

## **BLUE SKY REPORTS 130 PER CENT PROFIT GROWTH AND \$2.7 BILLION IN AUM**

**10 February 2017**

Blue Sky Alternative Investments Limited (ASX: BLA) (Blue Sky) today announced its results for the half year ending 31 December 2016, reporting a significant rise in revenue, profitability, cash flow and fee-earning assets under management (AUM). The company reported:

- underlying Net Profit After Tax (NPAT) of \$10.1 million (up 130% from 1H FY16);
- underlying EBITDA margins for 1H FY17 expanding to 41% (1H FY16: 28%);
- underlying income of \$36.4 million (up 53% from 1H FY16); and
- fee-earning AUM of \$2.7 billion (up from \$2.1 billion at 30 June 2016).

The company confirmed it was on track to deliver underlying NPAT of \$24 to \$26 million in FY17, representing approximately 50 per cent growth on FY16.

Blue Sky's fee-earning AUM at 31 December 2016 was \$2.7 billion, with the company adding \$1.0 billion in the last twelve months. The fund manager saw a significant rise in investments from Australian and overseas institutional investors, from 25 per cent to 37 per cent of its fee-earning AUM during the period.

Fee-earning AUM is expected to be between \$3.1 and \$3.3 billion by 30 June 2017. The company confirmed it was on track to meet or exceed its longer-term targets of \$5 billion by 30 June 2019 and can see a pathway to \$10 billion based on the current opportunities in its four existing asset classes.

The alternative asset manager outperformed market benchmarks in each of its asset classes – private equity and venture capital, private real estate, real assets and hedge funds – delivering investment performance of 16.4 per cent per annum net of fees since its inception more than ten years ago.

Blue Sky reported a robust balance sheet with net tangible assets of \$134.0 million including a net cash position of \$52.1 million. The strength of Blue Sky's balance sheet has become a key strategic asset for the business allowing it to attract and invest alongside institutional investors, seed new ventures, and move quickly to secure new investment opportunities.

Blue Sky managing director Robert Shand said the company's strong financial performance came down to three key drivers: the mainstreaming of alternatives, the company's compelling ten-year track record and institutional backing.

"Long-term trends have seen investors increase their allocation to alternatives and we are benefiting from the same structural tailwinds as global alternative asset managers such as Blackstone and Partners Group.

"While we have done well to grow to \$2.7 billion in fee-earning AUM in our first ten years, we have barely scratched the surface. Australia's funds management industry has \$2.8 trillion under management, and with alternatives forecast to be our largest asset class within a decade, the opportunity in front of us is enormous."

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