)	\$1.0835
Net Tangible Assets (NTA) per share (post-tax)	\$1.0863

1. NTA figures in this report are unaudited.

## Pre-Tax Net Tangible Assets



Source: Blue Sky Alternatives Access Fund, 2020

## Portfolio Valuation<sup>2</sup>

	Current value (\$'m)	+/- Prior Month	% of Portfolio
<b>Private Equity</b>			
Growth Capital	\$36.50	(\$0.21)	17.4%
Venture Capital	\$14.75	\$0.03	7.0%
<b>Subtotal</b>	<b>\$51.25</b>	<b>(\$0.18)</b>	<b>24.4%</b>
<b>Real Assets</b>			
Water Fund	\$56.12	(\$0.03)	26.6%
Strategic Australian Agriculture Fund	\$27.42	\$0.22	13.0%
Other Real Assets	\$7.21	(\$0.01)	3.4%
<b>Subtotal</b>	<b>\$90.75</b>	<b>\$0.18</b>	<b>43.0%</b>
<b>Private Real Estate</b>			
Real Estate <sup>3</sup>	\$13.98	(\$0.00)	6.6%
<b>Cash<sup>4</sup></b>	<b>\$54.74</b>	<b>(\$0.49)</b>	<b>26.0%</b>
<b>Grand Total</b>	<b>\$210.72</b>	<b>(\$0.49)</b>	<b>100.0%</b>

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/alternatives fund. Note that movements in 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, rebates, etc.

3. Includes student accommodation hold backs for litigation funding, US office investments and domestic commercial investments.

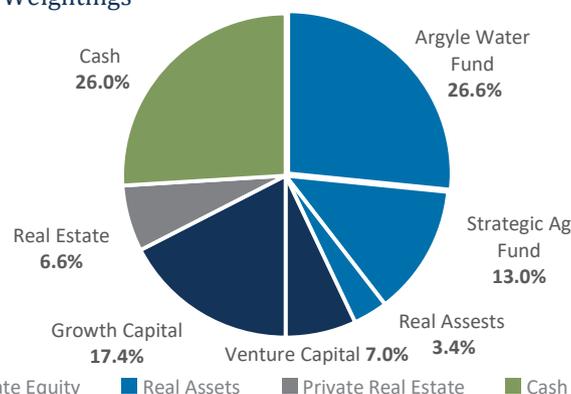
4. Includes capital to fund the remaining \$1.31 million of the original \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called subject to the terms of the Trust Deed.

## Fund Performance<sup>5</sup>

Period	Pre-Tax	Post-Tax
1 month	(0.26%)	(0.02%)
3 months	(1.09%)	(0.40%)
6 months	(2.73%)	(1.35%)
12 months	1.18%	3.59%
3 year	3.17%	4.23%
Since inception (per annum)	6.58%	6.68%
Since inception (total) (compounding)	48.57%	49.46%

5. Includes NTA growth, dividends, franking credits, and the impact of the share buyback program.

## Sector Weightings



Note: Total allocation to the Argyle Water Fund (including through the Strategic Australian Agriculture Fund) is 32.8% of the portfolio.

## About the Alternatives Fund

Blue Sky Alternatives Access Fund Limited (ACN 168 941 704) ('Alternatives Fund' or 'Company') 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 one of the only listed investment companies 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. Please refer to the section headed 'Manager Transition'.

## 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

BSAA 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 (Administrators appointed) (Receivers and Managers appointed) (ASX: BLA) ('Blue Sky'), Australian Alternative Asset Partners Pte. Ltd, appointed US investment managers or Centennial Industrial & Logistics. Please refer to the section headed 'Manager Transition'.

## Manager Transition

The proposal to transition the management of the Alternatives Fund to Wilson Asset Management (International) Pty Limited was approved by the Company's shareholders at an extraordinary general meeting ("EGM") on 8 September 2020.

The transaction is still subject to some further conditions precedent, which are procedural in nature, and which are likely to be satisfied in the coming days. Upon completion of the transition and in addition to the change of manager taking legal effect, the name of the Company will change to WAM Alternative Assets Limited, with a new ASX code: ASX:WMA.

## Summary

The pre-tax NTA of the Alternatives Fund decreased by 0.28 cents per share, or 0.26% in July to \$1.0835 per share.

Overall, the investment portfolio was relatively flat with distribution receipts from the Growth Capital Portfolio and a minor revaluation of an asset within the Strategic Agricultural investment. Operational expenses, including external audit and transition/EGM costs were slightly higher than anticipated.

## Investment Performance

### Growth Capital Portfolio

There were only minor movements in the carrying value of the Growth Capital Portfolio, with one asset making a distribution to unitholders.

### Venture Capital Portfolio

There were no significant adjustments to the carrying value of the Venture Capital Portfolio.

### Argyle Water Fund

The unit value of the Argyle Water Fund ("Water Fund") changed marginally reflecting reductions in some of the market values of entitlements held by the Water Fund and offset by additional water allocations credited to the Water Fund's entitlements for the 2020/21 season. Spot water prices in the southern Murray-Darling Basin remain at pivot point dependent on the extent of Spring rainfall (impacting seasonal water supply for Summer) and area of annual crops (cotton, rice) planted in the next few months (representing increased water demand). The impacts of the Chinese Government's politically motivated trade restrictions on Australian produce are presently limited to barley, beef and wine (which is mostly from irrigated vineyards). Australia's food, fibre and beverage industries have pursued this market very actively over the past decade. Our

exporters have accepted market concentration risk for the significantly higher premiums and scale offered into China. It remains to be seen how long this trade imbroglio may last, but we are confident quality Australian export produce will continue to find alternative and profitable export markets. Secure water for irrigation continues to be vital to reliable high-quality permanent crop production to service those markets.

## Agriculture Assets

The Agriculture Fund II (Hillston Citrus) had a minor dilution adjustment to its carrying value as a result of the manager meeting its investment targets and being allotted units in the trust.

The Strategic Australian Agriculture Fund adjusted the carrying value of one of its investments in apple and avocado orchards at Manjimup, WA following the completion of its FY20 accounts. The external valuer, CBRE valued the orchard on an immature basis, significantly lower than mature orchards, and below the previously utilised method of capital costs incurred to date. The valuation profile of the asset is in line with the investment case at this stage as a greenfield development. The manager expects this to be fully realised in future years once the orchards achieve reliable income streams as maturing harvestable assets.

## Real Estate Portfolio

There were no significant adjustments to the carrying value of the Real Estate Portfolio.

## Distributions

During August, the following distribution was received by the Alternatives Fund:

- **Birch & Waite Fund** ~ 247k

For more information

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## IMPORTANT NOTICE

The Manager has prepared the information in this announcement. This announcement has been prepared to provide general information only and does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities in the Alternatives Fund nor does it constitute financial product or investment advice nor take into account your investment objectives, taxation situation, financial situation or needs. An investor must not act on the basis of any matter contained in this announcement in making an investment decision but must make its own assessment of the Alternatives Fund and conduct its own investigations and analysis.

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.