

14 October 2020

Dear Shareholder

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

Manager transition update

The Board is delighted to inform shareholders that the transition of the management of the Alternatives Fund to Wilson Asset Management (International) Pty Limited that was approved by the Company's shareholders at an extraordinary general meeting on 8 September 2020 is effective today. The name of the Company will change to WAM Alternative Assets Limited in the coming days, with a new ASX code: ASX:WMA.

We are excited about the opportunities ahead and expect to make further announcements in due course.

NTA update

The Board confirms that the pre-tax NTA of the Alternatives Fund decreased by 3.56 cents per share, or 3.29%, to \$1.0479 per share in September.

Overall, the investment portfolio was relatively flat with the notable movement and reduction of the NTA a result of the payment to shareholders of the 3.0 cent fully franked final dividend on 25 September 2020. Taking this distribution and the associated franking credits of 1.1 cent into account, the performance of the portfolio for the month was up 0.53% pre-tax despite the reduction in the NTA. Other movements in the portfolio were limited, and largely restricted to foreign exchange movements over the quarter on USD denominated investments. The AUD appreciated approximately 4% for the September quarter meaning USD assets were valued lower in AUD terms.

During the month there were no shares purchased by the Alternatives Fund under the existing share buy-back program. The share price has continued to improve in the lead up to, and since the EGM on 8 September 2020, improving from a discount of 30% to a discount of around 14% to the September pre-tax NTA.

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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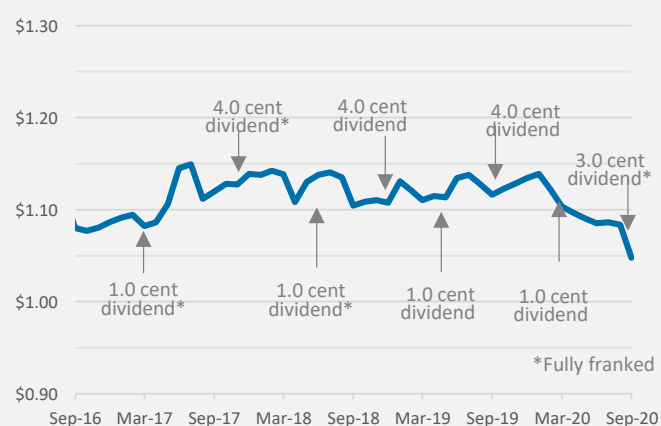
September 2020

Net Tangible Assets – as at 30 September 2020¹

Net Tangible Assets (NTA) per share (pre-tax)	\$1.0479
Net Tangible Assets (NTA) per share (post-tax)	\$1.0524

1. NTA figures in this report are unaudited.

Pre-Tax Net Tangible Assets



Source: Blue Sky Alternatives Access Fund, 2020

Portfolio Valuation²

	Current value (\$'m)	+/- Prior Month	% of Portfolio
Private Equity			
Growth Capital	\$36.09	(\$0.41)	17.7%
Venture Capital	\$14.37	(\$0.38)	7.0%
Subtotal	\$50.46	(\$0.79)	24.7%
Real Assets			
Water Fund	\$56.28	\$0.16	27.6%
Strategic Australian Agriculture Fund	\$27.27	(\$0.15)	13.4%
Other Real Assets	\$7.21	\$0.00	3.5%
Subtotal	\$90.76	\$0.01	44.5%
Private Real Estate			
Real Estate ³	\$13.79	(\$0.19)	6.8%
Cash⁴	\$48.89	(\$5.85)	24.0%
Grand Total	\$203.90	(\$6.82)	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 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.

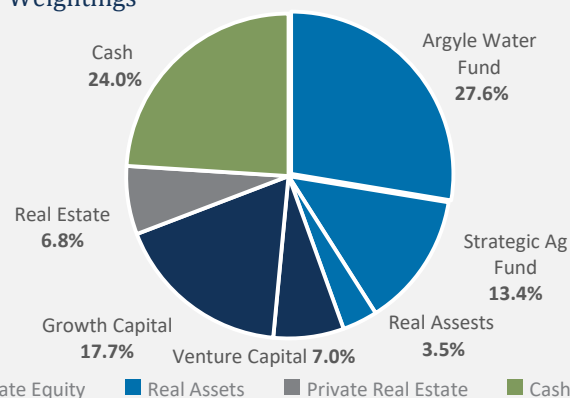
4. Includes capital to fund the remaining \$1.31 million of the original \$25.0 million commitment to the Strategic Australian Agriculture Fund, which can be called subject to the terms of the Trust Deed.

Fund Performance⁵

Period	Pre-Tax	Post-Tax
1 month	0.53%	0.69%
3 months	(0.02%)	0.59%
6 months	(1.64%)	(0.43%)
12 months	(1.58%)	1.42%
3 year	3.13%	4.34%
Since inception (per annum)	6.60%	6.72%
Since inception (total) (compounding)	49.49%	50.60%

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 34.0% 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.

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

Please refer to the section headed 'Manager Transition'. BSAF Management Pty Limited ('Outgoing Manager') has been replaced as manager of the Alternatives Fund effective today. All investments made by the Outgoing 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), Australian Alternative Asset Partners Pte. Ltd, appointed US investment managers or Centennial Industrial & Logistics.

Manager Transition

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

The name of the Company will change to WAM Alternative Assets Limited in the coming days, with a new ASX code: ASX:WMA.

Summary

The pre-tax NTA of the Alternatives Fund decreased by 3.56 cents per share, or 3.29% in September to \$1.0479 per share. The notable movement was the payment to shareholders of the 3.0 cent fully franked final dividend on 25 September 2020. Taking this distribution and the associated franking credits of 1.1 cents per share into account, the performance of the portfolio for the month was up 0.53% pre-tax despite the reduction in the NTA.

Overall, the investment portfolio was relatively flat. Movements in the portfolio were limited, and largely restricted to foreign exchange impacts over the quarter. The Australian Dollar appreciated by approximately 4% for the quarter meaning US assets were worth less in AUD terms. Operational expenses, including the audit and EGM costs were slightly higher than previously anticipated.

Investment Performance

Growth Capital Portfolio

There were only minor movements in the carrying value of the Growth Capital Portfolio over the month and the quarter. One of the USD denominated investments was brought to account for the quarter which had a negative impact.

Venture Capital Portfolio

There were no significant adjustments to the carrying value of the Venture Capital Portfolio, however movements in the AUD value of USD denominated investments were brought to account for the quarter which had a negative impact.

Argyle Water Fund

The market values of the Water Fund's water entitlement assets were flat during September. Additional allocations were announced for the portfolio's southern Murray-Darling Basin entitlements reflecting incremental storage level increases. Excepting central NSW, the Bureau of Meteorology's repeated forecasts of exceeding average Winter rainfall in southern Australia did not play out. However, average rainfall has generally been ideal for Winter cereal

crops in eastern Australia. Their regional economies are now recovering from three prior years of drought.

A Pacific Ocean 'La Nina' is now in play. The Indian Ocean is also generating plenty of moist air across Australia. Combined, the Bureau of Meteorology ('BOM') expects an above average rainfall pattern into early 2021. Compared with last year, improved sub-soil moisture and allocations to General Security entitlements have encouraged expanded rice and cotton plantings in the NSW Murray and Murrumbidgee. The areas of annual Summer crop plantings for 2020/21 are now determined, so increased water availability from here will likely lead to lower spot water prices in the short-term. However, irrigators have already been in touch seeking to accumulate water to supply their 2021/22 crop requirements. Should the BOM forecast play out, resulting lower spot water prices in the next 6-9 months will encourage an even greater expansion in annual Summer crop plantings for 2021/22. That is a long way off, but this is the nature of the water markets. Cheaper water will stimulate increased demand by annual crop plantings, which in turn will use up that water supply again. Increased water availability for the 2020/21 season is anticipated. Over the past six months, the Water Fund's proportion of the water entitlements leased out to irrigators has increased from 25% to 40% by value.

The manager believes the Water Fund is well positioned to continue to generate competitive distributions should dam levels fill, spill and spot water prices decline through 2020/21 and 2021/22. Over the medium term the manager remains confident of further appreciation in entitlement values across the areas in which the Water Fund is invested considering the progressive shift in the proportion of water applied to higher value permanent crops in those regions

Real Estate Portfolio

There were no significant adjustments to the carrying value of the Real Estate Portfolio over the month, however there was an impact from the two USD denominated investments that were brought to account for the quarter which had a negative impact.

Distributions

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

- *Darra Industrial Income Fund* ~ 86k

For more information

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IMPORTANT NOTICE

The Outgoing 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 Outgoing 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.

BAF Unit Price Summary - Closed Ended Funds⁶

The following table provides a summary of the carrying values for the Alternatives Fund's portfolio.

Unit price band ⁷	# of funds ⁶	Weighted average months held	% of portfolio ⁸	Funds within band
≤ \$1.00 ⁹	16	52	32%	10 Growth Capital funds 3 Venture Capital funds 1 Real Assets funds 2 Real Estate funds
>\$1.00 - \$1.20	6	39	47%	3 Growth Capital funds 2 Real Assets fund 1 Real Estate fund
>\$1.20 - \$1.40	1	41	1%	1 Growth Capital funds
>\$1.40	5	49	21%	1 Growth Capital fund 3 Venture Capital funds 1 Real Assets Fund

6. Excludes the Argyle Water Fund which is marked to market monthly.

7. Reflects current holding value of investment trust unit price for every \$1.00 allocated and does not reflect capital or income distributions.

8. Weighted by current carrying value of each investment.

9. Under BAF's Investment Valuation Policy, new investments are typically held at less than or equal to \$1.00 less deployment costs for at least the first 12 months. Unit prices may be lower than \$1.00 as a result of capital repayments.

Quarterly Report

September 2020

BAF Exit Register – Open & Closed Ended Funds

No	Asset Class	Fund	Investment Date	Exit date	Investment	Exit value v holding value	Total proceeds (including yield, franking credits + fee rebates)	IRR	MM
1	Various	Investments fully exited pre FY18 (aggregated)	From Jun-14	To Jun-17	\$25.0m	n/a	\$31.6m	16%	1.2x
2	Private Equity	HPS	Dec-14	Jun-17 ⁹	\$3.5m	28%	\$7.1m	34%	2.0x
3	Private Real Estate	Grantson Street Windsor	Aug-14	Jun-17 ⁹	\$1.0m	4%	\$1.7m	22%	1.7x
4	Private Real Estate	Logan Road Greenslopes	Aug-14	Jun-17 ⁹	\$1.0m	-24%	\$1.1m	4%	1.1x
5	Private Real Estate	Duke Street Kangaroo Point	Sep-14	Oct-17	\$2.0m	0%	\$2.4m	7%	1.2x
6	Private Equity	Early Learning Fund	Jun-14	Jun-18	\$4.0m	-17%	\$4.7m	4%	1.2x
7	Private Real Estate	Retirement Living – Corinda	Jun-16	Oct-18	\$3.0m	-20%	\$4.1m	16%	1.4x
8	Private Real Estate	Retirement Living – Maroochydore	Dec-16	Oct-18	\$3.0m	-7%	\$3.7m	13%	1.2x
9	Private Real Estate	Retirement Living – Middle Ridge	Dec-16	Oct-18	\$3.0m	25%	\$4.1m	20%	1.4x
10	Private Real Estate	Retirement Living – Lutwyche	Jun-17	Oct-18	\$2.5m	5%	\$2.8m	12%	1.1x
11	Private Real Estate	Retirement Living – Bilinga	Nov-17	Oct-18	\$3.0m	1%	\$3.3m	12%	1.1x
12	Real Assets	Agriculture Fund	Jun-14	Dec-18	\$4.4m	0%	\$6.8m	11%	1.5x
13	Private Real Estate	19 Railway Terrace Milton Trust	Sep-15	Sep-19	\$2.0m	0%	\$1.7m	-5%	0.8x

Note: values may not add due to rounding.
10. Date initial exit proceeds were received.

Quarterly Report

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BAF Exit Register – Open & Closed Ended Funds (Continued)

No	Asset Class	Fund	Investment Date	Exit date	Investment	Exit value v holding value	Total proceeds (including yield, franking credits + fee rebates)	IRR	MM
14	Private Real Estate	Flora Street Greenslopes Trust	Jun-15	Oct-19	\$1.0m	-7%	\$1.1m	-72%	0.06x
15	Private Real Estate	Wellington Road East Brisbane Trust	Sep-15	Dec-19	\$2.0m	1%	\$1.8m	-22%	0.41x
16	Private Real Estate	Wellington Road East Brisbane Trust II	Nov-15	Dec-19	\$1.0m	2%	\$1.3m	-26%	0.57x
17	Private Real Estate	Student Accommodation Fund	Dec-14	Nov-19	\$1.5m	4%	\$1.1m	-7%	0.76x
18	Private Real Estate	Student Accommodation Fund II	Mar-15	Nov-19	\$5.0m	0%	\$7.7m	11%	1.55x
19	Private Real Estate	Student Accommodation Fund III	Jun-15	Nov-19	\$6.0m	0%	\$13.5m	17%	2.26x
20	Private Real Estate	Student Accommodation Fund IV	Jun-15	Nov-19	\$3.5m	-1%	\$4.0m	4%	1.15x
21	Private Real Estate	Student Accommodation Fund 5	Nov-15	Nov-19	\$3.0m	0%	\$5.6m	16%	1.87x
22	Private Real Estate	Student Accommodation Fund 6	May-16	Nov-19	\$2.5m	1%	\$3.2m	8%	1.30x
23	Private Real Estate	Student Accommodation Fund 7	Dec-16	Nov-19	\$2.5m	3%	\$2.2m	-5%	0.87x
24	Private Real Estate	La Trobe Street Fund	Sep-17	Nov-19	\$0.5m	0%	\$0.6m	9%	1.20x
25	Real Assets	Premium Beef	Dec-16	Apr-20	\$1.4m	0%	\$0.9m	-15%	0.65x
Weighted Average (excluding partially exited funds)						1%		11%	1.2x

Note: values may not add due to rounding.

Quarterly Report

September 2020

Portfolio Summary

Fund name	Amount invested ¹¹	Date invested ¹²	% allocated capital	Date of last independent valuation review ¹³	Description
Private Equity					
Growth Capital					
Wild Breads Fund	2,000,000	Jun-14	1.4%	Jun-20	Holds equity in Wild Breads Pty Ltd, a business in the artisan and specialty bread category.
Hotels Fund	6,000,000	Jun-15	4.2%	Jun-20	Holds equity in the GM Hotels, a portfolio of freehold and leasehold hotels in South Australia.
Origo Education Fund	1,500,000	Jun-15	1.1%	Jun-20	Holds equity in Origo Education, an Australian business providing digital and print education instructional materials in the United States, Australia, Canada and New Zealand.
Aquila Fund	4,000,000	Dec-15	2.8%	Jun-20	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	1.5%	Jun-19	Holds equity in a US-based business which constructs, owns and operates a network of digital billboards in a US metropolitan market.
SMG Fund	2,500,000	Dec-16	1.8%	Jun-20	Holds equity in Shopper Media Group Pty Ltd, an out-of-home advertising business.
QFS Fund	6,000,000	Dec-16	4.2%	Jun-20	Holds equity in Quality Food Services, a Queensland-based food and beverage wholesale and distribution business.
Wild Breads RCPS Fund	767,888	Apr-17	0.5%	Jun-20	A fund providing follow-on expansion capital into Wild Breads Pty Ltd.
Better Medical Fund	3,000,000	May-17	2.1%	Jun-20	Holds equity in Better Medical, a group of general practice medical clinics.
Tourism Fund	3,000,000	May-17	2.1%	Jun-20	Holds equity in Active Adventures, a multi-national adventure tourism business based in Queenstown, New Zealand.
Sunfresh Fund	3,000,000	Jun-17	2.1%	Dec-19	Holds equity in Sunfresh Salads, a food manufacturing business based in Adelaide. Asset review is pending and expected for Dec-19.
SMG Fund II	699,386	Oct-17	0.5%	Jun-20	A fund providing follow-on expansion capital into Shopper Media Group.
Energy Storage Fund	5,000,000	Nov-17	3.5%	Jun-20	Holds equity in esVolta, a battery storage developer based in the United States.
IT Consulting Fund	4,000,000	Dec-17	2.8%	Jun-20	Holds equity in Digital Lifecycle Group, an IT services and consulting company that supports enterprise and government clients in Australia.

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Portfolio Summary

Fund name	Amount invested ¹¹	Date invested ¹²	% allocated capital	Date of last independent valuation review ¹³	Description
Birch & Waite Fund	4,000,000	Dec-17	2.8	Feb-20	Holds equity in Birch & Waite, a Sydney-based manufacturer of premium condiments, desserts and beverages.
Total Growth Capital	47,577,869		33.4%		
Venture Capital					
VC2014 Fund	4,000,000	Jun-14	2.8%	Jun-20	A fund invested in a diversified portfolio of 9 venture capital co-investments.
Vinomofo Fund	3,000,000	Dec-15	2.1%	Jun-20	Holds equity in Vinomofo, an Australian online wine retailer.
aCommerce Fund	1,305,664	Jul-16	0.9%	Jun-20	Has an interest in aCommerce, a provider of outsourced e-commerce solutions in South East Asia.
aCommerce Fund 2	2,500,000	Nov-16	1.8%	Jun-20	A fund providing follow-on capital into aCommerce.
aCommerce Fund 3	1,144,501	Nov-17	0.8%	Jun-20	A fund providing follow-on capital into aCommerce.
Shoes of Prey Fund	1,000,000	Oct-15	0.7%	Jun-18	Holds equity in Shoes of Prey- a fashion footwear company which is in administration. No new valuation was required.
Total Venture Capital	12,950,165		9.1%		
Total Private Equity	60,528,034		42.5%		
Real Assets					
Water Rights					
Argyle Water Fund	34,076,692	Jun-14	23.9%	Jun-20	A fund to invest in a regionally diversified portfolio of Australian Water Entitlements. Asset review is independently performed monthly.
Total Water Rights	34,076,692		23.9%		
Other Real Assets					
Agriculture Fund II	4,000,000	Oct-15	2.8%	Jun-20	Holds the freehold property and business assets comprising Hillston Citrus, an irrigated citrus orchard near Hillston in NSW.
Strategic Australian Agricultural Fund	25,000,000	Jun-17	17.6%	Jun-20	A fund to acquire and manage a diversified portfolio of Australian agricultural assets and Water Entitlements.
Solar Fund	2,234,761	Sep-17	1.6%	Jun-20	Develops and operates a solar farm located in western Queensland.
Total Other Real Assets	31,234,761		22.0%		
Total Real Assets	65,311,453		45.9%		

Quarterly Report

September 2020

Portfolio Summary

Fund name	Amount invested ¹¹	Date invested ¹²	% allocated capital	Date of last independent valuation review ¹³	Description
Private Real Estate¹⁵					
Industrial					
Darra Industrial Income Fund	2,000,000	Dec-14	1.4%	Jun-20	Holds the freehold title to an industrial manufacturing, distribution, and office facility in the Brisbane suburb of Darra. The asset is leased to Wild Breads Pty Ltd.
Revesby Industrial Income Fund	2,500,000	Dec-17	1.8%	Mar-20	Holds the freehold title to an industrial facility in Revesby, NSW. The asset is leased to Birch & Waite Foods Pty Ltd.
International					
Cove Property Group 2 Rector Street Trust	6,974,473	Feb-16	4.9%	Jun-20	A trust to acquire, reposition and lease 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	3.5%	Dec-19	A trust to acquire and redevelop an existing eight storey building at 441 Ninth Avenue, Manhattan, New York.
Total Private Real Estate	16,474,473		11.6%		
Total capital deployed	142,313,960		100.0%		

11. Total capital deployed or committed to date, inclusive of follow-on investments.

12. Date of initial investment.

13. Independent valuation reviews are subject to reviews by the Board, the Audit & Risk Committee, and independent auditors.

14. Student Accommodation investments have largely been exited and removed from the above summary. The aggregate balance across the remaining student accommodation portfolio is approximately \$150,000.

For more information

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IMPORTANT NOTICE

Quarterly Report

September 2020



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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.