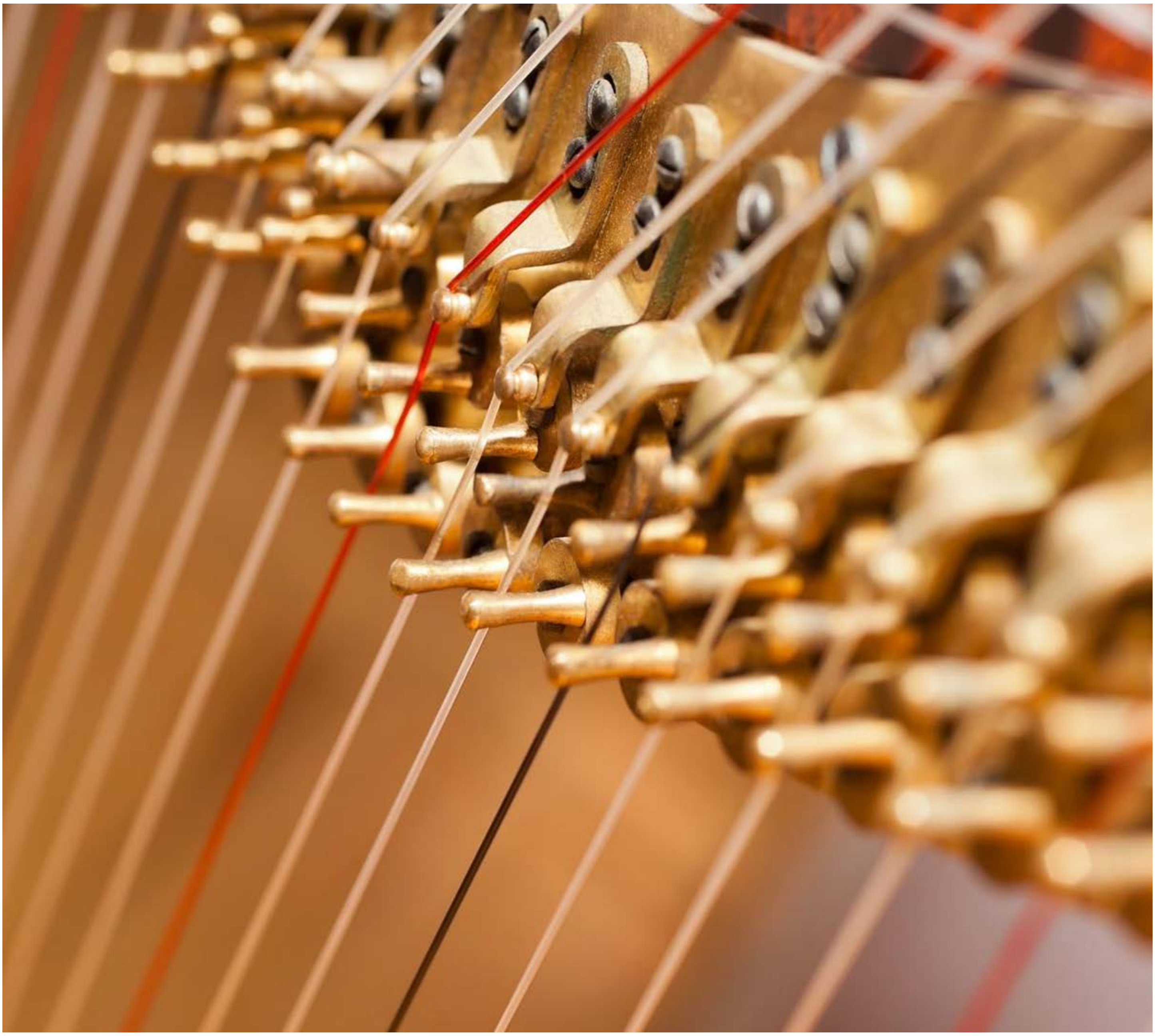
Highbridge Multi-Strategy Fund Limited

Formerly known as BlueCrest AllBlue Fund Limited

Annual Report & Accounts for the year ended 31st December 2015



HIGHBRIDGE

J.P.Morgan
Asset Management

REGISTERED COMPANY NUMBER: 44704

Contents

2015 IN NUMBERS DISCLAIMERS:

1. Information is for the Company as at 31 December 2015.
2. Published NAV.
3. Information is for the Highbridge Multi-Strategy Fund as at 31 December 2015.
4. Performance represents returns for the Highbridge Multi-Strategy Fund's non-restricted Class D shares from 1 January 2015 to 31 December 2015, net of all applicable fees and expenses. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.
5. Source: FTSE International Limited ("FTSE") © FTSE 2015. "FTSE ®" is a trade mark of the London Stock Exchange Group companies and is used by FTSE International Limited under license. All rights in the FTSE indices vest in FTSE and/or its licensors. Neither FTSE nor its licensors accept any liability for any errors or omissions in the FTSE indices or underlying data. No further distribution of FTSE data is permitted without FTSE's express written consent.
6. FTSE 100 Total Return Index (USD) ("FTSE 100"). The FTSE 100 Index (USD) measures the total return of the underlying FTSE 100 index, combining both capital performance and income (reinvested on the dividend (xd) date). It comprises the 100 most highly capitalised blue chip companies listed on London Stock Exchange. Ticker: TUKXG Index (Currency USD).
7. Annualised Volatility measures the dispersal or uncertainty in a random variable. It measures the degree of variation (in this case) of monthly net returns around the average monthly net return. For this reason, volatility is often used as a measure of investment risk. Values are calculated by applying the traditional sample standard deviation formula to monthly return data, and then annualised by multiplying the result by the square root of twelve. Volatility is annualised. HMSF Beta is calculated as the realised slope of the portfolio's return to the index's return, based on monthly observations.
8. The Products are not sponsored, endorsed, sold or promoted by Barclays Capital, and Barclays Capital makes no warranty, express or implied, as to the results to be obtained by any person or entity from the use of any index, any opening, intra-day or closing value therefor, or any data included therein or relating thereto, in connection with any Fund or for any other purpose. Barclays Capital's only relationship to the Licensee with respect to the Products is the licensing of certain trademarks and trade names of Barclays Capital and the Barclays Capital indexes that are determined, composed and calculated by Barclays Capital without regard to Licensee or the Products. The Barclays Aggregate Bond Index ("Barclays Agg.") represents securities that are U.S. domestic, taxable and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities. These major sectors are subdivided into more specific indices that are calculated and reported on a regular basis.
9. Source: Hedge Fund Research, Inc. (HFR). The HFRI Fund of Funds Diversified Index includes fund of funds classified as 'Diversified' which exhibit one or more of the following characteristics: invests in a variety of strategies among multiple managers; historical annual return and/or a standard deviation generally similar to the HFRI Fund of Fund Composite index; demonstrates generally close performance and returns distribution correlation to the HFRI Fund of Fund Composite Index. A fund in the HFRI FOF Diversified Index tends to show minimal loss in down markets while achieving superior returns in up markets. Index is USD denominated.

Note: All index performance information has been obtained from third parties and should not be relied upon as being complete or accurate. Indices are shown for comparison purpose only. While an investor may invest in vehicles designed to track certain indices, an investor cannot invest directly in an index. Indices are unmanaged, do not charge fees or expenses, and do not employ special investment techniques such as leverage or short selling.

2015 in Numbers

Key figures for Highbridge Multi-Strategy Fund Limited (the "Company") *formerly known as BlueCrest AllBlue Fund Limited*[1]

+4.0% 2015 Sterling Share price increase	+2.8% 2015 NAV per share increase Sterling Class[2]	+7.9% Annualised Sterling NAV return (since inception)

Highbridge Key Figures[3]

+3.6% 2015 NAV per share increase (US Dollar denominated share class)[4]	+10.3% Outperformance vs FTSE 100 (US Dollar denominated)[4, 5, 6]	0.18 Beta to FTSE 100 (US Dollar denominated)[5, 6, 7]
1/3 of the volatility of the FTSE 100 (US Dollar denominated)[5,6,7]	-0.27 Beta to Barclays Aggregate (US Dollar denominated)[7,8]	+3.7% Outperformance vs HFRI Fund of Funds Diversified Index[4,9] (US Dollar denominated)

Please note the disclaimers relating to this information on page 2. A glossary is provided at the end of this report on page 88.

Chairman's Statement

RETURN OF CAPITAL AND CHANGE OF INVESTMENT POLICY

The most significant event for your Company during 2015 occurred on 1 December 2015 when BlueCrest, and the Boards of Directors of each of the relevant BlueCrest Funds (or General Partner, where appropriate), announced that the BlueCrest Funds would embark upon a programme to return the capital managed in those funds to external investors. The effective date on which this return of capital began was 4 January 2016, and so your Board had little time in which to consider the best way to shape the future of the Company.

However, we did act quickly, immediately seeking feedback from investors on the options for the future of the Company. It became apparent that there was appetite for a continuation of the Company or a rollover into a listed, vehicle. Accordingly, we sought expressions of interest from potential investment managers to take over the management of the Company's assets. 30 expressions of interest were reviewed by your Board. Two directors met with thirteen potential new managers in London in mid December, with five presenting to the whole Board prior to the end of the year.

Highbridge Capital Management, LLC ("Highbridge") was identified as our preferred option, and, it was decided that the Company should, if possible, continue in order to avoid the costs associated with forming and listing a new vehicle. A specialist firm was engaged to carry out operational due diligence on Highbridge whilst in parallel a proposed new investment management agreement was negotiated. After receiving and reviewing the operational due diligence report, we were able to announce Highbridge as the proposed manager for the continuing company on 14 January 2016, only six weeks after the announcement from BlueCrest.

Detailed proposals setting out the proposed change of the Company's investment policy, the option for investors to receive cash for their shares and the appointment of Highbridge were sent to shareholders in a circular dated 8 February 2016. These proposals were passed by a very large majority and Highbridge was appointed on 29 February 2016, with the Company's first investment into the sterling share class of Highbridge Capital Corporation ("HCC") being made with effect from 1 March 2016. On the same date, the Company made its first distribution of cash (£1.54 per Sterling share and $1.51 per US Dollar share) to shareholders who had elected to redeem.

Taking account of the provision for exiting shareholders' entitlements, the continuing Company had a net asset value of approximately £260 million. As detailed in Note 16, the Company has to date received approximately £557m and US$34m from the BlueCrest funds, substantially all of which has been distributed to exiting shareholders or invested into HCC.

The proposals, once voted upon, also gave the Directors the power to compulsorily convert US Dollar shares into Sterling Shares. Since the size of the US Dollar share class remaining after taking into account the elections to redeem was sub-optimal in size, the Directors chose to exercise their power, contained in the Company's Articles, to convert the US Dollar shares remaining in issue on 29 February 2016 into Sterling shares. Unfortunately, the calculation of the conversion ratio to be applied was erroneous, with too many Sterling shares being notified to the relevant investors and to the UK Listing Authority and the London Stock Exchange. When the Company identified and announced this error, dealings in the Company's shares were suspended on 7 March 2016, pending resolution of the error. The error was corrected to the UK Listing Authority's satisfaction on 11 March 2016 and the suspension lifted on 14 March. We deeply regret this error and the inconvenience it has caused to investors, but wish to point out that the error and its correction have not caused any loss to the Company or shareholders.

ADVANTAGES OF HIGHBRIDGE AS INVESTMENT MANAGER

The Board believes that the appointment of Highbridge as investment manager has many advantages to the Company and its shareholders, as was more fully explained in the circular to shareholders on 8 February 2016. These advantages may be summarised as being –

- Lower overall fees than have been incurred previously;
- The Highbridge multi strategy fund (the "Underlying Fund"), into which the Company invests has historically achieved higher returns with lower volatility than the Company has previously achieved (although of course past performance is no guide to that in the future);
- The structure of the Underlying Fund is simpler and more transparent.
- Highbridge has assumed the role of the Company's Alternative Investment Fund Manager ("AIFM") for purposes of the EU's AIFM Directive, thereby enabling the Company to possibly raise more capital in the future, with the prospect of diluting the ongoing charges ratio for investors.

DISCOUNT MANAGEMENT

The new articles of association adopted by shareholders on 24 February, introduce a more flexible approach to discount management. In addition to a quarterly tender offer to buy back shares, which is entirely at the Directors' discretion, a continuation resolution must be put to shareholders at the annual general meeting in 2021, and, subject to the passing of that resolution, every five years thereafter,

REVIEW OF 2015

I am pleased to report another year of positive performance for your Company, with the Sterling share price and Net Asset Value per share rising by 3.8% and 2.8% respectively despite some challenging conditions.

This performance during 2015 was achieved in markets which endured very low, or even negative, interest rates, very sharp shifts in the value of bond and equity markets caused by investors' alternating "risk on" and "risk off" attitudes, and some quite challenging conditions especially in the second half of the year. Throughout the year the Company followed its previous investment policy of investing substantially all of its assets into AllBlue Limited. More insight into how this policy performed is given in the AllBlue Investment Management Report on page 79.

Since inception of the Company this, previous, investment policy has brought annualised net asset value returns of 6.9%, at an annualised standard deviation of only 1% and a correlation to the FTSE 100 Total Return Index of only 0.1.

Returning to look at 2015, the discount of the Company's share price to its published NAV, for both share classes, remained in the 4% to 4.5% range for the first half of the year, before declining steadily in the second half of the year to just above 5%. Under the previous discount management provisions, a continuation vote for the Sterling share class was triggered in November 2015, and in December for the US Dollar share class. However, the news of BlueCrest's planned return of capital arrived before any continuation votes could be organised and, instead, suitable resolutions were passed at the class meetings held on 24 February 2016 to remove the need for them.

During 2015, the Company continued its policy of carrying out market purchases of its own shares in order to reduce the discount which might otherwise arise and to enhance the net asset value for remaining shareholders. In total the Company purchased Sterling shares with a value of approximately £46m and US Dollar shares worth some $5m, resulting in gains of approximately £2.6m (0.7 pence per share) and $270,000 (0.9 cents per share) for the Sterling and US Dollar classes respectively.

SUCCESSION

As indicated in my Chairman's statement last year, the Board has given considerable thought to succession planning. The appointment of Miss Sarita Keen to the Board on 3 June 2015 was the first step in a planned orderly refreshing of the Board which was to see John Le Prevost leave in 2015, followed by myself in 2016 and Paul Meader in 2017.

The news from BlueCrest and the subsequent work required to change the Company's investment policy and Manager, resulted in your Board asking Mr Le Prevost to stay on a little longer, until the Company had stabilised under its new mandate. I am delighted to say that he agreed to stay on, and his contribution and insight has been invaluable throughout the process. He stepped down from the Board on 27 April 2016, and we wish him well for the future.

He has of course effectively been replaced on the Board by Miss Keen, but the search for a replacement Chairman has recently been restarted after being suspended whilst the Company was restructured. I am hopeful that a new Chair will be found in time for his, or her, election to be put to shareholders at the forthcoming Annual General Meeting in July 2016, and if so I will step down at that time. Otherwise I will continue to serve until a suitable replacement is found later in the year.

Next year, Mr Meader plans to step down, again most probably at the time of the 2017 AGM, and this will complete the succession plan I originally outlined last year, on time. Your Board will then comprise individuals appointed in each of the calendar years 2014 to 2017, inclusive, ensuring that appropriate levels of corporate knowledge and history remain on the Board whilst avoiding the possibility of incumbents reaching their time limits simultaneously.

In addition to the succession plans detailed above, as a result of the decision by BlueCrest to return capital to third party investors, including the Company, Andrew Dodd, who sat on the Board of Directors of the Company as an employee of BlueCrest chose to resign as a director of the Company on 3 February 2016 in advance of the proposed change of investment policy. I would like to thank Mr Dodd for his contribution to the Company over the last eight years.

LOOKING FORWARD

The uncertainties in the global economic and political backdrop persist and investment markets remain both cautious and volatile. In such an environment, the need for a solid and reliable cornerstone to investment portfolios remains as important as ever. Further, with the outlook for all asset classes remaining uncertain, that cornerstone needs to be able to generate returns regardless of the direction of movement in both bonds and equity markets. Following a very thorough search, your Board believes that Highbridge Capital Management has the credentials and the proven capability to achieve these goals. Their track record speaks for itself and we look forward to a long and fruitful relationship with Highbridge on your behalf.

Richard Crowder
Chairman

Company & Investment Overview

The Company is a Guernsey closed-ended investment company listed and traded on the Premium Segment of the Official List of the United Kingdom Listing Authority and traded on the Main Market of the London Stock Exchange with assets of approximately £263m[1].

Following the notification received from BlueCrest Capital Management Limited that all third party investors in AllBlue and AllBlue Leveraged would be redeemed effective 4 January 2016, an Extraordinary General Meeting was held on 24 February 2016, at which the investment objective of the Company was changed to seek to provide consistent returns with low volatility through an investment policy of investing substantially all of its assets in the Highbridge multi strategy fund ("the Underlying Fund") or any successor vehicle of the Underlying Fund.

Prior to the Extraordinary General Meeting held 24 February 2016, the investment objective of the Company was to seek to provide consistent long-term capital growth through an investment policy of investing substantially all of its assets in AllBlue or any successor vehicle of AllBlue.

THE COMPANY

The Company has one share class, Sterling (the Dollar class was closed in February 2016,) and seeks to provide shareholders with the following key benefits:

- Attractive returns which are not beholden to the direction of asset markets, created by skilled portfolio management and a non-correlated, multi-strategy approach.
- Strong capital preservation characteristics reflecting robust risk management and expert blending of various assets across discretionary and systematic funds.
- Good liquidity occasioned by active trading in the Company's shares as the turnover on the London Stock Exchange typically exceeds 0.5% of the total shares each week[2].

ABOUT HIGHBRIDGE MULTI-STRATEGY FUND

The Company invests into the Underlying Fund through HCC, a limited liability company incorporated in the Cayman Islands.

The Underlying Fund is a global multi-strategy hedge fund focused on relative value strategies with idiosyncratic sources of return. The Underlying Fund allocates to a number of distinct strategies pursuing equity, credit, convertible bond, volatility, capital structure arbitrage and macro opportunities across the globe, as further described below.

[1] As at 15 April 2016.
[2] As at 26 April 2016.

Since its inception on 1 January 1993, the Underlying Fund has achieved 10.67 per cent. annualised net returns, 6.89 per cent. annualised volatility and low beta relative to equity and credit indices[3].

Key Features of the Underlying Fund

- **Consistent Returns**: The Underlying Fund targets attractive risk-adjusted returns with low volatility and low beta to broad markets. It has a track record of delivering consistent risk-adjusted returns over market cycles for more than 20 years.
- **Diversified Global Exposure**: Underlying investment strategies are diversified across asset classes, investment styles and geographies. Highbridge employs dedicated teams on the ground in London, New York and Hong Kong that seek to capture global investment opportunities.
- **Relative Value Focus**: The Underlying Fund focuses on relative value strategies with idiosyncratic sources of return.
- **Dynamic Capital Allocation**: Within the Underlying Fund there is flexibility to allocate capital dynamically across various asset classes and geographies.
- **Capital Preservation**: The investment process is focussed on robust risk management and drawdown protection.
- **Institutional Quality Infrastructure**: Highbridge's world-class trading and investment platforms are supported by infrastructure capabilities across risk management, compliance, client service, operations, technology and finance.

About Highbridge

Highbridge was founded in 1992 as one of the industry’s first multi-strategy hedge fund managers. As of 1 January 2016, Highbridge had approximately US$29 billion in assets under management and a staff of over 390 employees, including approximately 150 investment professionals and has offices in London, New York and Hong Kong[4]. Highbridge established a strategic partnership with J.P. Morgan Asset Management (“JPMAM”) in 2004. Highbridge is a subsidiary of JPMAM, which is itself a subsidiary of JPMorgan Chase & Co (together with its affiliates, "JPM”). JPMAM is a leading investment and wealth management firm, operating across the Americas, EMEA (Europe, Middle East and Africa), and Asia in more than 30 countries, with assets under management of $1.7 trillion[5].

All investment, capital allocation and risk management decisions for the Underlying Fund are independent of

[3] As of 31 December 2015 net of all applicable fees and expenses. Returns are estimated and unaudited for 2015. Shareholders should note that past performance is not necessarily indicative of future results and that there can be no assurance that the Company's and/or the Underlying Fund’s return objectives will be realised or that the Company and/or the Underlying Fund will not experience losses.
[4] As of 1 January 2016.
[5] As of 31 December 2015.

JPMAM. Highbridge is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended.

In addition to managing the Underlying Fund, Highbridge has also been appointed as the investment manager of the Company. As part of the new investment management arrangements, JPMAM provides certain support services to the Company as delegate of Highbridge, including the provision of investor relations, public relations and Board support.

Investment Objective and Strategy of the Underlying Fund

The Underlying Fund seeks to achieve annualised net returns of 7 to 12 per cent., with annualised volatility of 3 to 6 per cent., and a beta to the S&P 500 below 25 per cent[6].

The Underlying Fund utilises a diversified, multi-strategy approach to investing across the following seven strategy groups and unique sub-strategies within those groups:

[6] The annual target net return and other fund objectives have been established by Highbridge based on its assumptions and calculations using data available to it and in light of current market conditions and available investment opportunities and is subject to various risks including, without limitations, those set out in the circular published by the Company on 8 February 2016. These fund objectives are for illustrative purposes only and are subject to significant limitations. An investor should not expect to achieve actual returns similar to the annual target return shown above. Because of the inherent limitations of the target returns, investors should not rely on them when making any investment decision. These objectives cannot account for the impact that economic, market and other factors may have on the implementation of an actual investment program. Unlike actual performance, the target return and other fund objectives do not reflect actual trading, liquidity constraints and other factors that could impact the future returns of the portfolio. The Underlying Fund's ability to achieve the target net return and fund objectives is subject to risk factors over which Highbridge may have no or limited control. There can be no assurance that the Underlying Fund will achieve its investment objective, the annual target net return or any other fund objectives. The actual returns achieved may be more or less than the annual target net return shown.

Investment Objective and Strategy of the Underlying Fund (continued)

	Allocation	Description	Geographic Focus
Fundamental Equity	**Asia Long/Short Equity**	• Bottom-up long/short equity strategy focused on relative value and thematic opportunities	Asia
	Sector-Focused Long/ Short Equity Strategies	• Bottom-up, long/short equity strategies focused on specific sectors (currently includes Consumer and Industrials sectors)	North America
	Real Estate Long/Short Equity	• Bottom-up, long/short equity strategy focused on identifying relative value opportunities within the real estate sector	Global
Event Driven Equity	**Merger Arbitrage**	• Strategy employing qualitative and quantitative analysis to capture unique sources of spread generated from entities involved in M&A activity	North America/Europe
	Event-Focused European Long/Short Equity	• Event-driven long/short equity strategy focused on opportunities resulting from industry changing events and corporate catalysts such as M&A, restructurings and management changes	Europe
	Event-Focused North American Long/Short Equity	• Event-driven long/short equity strategy focused on opportunities resulting from industry changing events and corporate catalysts such as M&A, restructurings and management changes	North America
Quant. Equity	**Statistical Arbitrage**	• Systematic strategy focused on managing equities, futures and options investments	Global
Capital Structure Arbitrage	**Convertible Credit & Capital Structure Arbitrage**	• Fundamental, credit relative value strategy focused on underfollowed public middle market issuers	North America/Europe
	Asia Capital Structure Arbitrage	• Fundamental, relative value strategy focused on exploiting capital structure dislocations	Asia
Convertible & Volatility Arbitrage	**Convertible & Volatility Arbitrage**	• Relative value strategy employing quantitative techniques to capitalise on mispriced optionality embedded in convertible securities	North America/Europe
Credit	**European Relative Value Credit**	• Fundamental, relative value credit strategy making both long/short credit investments and capital structure arbitrage trades	Europe
Macro	**Tactical Commodities**	• Short-term, systematic commodity strategy focused on quantitative analysis of technical and fundamental factors	Global
	Fundamental Macro	• Fundamental analysis of monetary, fiscal and political themes in search of opportunities for potential changes in valuation and relative prices across asset classes and economies	Global

ALLBLUE

As described in the Chairman's statement on page 4, the Company was informed on 1 December 2015 that, effective 4 January 2016, AllBlue and AllBlue Leveraged were being redeemed from the seven underlying funds and were compulsorily redeeming the holdings of all investors, including the Company, on 4 January 2016. The Company retains a creditor interest equivalent to the value of its holding in AllBlue and AllBlue Leveraged. This is measured by reference to the valuation statements received monthly from the administrator of AllBlue and AllBlue Leveraged. Further information about the proceeds returned to the Company is available in Note 16 to the Financial Statements.

Prior to this announcement, AllBlue was a multi-strategy fund of hedge funds investing in BlueCrest and Systematica funds across AllBlue's two core specialisations: discretionary and systematic trading. These two complementary strategies were blended using seven underlying BlueCrest and Systematica funds.

Using robust risk management, AllBlue blended these seven non-correlated funds to produce attractive returns with low volatility. AllBlue had full transparency into the seven funds aiding the sterling share class return of 8.0%[7] per annum since inception in 2006, combined with low volatility. A summary on each underlying fund is provided at the end of the AllBlue Investment Manager report on page 79.

AllBlue and six of the underlying funds are managed by BlueCrest Capital Management Limited.

BlueTrend is managed by Systematica, an independent firm launched in January 2015 comprising the systematic investment management business previously managed as part of BlueCrest Capital Management Limited. Systematica is led by Leda Braga, formerly head of systematic trading at BlueCrest and manages approximately $10.2bn[8] across a number of futures and equity based strategies.

[7] Net performance of AllBlue Limited (Class A GBP) to 31 December 2015.
[8] As at 1 March 2016.

Highbridge 2016 Market Outlook

On the invitation of the Directors of the Company, this commentary has been provided by Highbridge as investment manager of both the Company and of Highbridge Multi-Strategy Fund and is provided without any warranty as to its accuracy and without any liability incurred on the part of the Company. The commentary is not intended to constitute, and should not be construed as, investment advice. Potential investors in the Company should seek their own independent financial advice and may not rely on this communication in evaluating the merits of investing in the Company. The commentary is provided as a source of information for shareholders of the Company but is not attributable to the Company.

OUTLOOK FOR 2016

2016 has started with extreme volatility across asset classes around the globe. The first six weeks of the year saw one of the most severe sell-offs in recent history with the unwind of the popular themes of 2015 such as long US dollar, long momentum and higher rates sending assets plummeting. Following this vicious sell-off, the remainder of the quarter saw one of the sharpest bounce-backs on record, which caused its own challenges for newly positioned, fragile markets but also has presented Highbridge with opportunities it believes it can capitalise on during the rest of the year.

In equities, although the S&P 500 ended the first quarter up +0.8%, it was the first instance in over 80 years that the S&P was down 10% during the quarter, yet finished in positive territory. Furthermore, the S&P finished the quarter just 3% shy of its all-time highs. According to Morgan Stanley, Q1 was the worst quarter of hedge fund alpha in seven years with style factors (momentum, growth, value, small vs. large cap, etc.) accounting for most of the negative alpha. In an environment like this, Highbridge believes that its quantitative equity strategies with mean-reverting qualities and tightly managed fundamental strategies focused on short and medium term catalysts will be best positioned to perform in 2016.

In credit, the high yield market lost 5% amidst $4.5 billion of year to date outflows through February 11th, netting the worst start to a year on record, but then staged the sharpest rebound from peak to trough in over 5 years. In the month and a half following February 11th, the high yield market returned a massive 9.1% (more than the past three years combined) and tightened 220 bps amidst an unprecedented $12 billion in retail flows over just 5 weeks. In the wake of this rollercoaster start to the year, Highbridge is seeing a number of dislocations that are creating interesting investment opportunities including: the significant bifurcation between where the widest 50% of the high yield market is trading versus the tightest 50%; the $62 billion of “fallen angels” which have been downgraded from investment grade to high yield this year; close to record-setting cheapness of non-investment grade versus investment grade convertible credit and off-the-run versus on-the-run credit. Highbridge is therefore increasing the Underlying Fund’s allocations to credit-oriented strategies that can seek to capitalise on the many opportunities Highbridge is seeing in the space.

While markets have become increasingly unpredictable, Highbridge expects that elevated volatility is here to stay and will continue carefully managing exposures. Throughout the challenging first quarter, the Underlying Fund produced relatively steady performance with positive returns in two of the three months and avoided the steep drawdowns experienced by many of Highbridge's hedge fund peers. Highbridge's ability to preserve investor capital through this kind of volatility highlights not only the value of a multi-strategy fund, but also the value of our investment philosophy of isolating idiosyncratic risk, focusing on relative value opportunities and tightly managing exposures. Highbridge expects that strategies focused on opportunities with asymmetric risk / reward and short to medium term catalysts will continue to offer the most compelling opportunities in 2016. Looking ahead, Highbridge believes that it is in a strong position to capitalise on the opportunities that are arising from recent market stress and is busy putting fresh capital to work.

Highbridge Capital Management, LLC

Directors and Secretary

At 31 December 2015 the Company had six Directors, all of whom were non-executive. All directors, with the exception of Sarita Keen, held office throughout the reporting year. All Directors, with the exception of John Le Prevost, Andrew Dodd and his alternate, Robert Heaselgrave, held office at the date of this report. Andrew Dodd resigned as a director of the Company on 3 February 2016 and John Le Prevost resigned as a director on 27 April 2016.

Richard Crowder, Chairman (aged 66) holds a range of non-executive directorships and consultancy appointments. Having worked as an Investment Manager with Ivory & Sime in Edinburgh and as a Head of Investment Research with W.I. Carr in the Far East, he undertook a wide range of responsibilities for Schroders in London and the Far East, culminating in the role of Managing Director for Schroders' Singapore associate. Having then worked as Chairman of Smith New Court International Agency and Director of Smith New Court Plc, Mr Crowder was the founding Managing Director of Schroders' Channel Islands subsidiary from 1991 until he became a non-executive Director in 2000. He was appointed as a director of the Company in April 2006 and is resident in Guernsey.

Andrew Dodd (aged 44) is a partner, executive committee member and board member of BlueCrest. He is also a director of AllBlue Limited, BlueCrest BlueTrend Limited and several of the funds underlying AllBlue and a member of the AllBlue Committee which is responsible for portfolio allocations within AllBlue Limited. He joined BlueCrest in 2006 after a 13 year career at Goldman Sachs where he specialised in advising insurance, banking and asset management clients with respect to mergers and acquisitions, capital markets, structured finance and asset/liability management. He holds a BA in Philosophy, Politics and Economics from Oxford University. He was appointed as a director of the Company in May 2008 and is resident in Jersey. Mr Dodd resigned as a director on 3 February 2016.

Paul Meader, Senior Independent Director (aged 50) is an independent director of a number of investment management companies, insurers and investment funds. Until 2013, he was Head of Portfolio Management for Canaccord Genuity based in Guernsey, having previously held the role of Chief Executive of Corazon Capital Group which was acquired by Collins Stewart in 2010. Prior to joining Corazon he was Managing Director of Rothschild's Swiss private-banking subsidiary in Guernsey. Mr. Meader has 30 years' experience in financial markets with particular expertise in fixed income investments. He is a Chartered Fellow of the Chartered Institute of Securities & Investments and is past Chairman of the Guernsey International Business Association. He was appointed as a director of the Company in April 2006 and is resident in Guernsey.

John Le Prevost (aged 64) is the Chief Executive Officer of Anson Group Limited and Chairman of Anson Registrars Limited (the Company's Registrar). He has spent over forty years working in offshore fund, trust and investment businesses during which time he has been a managing director of subsidiaries in Guernsey for County NatWest Investment Management, The Royal Bank of Canada and for Republic National Bank of

New York. He is a Full Member of the Society of Trust and Estate Practitioners and in 1991-2 read for a law degree via distance learning and in 2009-11 read for an MBA from Southampton University via the Guernsey Training Agency. He is a non-executive director of a number of London listed investment companies and is a trustee of the Guernsey Sailing Trust. He was appointed as a director of the Company in April 2006 and is resident in Guernsey. Mr Le Prevost resigned as a director on 27 April 2016.

Steve Le Page, **Chairman of Audit Committee** (aged 59), retired from partnership with PwC in the Channel Islands in September 2013 and joined the board in June 2014 to succeed Jonathan Hooley who resigned on 25 April 2014. His career at PwC spanned 33 years, during which time he was partner in charge of their Assurance and Advisory businesses for ten years and Senior Partner for five years. In these executive positions he led considerable change and growth in that firm and also helped fund boards deal with regulatory and reporting issues. His experience spans initial listings, ongoing governance and reporting, continuation and going concern and even winding up of Listed and unlisted entities. He is a Chartered Accountant and a Chartered Tax Advisor and he has a number of non-executive roles. He is resident in Guernsey.

Sarita Keen (aged 48) brings significant experience of fund administration of Guernsey companies. She was employed by Kleinwort Benson (Channel Islands) Fund Services (formerly Close Fund Services Limited), for over 25 years and prior to that she worked for Hambros in Guernsey. She is an Approved Person with the Guernsey Financial Services Commission and a Member of the Institute of Directors. Sarita holds a number of non-executive positions for various companies and, as part of this, chairs or is a member of those companies audit, risk and nominations committees. Miss Keen was appointed as a director on 3 June 2015 and is resident in Guernsey.

COMPANY SECRETARY AND ADMINISTRATOR

JTC is a Guernsey incorporated company and provides administration and secretarial services to the Company pursuant to an Administration and Secretarial Agreement. In such capacity, JTC is responsible for the general secretarial functions required by the Law and ensures that the Company complies with its continuing obligations as well as advising on the corporate governance requirements and recommendations applicable to a company listed on the premium segment of the Official List and admitted to trading on the Main Market of the London Stock Exchange.

The Administrator is also responsible for the Company's general administrative functions such as the calculation of the NAV of Shares and the maintenance of accounting and statutory records.

Report of the Directors

The Directors present their Annual Report and Audited Financial Statements for the year ended 31 December 2015.

A description of important events which have occurred during the Financial Year, their impact on the performance of the Company as shown in the Financial Statements (on page 51) and a description of the principal risks and uncertainties facing the Company, together with an indication of important events that have occurred since the end of the Financial Year and the Company's likely future development is given in this Report, the Chairman's Statement and the notes to the Financial Statements and are incorporated here by reference.

THE COMPANY

Information on the Company including its Investment Objective and Policies can be found on page 8 onward.

SHAREHOLDER COMMUNICATION

All holders of Shares in the Company have the right to receive notice of, and attend, all general meetings of the Company, during which the Directors are available to discuss issues affecting the Company, and the Directors also meet periodically with major shareholders. The Directors are always available to enter into dialogue with shareholders and make themselves available for such purpose whenever required. The Senior Independent Director can also be contacted by shareholders via the Company Secretary if they have any concerns and shareholders who wish to receive timely information by email can do so by sending a request to the Company Secretary at fundservicesgsy@jtcgroup.com.

The Annual General Meeting also provides a forum for shareholders to raise any queries or concerns directly with the Board in person. Jefferies Hoare Govett and Fidante Capital plc (previously named Dexion Capital plc), the Company's Corporate Brokers, meet regularly with the Company's major shareholders and reports are provided at least quarterly to the Board of Directors on those shareholders' views about the Company and any issues or concerns they have raised. Additionally, in July 2014, the Board appointed Capital Access group (previously Broker Profile) to enhance the dialogue between the Board and shareholders. Capital Access work with the Board, to provide information and meetings with existing and prospective investors in the Company. The Board regularly reviews the Company's share register at its formal meetings to monitor the shareholder profile and the Board has implemented measures to ensure that information is presented to its shareholders in a fair, balanced and understandable manner.

The Company announces the confirmed net asset value of its shares on a monthly basis. During the year under review a commentary on the investment performance of AllBlue was provided in the Company's monthly factsheet. In future, the Company's monthly factsheets will provide a commentary from Highbridge on the performance of the Underlying Fund. The estimated net asset value of the Company's shares is, and will continue to be announced weekly via a Regulatory Information Service. The daily market closing prices of Shares are available on Reuters, Bloomberg, in the Financial Times and the Daily Telegraph. A copy of the Registration Document, Summary Note and Securities Note of the Company can be found on the Company's website, https://www.highbridgemsfltd.co.uk/.

All Shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. The buying and selling of Shares may be settled through CREST.

The Company's register of shareholders is maintained by Anson Registrars Limited in Guernsey and they can be contacted on +44 (0)1481 711301.

NET ASSET VALUE ("NAV")

The NAV for accounting purposes of the Company's Shares, including all distributable reserves as at 31 December 2015 was GBP 2.0099 (Sterling Shares) and USD 1.9133 (US Dollar Shares).

The Company's NAV is based on valuations of unquoted investments. In calculating the NAV and the NAV per Share of the Company, the Administrator relies on the valuations of interests in AllBlue and AllBlue Leveraged and the Underlying Fund supplied by the administrator of each fund. Further to the announcement on 1 December that the Company was being redeemed from AllBlue and AllBlue Leveraged, with proceeds due to be received in line with the sale of the assets of the funds underlying AllBlue, the Board chose to apply a discount to the valuation of these assets to reflect the estimated time delay to receive redemption proceeds. The remaining amount owed to former shareholders of the Company who elected to participate in the cash exit offer are recognised in the valuation as creditors.

On 18 February 2016, BlueCrest informed the Company that it anticipated that the BlueCrest Multi Strategy Credit Master Fund and the BlueCrest Capital International Master Fund would benefit from an award from a settlement of a U.S. civil litigation matter regarding the pricing transparency of certain credit default swaps. These monies are anticipated by BlueCrest to be received in early 2017 however at present the valuations supplied to the Company by the administrator of AllBlue and AllBlue Leveraged do not take these anticipated proceeds into account.

RESULTS AND DIVIDENDS

The results for the year are set out in the Statement of Comprehensive Income on page 52. In accordance with the Investment Objective the Directors did not declare any dividends during the year under review and the Directors do not recommend the payment of a dividend as at the date of this report.

DIRECTORS

The Directors, all of whom are non-executive, are shown on pages 22 and 23. No Director has a contract of service with the Company, nor are any such contracts proposed.

The following table details the interests of the Directors in the Shares of the Company, both as at 31 December 2016 and as at 29 April 2016.

Director	Number and Class of Shares (29 April 2016)	Number and Class of Shares (31 December 2015)
Mr Richard Crowder	100,000 Sterling Shares	120,000 Sterling Shares
Mr John Le Prevost	N/A	96,784 Sterling Shares
Mr Paul Meader	22,000 Sterling Shares	29,163 Sterling Shares
Mr Andrew Dodd	N/A	329,165 Sterling Shares

INVESTMENT MANAGER

On 29 February 2016, Highbridge Capital Management LLC was appointed as Investment Manager to the Company. Highbridge do not receive any fees (other than disbursable expenses) from their role as Investment Manager to the Company, instead deriving their fees from the services provided to the Underlying Fund.

The principal responsibilities of the Investment Manager under the Investment Management agreement are:

- To provide portfolio and risk management of the investments of the Company within the parameters of the Company's investment policy; and

- To effect or arrange and provide advice to the Company in relation to investments;

There is no compensation payable on termination of the Investment Management Agreement, which is terminable on six months' notice by either the Company of by the Investment Manager.

RELATED PARTY TRANSACTIONS

Anson Registrars Limited is the Registrar, Transfer Agent and Paying Agent of the Company. Mr Le Prevost is a director and controller of Anson Registrars Limited and a former director and controller of Anson Fund Managers Limited.

Andrew Dodd is a principal, executive committee member and board member of BlueCrest. He is also a director of AllBlue Limited and several of the funds underlying AllBlue and a member of the AllBlue Committee which is responsible for portfolio allocations within AllBlue Limited. Mr Dodd resigned as a director of the Company on 3 February 2016.

Richard Crowder acts as a consultant to Thomas & Dessain International Search and Selection, who have been engaged by the Company to assist in the appointment process of new directors to the Board. As a result of Richard's association with that company, the appointment process is being overseen by the Senior Independent Director, Paul Meader.

Other than the above-mentioned interests, none of the Directors, nor any persons connected with them, had a material interest in any of the Company's transactions.

There were no material related party transactions which took place in the Financial Year, other than those disclosed in the report of the Directors and at note 6 to the financial statements.

SUBSTANTIAL SHAREHOLDINGS

The Directors have been notified of the following substantial interests in the Company's relevant share capital as at 31 March 2016[9].

Name	Date of Notification to Company	Number of Voting Rights	% of Voting Rights (as at 31 March 2016)
Rathbone Brothers Plc	18/03/2016	37,004,610	28.11%
Sarasin & Partners LLP	07/01/2015	21,004,556	15.96%
Legal & General Investment Management Limited (LGIM)	03/03/2016	9,942,090	7.55%
Smith and Williamson Holdings Limited	03/03/2016	9,133,838	6.94%
Legal & General Group PLC (L&G)	03/03/2016	8,579,411	6.52%
Investec Wealth & Investment Limited	03/03/2016	8,098,324	6.15%

[9] Based on the register of TR1 announcements communicated by Shareholders to the Company and adjusted for participation in the cash exit and may differ from such Shareholders' current shareholding.

As at 31 December 2015, the Directors had been notified of the following substantial interests in the Company's relevant share capital[10].

Name	Date of Notification to Company	Number of Voting Rights	% of Voting Rights (as at 31 December 2015)
Rathbone Brothers Plc	03/12/2015	60,533,062	14.99%
Blackrock Inc	26/11/2015	41,747,450	10.34%
Schroder & Co. Limited	30/11/2015	41,512,860	10.28%
HSBC Holdings	05/06/2013	33,492,683	8.30%
Cazenove Capital Management Limited	12/10/2012	29,108,951	7.21%
BlueCrest Guernsey Purpose Trust and BlueInvestments GP Limited	10/06/2015	21,678,104	5.68%
Sarasin & Partners LLP	07/01/2015	21,004,556	5.20%

CORPORATE GOVERNANCE

Statement of Compliance with the AIC Code of Corporate Governance

In accordance with Listing Rule 9.8.7 the Company is required to comply with the requirements of the UK Corporate Governance Code. A copy of the UK Corporate Governance Code is available for download from the Financial Reporting Council's web-site (www.frc.org.uk).

The Board of the Company has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies (the "AIC Guide"). The AIC Code, as explained by the AIC Guide addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to an investment company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders.

The Company is also required to comply with the GFSC Code. As the Company reports under the AIC Code it is deemed to meet the requirements of the GFSC Code. The Board has undertaken to evaluate its corporate governance compliance on an on-going basis.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive;

[10] Based on the register of TR1 announcements communicated by Shareholders to the Company and may differ from such Shareholders' current shareholding.

- executive directors' remuneration;
- the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions not relevant to the position of the Company, being a self-managed investment company prior to the appointment of Highbridge as investment manager to the Company. The Company has therefore not reported further in respect of these provisions. The Company has complied with all Principles of the AIC Code and conforms with all detailed recommendations subject to the following explanations.

THE BOARD

The Board comprises four non-executive Directors, all of whom are considered to be independent (with the Chairman being independent on appointment) for the purposes of Principle Two of the AIC Code and Listing Rule 15.2.12A. As part of their examination of the independence of the Board, the Board have considered the following matters, amongst others:

- Mr Meader holds a cross directorship with Mr Le Page but the company is not advised by or in any other way related to Highbridge or JPMorgan; Mr Meader sits on the Board of JPMorgan Global Convertibles Income Fund Limited;
- Miss Keen sits on the Boards of a number of private Pantheon entities with Mr Crowder; and
- Mr Meader and Mr Crowder have served on the Board since April 2006.

The Board have concluded that Mr Meader, Miss Keen, Mr Crowder and Mr Le Page remain independent under principle two of the AIC Code. Mr Le Prevost was considered independent throughout the year under review and until his resignation on 27 April 2016.

Biographies of the Directors appear on pages 15 and 16, demonstrating the wide range of skills and experience they bring to the Board and highlights of their specific key skills and experience are included on page 24. In accordance with Principle Five of the AIC Code, below is a list of all other public company directorships and employments held by each Director and shared directorships of any commercial company held by two or more Directors at the date of this report:-

RICHARD CROWDER

Baring Vostok Investments PCC Limited

Better Capital PCC Limited

FF&P Global Property Fund PCC Limited

FF&P Enhanced Opportunities Fund PCC Limited

FF&P Venture Funds PCC Limited

Heritage Diversified Investments PCC Limited

Japan Residential Investment Company Limited

PAUL MEADER

Guaranteed Investment Products 1 PCC Limited ICG-Longbow Senior Secured UK Property Debt Investments Ltd

JPMorgan Global Convertibles Income Fund Limited

Spitfire Funds (Bermuda) Limited

Spitfire British Property Recovery Fund

Spitfire International Property Recovery Fund

Volta Finance Limited – non-executive directorship with Steve Le Page

Schroder Oriental Income Fund Limited

STEVE LE PAGE

Apax Global Alpha Limited

MedicX Fund Limited

Volta Finance Limited – non-executive directorship with Paul Meader

BOARD MEETINGS

The Board meets at least four times a year to consider the business and affairs of the Company for the previous quarter. Between these meetings the Board keeps in contact by email and telephone as well as meeting to consider specific matters of a transactional nature. Directors have direct access to the Secretary and the Secretary is responsible for ensuring that Board procedures are followed and that there are good information flows both within the Board and between Committees and the Board. Additionally the Board holds an annual strategy meeting with its relevant advisors in attendance as appropriate. The Directors are kept fully informed of investment and financial controls and other matters that are relevant to the business of the Company and should be brought to the attention of the Directors. The Directors also have access, where necessary in the furtherance of their duties, to professional advice at the expense of the Company.

During the year under review the Board met fifteen times. Of those meetings, three were quarterly Board meetings and the remainder were ad hoc meetings held at short notice to deal with specific matters including the Company's buy-back programme, developments relating to the underlying investments and the selection of an investment manager. Required director attendance (which includes attendance by alternates) is summarised below:-

Director	Quarterly Board Meetings	Ad-Hoc Board Meetings	Audit Committee Meetings	Management and Remuneration Committee Meetings	Nomination Committee Meetings	Risk Committee Meetings
Richard Crowder	3 of 3	11 of 12	N/A	1 of 1	9 of 9	4 of 5
Andrew Dodd	1 of 3	2 of 12	1 of 5	0 of 1	3 of 9	0 of 5
Paul Meader	3 of 3	11 of 12	5 of 5	1 of 1	9 of 9	5 of 5
John Le Prevost	3 of 3	8 of 12	3 of 5	1 of 1	8 of 9	5 of 5
Steve Le Page	2 of 3	9 of 12	5 of 5	1 of 1	8 of 9	N/A
Sarita Keen*	1 of 1	4 of 6	2 of 2	1 of 1	2 of 3	0 of 1

* Sarita Keen was appointed a director on 3 June 2015. Accordingly, her attendance at meetings is shown against the meetings held during her appointment during the year.

Letters of appointment for non-executive Directors do not set out a fixed time commitment for Board duties as the Board considers that the time required by Directors may fluctuate depending on the demands of the Company and other events. Therefore it is required that each Director will allocate sufficient time to the Company to perform their duties effectively and it is also expected that each Director will attend all quarterly Board meetings and meetings of committees of which they are a member. The Chairman has confirmed that he considers the performance of each director to be effective and that each director demonstrates continued commitment to their role.

KEY SKILLS AND EXPERIENCE

A review of the skills and experience of the existing Board members is outlined below. All Board members in the below table held office throughout the Financial Year, except for Sarita Keen, who was appointed on 3 June 2015.

Director	Key Skills and Experience
Richard Crowder Chairman	Wide knowledge of investment management as well as broad experience of non-executive directorship, chairmanship and executive directorship in quoted and unquoted companies.
Paul Meader Senior Independent Director	An experienced portfolio manager with in-depth

	knowledge of private wealth management and institutional asset management. Long term experience of asset allocation, fixed income and hedge funds. Significant financial services, fund management, regulatory and non-executive director experience.
Steve Le Page Chairman of the Audit Committee	Wide-ranging knowledge of audit, financial reporting, corporate governance and internal controls in the context of listed investment companies.
Sarita Keen	Extensive experience of Guernsey investment company administration and regulation.

The Board approves the nomination for re-election of all directors on an annual basis. The above table summarises the rationale for re-election of directors. All Directors seeking to continue on the Board after the AGM will put themselves forward for re-election at each Annual General Meeting. On 30 July 2015, the most recent AGM, shareholders re-elected Richard Crowder, Andrew Dodd, John Le Prevost, Steve Le Page and Paul Meader. Due to the timing of the appointment there was no opportunity to elect Sarita Keen at the July 2015 General Meeting. Miss Keen will put herself forward for election at the 2016 Annual General Meeting.

The Board believes that changes to its composition, including succession planning for the Chairman or other directors, can be managed without undue disruption to the Company's operations. Directors are able and encouraged to provide statements to the Board of their concerns and ensure that any items of concern are recorded in the Board minutes and the Chairman encourages all Directors to present their views on matters in an open forum. The Board is also scheduled to consider the tenure of Directors once any Director has been appointed to the Board for a continuous period of nine years. This occurred in 2015 for Messrs Crowder, Meader and Le Prevost. Whilst the Board is of the view that directors can continue in certain circumstances beyond a tenure of nine years, thereafter such Directors will be subject to increasing scrutiny as to their effectiveness and independence.

In order to achieve orderly succession and to retain 'corporate memory', it was the intention of the Board that one of each of the above three directors should step aside in each calendar year starting with Mr Le Prevost. As part of this succession plan, Sarita Keen was appointed to the Board in June 2015. As a result of the changes to the underlying investment, the resignation of Mr Le Prevost and the search for a new chairman were deferred until after the appointment of a new investment manager of the Company on 29 February 2016. Subsequent to the appointment of the new investment manager, Mr Le Prevost resigned on 27 April

2016. Under the supervision of the Nomination Committee, the Company continues to work with Thomas & Dessain International Search and Selection to manage a structured and thorough search process.

AUDIT COMMITTEE

In accordance with the AIC Code, an Audit Committee has been established and its membership and Terms of Reference are available on the Company's website. In the opinion of the Board, the constitution, terms of reference and activities of the Audit Committee fulfil all the requirements of the AIC Code, save that the Company does not maintain an internal audit function.

The report of the chairman of the Risk Committee can be found on page 37. The Board continue to seek to ensure that all areas of risk and control were addressed by either that committee or the Audit Committee. Consequently the terms of reference of each committee make the division of responsibilities between them clear. The Audit Committee is responsible for monitoring the effectiveness of the controls and systems in place to address, inter alia, the risks of loss or misappropriation of assets, mis-statement of liabilities or failure of financial reporting systems or processes, including valuation reporting and processes.

The Audit Committee also examines the auditor's, Ernst & Young LLP (or "EY"), remuneration and engagement, as well as their independence and any non-audit services provided by them. The Audit Committee monitors the performance of the auditor and may, if deemed appropriate, consider arranging for the external audit contract to be tendered in 2016 (being ten years from the initial appointment) with the aim of ensuring a high quality and effective audit.

Each year the Board examines the Audit Committee's performance and effectiveness, and ensures that its tasks and processes remain appropriate. Key areas covered included the clarity of the Audit Committee's role and responsibilities, the balance of skills among its members and the effectiveness of reporting of its work to the Board. The Board is satisfied that all members of the Audit Committee have relevant financial experience and knowledge and ensure that such knowledge remains up to date. Overall the Board considered the Audit Committee had the right composition in terms of expertise and has effectively undertaken its activities and reported them to the Board during the year.

MANAGEMENT AND REMUNERATION COMMITTEE

In accordance with the AIC Code, a Management and Remuneration Committee has been established and its membership and Terms of Reference are available on the Company's website. The function of the Management and Remuneration Committee is:

(a) to ensure that the Company's contracts of engagement with the Administrator, the Investment Manager and other service providers are operating satisfactorily so as to ensure the safe and accurate management and administration of the Company's affairs and business and are competitive and reasonable for the shareholders and to make appropriate recommendations to the Board;

(b) to monitor and assess the appropriate levels of remuneration for all Directors; and

(c) to ensure that the Company complies to the best of its ability with applicable laws and regulations and adheres to the tenet of generally accepted codes of conduct.

During the year under review the Management and Remuneration Committee met once.

The chairmanship of the Audit and the Management and Remuneration committees is reviewed annually by the Chairman. In addition, each Director's performance is assessed annually by the Chairman and the performance of the Chairman is assessed by the Senior Independent Director together with the remaining Directors.

The remuneration of the Directors is reviewed on an annual basis and compared with the level of remuneration for directorships of other similar investment companies. All Directors receive an annual fee (apart from Mr Dodd who waived all fees in connection with his appointment to the Company) and there are no share options or other performance related benefits available to them.

The Board is committed to an evaluation of its performance being carried out every year. In accordance with Principle Seven of the AIC Code the Board has undertaken its second, externally facilitated evaluation by Optimus Group Limited in 2014, Optimus having previously appraised the Board in 2011. The 2014 external evaluation confirmed that the Company observes high standards of corporate governance and the Board confirms that there are no outstanding recommendations from this evaluation.

Subsequent to the Board evaluation conducted by Optimus Group Limited, the Management and Remuneration Committee identified that the fees received by the directors of the Company were no longer in line with its peer group and had not risen for a number of years and recommended that these be increased. The Board subsequently resolved on 18 August 2014, to increase the directors' fees, effective 1 January 2014, and these remain as disclosed below:

Director's fee	£42,000
Additional fee payable to chairman	£18,000
Additional fee payable to Audit Committee chairman	£8,000
Additional fee payable to senior independent director	£6,000

NOMINATION COMMITTEE

In accordance with the AIC Code, a Nomination Committee has been established and its membership and Terms of Reference are available on the Company's website. Mr Crowder has been appointed as Chairman of this Committee, except when the Committee considers any matter in connection with the Chairmanship in which case the Committee will elect another Chairman. Given that the Board consists solely of non-executive directors, each of whom are members of the Committee, the Board does not consider the Chairman being a member of the Committee to be inappropriate.

The function of the Nomination Committee is to ensure that the Company goes through a formal process of reviewing the balance, independence and effectiveness of the Board, identifying the experience and skills which may be needed and those individuals who might best provide them and to ensure that the individual has sufficient available time to undertake the tasks required. When considering the composition of the Board, Directors will be mindful of diversity, inclusiveness and meritocracy. The outside directorships and broader commitments of Directors are also monitored by the Nomination Committee.

The Board had undertaken the aforementioned formal review of the balance, independence and effectiveness of the Board therefore the Nomination Committee did not meet to consider this. The Board concluded it did not have any objection to the current commitments of its members, including the shared directorships listed above and that no changes to the composition of the Board were required.

The Company supports the AIC Code provision that Boards should consider the benefits of diversity, including gender, when making appointments and is committed to ensuring it receives information from the widest range of perspectives and backgrounds. The Company's aim as regards the composition of the Board is that it should have a balance of experience, skills and knowledge to enable each Director and the Board as a whole to discharge their duties effectively. Whilst the Company agrees that it is entirely appropriate that it should seek to have diversity on its Board, it does not consider that this can be best achieved by establishing specific quotas and targets and appointments will continue to be made based wholly on merit. Accordingly should changes to the Board be required, the Nomination Committee would have regard to the Board's Diversity Policy that when recruiting Directors, a comparative analysis of candidates' qualifications and experience, applying pre-established clear, neutrally formulated and unambiguous criteria will be utilised to determine the most suitable candidate for the specific position sought.

The Company has engaged Thomas & Dessain International Search and Selection to manage the orderly succession of each director who has served longer than nine years under the oversight of the Nomination Committee, in line with objective criteria set by the committee, mindful of the diversity policy of the Company.

RISK COMMITTEE

A Risk Committee was established in 2014 and its membership and Terms of Reference are available on the Company's website.

The Committee's primary focus is around investment risk in its broadest sense, including elements such as counterparty risk and credit risk.

The Committee's work has focused on two levels:

1) the direct exposures of the Company itself, for instance to AllBlue, AllBlue Leveraged and cash counterparts; and

2) the exposures embedded within AllBlue, its investment characteristics and the risks associated with owning AllBlue

The Committee meets regularly and has, over the course of the year under review has, spent time considering the scope and mandate of its operations, reviewing key documentation, regularly reviewing key reporting and interacting with BlueCrest and JTC to examine and understand the risks that the Company is exposed to at both levels. Following the investment into the Underlying Fund, this work will continue in relation to that entity and to Highbridge.

Further information relating to the work of the Risk Committee is explained in the Risk Committee report on page 37.

BRIBERY

The Directors have undertaken to operate the business in an honest and ethical manner and accordingly take a zero-tolerance approach to bribery and corruption. The key components of this approach are implemented as follows:

- The Board is committed to acting professionally, fairly and with integrity in all its business dealings and relationships;
- The Company will implement and enforce effective procedures to counter bribery; and
- The Company requires all its service providers and advisors to adopt equivalent or similar principles.

INTERNAL CONTROLS & RISK MANAGEMENT REVIEW

The Board is responsible for the Company's system of internal control and for reviewing its effectiveness. The Board confirms that there is an on-going process for identifying, evaluating and monitoring the significant risks faced by the Company.

The Audit Committee, on behalf of the Board, carries out an annual review of the internal financial controls of the Company. In addition, ISAE 3402 (or equivalent) reports have been obtained from the relevant service providers where available to verify these reviews. The Management and Remuneration Committee also conducts regular reviews of the Company's service providers. The internal controls are designed to meet the

Company's particular needs and the foreseeable risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

The Company has put in place arrangements with AllBlue, BlueCrest (as appropriate) and Highbridge for the Company to receive monthly NAVs in relation to AllBlue and AllBlue Leveraged and the Underlying Fund and estimated weekly NAVs in relation to the Underlying Fund electronically as soon as they are released, together with certain factsheets produced on each fund and other administrative information and reports. The purpose of these arrangements is to ensure that the Directors have sufficient timely information to enable them to monitor the Company's investments.

The Risk Committee of the Company meets regularly to review risk reporting information and consider the Company's risk management systems, including consideration of a risk matrix which covers various areas of risk including corporate strategy, accuracy of published information, compliance with laws and regulations, relationships with service providers and investment and business activities. The Board considers that the Company has adequate and effective systems in place to identify, mitigate and manage the primary risks to which the Company is exposed.

Highbridge Capital Management is the investment manager of HCC and acts as investment manager of the Company, for which it is paid a fee from HCC. BlueCrest is the investment manager of AllBlue and AllBlue Leveraged. Administration and Secretarial duties for the Company are performed by JTC. The Board considers that the systems and procedures employed by the Administrator and other service providers provide sufficient assurance that a sound system of internal controls is in place.

The Directors of the Company clearly define the duties and responsibilities of their agents and advisors. The appointment of agents and advisors is conducted by the Board after consideration of the quality of the parties involved and the Management and Remuneration Committee monitors their on-going performance and contractual arrangements. The Board has also specified which matters are reserved for a decision by the Board and which matters may be delegated to its agents and advisers.

Specific matters reserved exclusively for the decision of the Board include the variation of terms on which an overdraft facility is used to finance operating costs and the invocation of any premium or discount control mechanisms.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks associated with the Company are:

- Operational risk. The Board is ultimately responsible for all operational facets of performance including cash management, asset management, regulatory and listing obligations. The Company has no employees and so enters into a series of contracts/legal agreements with a series of service providers to ensure both operational performance and the regulatory obligations are met. The Company uses well established, reputable and experienced service providers and their continued appointment is assessed at least annually.

- Investment risk. The Board is responsible for the investment policy but, due to the nature of the Company, the Board has little discretion in such management. The success of the Company depends on the diligence and skill of the investment manager of the Company's primary investment, the Underlying Fund. There is a risk that any underperformance of funds in which the Company's capital is invested would lead to a reduction of the net asset value or of the share price rating. The Board formally monitors the investment performance each quarter, and intends to meet with the investment manager on a regular basis and attend regular investment update calls to further supplement the Board's knowledge and understanding of the investment process and strategy.

- Share price discount risk. The share price is continually monitored and, if appropriate, the Board have the discretion to make a quarterly tender offer to shareholders. Furthermore, the Board also consider whether any additional control measures need to be implemented, including the commencement of a buyback programme. The articles of the Company (adopted on 24 February 2016) also include a provision that a continuation vote will be held in 2021.

- Concentration risk: The Company's principal exposure is to the Underlying Fund, with additional exposure to AllBlue and AllBlue Leveraged through its creditor interests in these funds and, therefore, the Company is exposed to concentration risk through this fund. The Board considers that the Company is highly diversified in its exposures, both to the funds underlying AllBlue, the Underlying Fund, and to the range of individual positions and exposures of the Underlying Fund. The Board believes that this mitigates the concentration risk. The Board actively monitors the exposures to the Underlying Fund, AllBlue, and AllBlue Leveraged.

- Leverage risk: The Company does not undertake structural borrowings but will not maintain exactly 1:1 economic exposure to the Underlying Fund at all times because of factors including, but not limited to, exposure to AllBlue and AllBlue Leveraged pending the distribution of all proceeds from the compulsory redemption of all outside investors effective 4 January 2016, share issuance and buybacks and general expenses. Neither HCC nor AllBlue undertake direct structural leverage. AllBlue Leveraged sought to maintain a position which is approximately 2x leveraged to AllBlue. This leverage may not have been constant because of changes to the leverage facility made available to AllBlue Leveraged. The Board monitored the performance of the Company against the performance of AllBlue and will continue to do so against the performance of the Underlying Fund. Leverage exists in the investments of the Underlying Fund and AllBlue including through formal borrowing facilities, loans by the fund's prime brokers for the purchase or sale of securities or embedded in derivative positions. Some of the investments will be exposed to significant gross leverage.

- Counterparty risk: The Company is exposed to counterparty risk directly and indirectly via the Underlying Fund, AllBlue, AllBlue Leveraged and their investments. The Company seeks to ensure that it does not have undue direct counterparty exposures in line with market practices. AllBlue Leveraged had counterparty exposure to the leverage provider.

- Credit risk: The Company is exposed to credit risk directly through cash and cash equivalents and applies controls accordingly. The Company is also exposed to credit risk more broadly through the Underlying Fund, AllBlue, AllBlue Leveraged and the underlying investments. The Board believes that credit risk is well diversified through the exposures taken by Highbridge as investment manager of HCC and given the reduced size of the Company's interest in AllBlue.

- Regulatory risk. The Company is required to comply with the listing rules and the disclosure and transparency rules of the UK Listing Authority and the requirements imposed by the Guernsey Financial Services Commission. Any failure to comply could lead to criminal or civil proceedings. Although responsibility ultimately lies with the Board, the Secretary and Corporate Brokers also monitor compliance with regulatory requirements.

AUDITOR

EY have been the Company's auditor since its incorporation and the lead audit partner is currently Chris Matthews. EY have expressed their willingness to continue in office as Auditor. A resolution proposing their reappointment will be submitted at the Company's forthcoming General Meeting.

Further to a review conducted by the Board of the continued need for German taxation information, in light of the closure of the Euro class, this information is no longer being provided (from 13 March 2015). This engagement did not require any consultation or advice to be provided by the Auditor.

The Company engaged EY in March 2016 to verify the conversion ratio for the compulsory conversion between US Dollar Shares and Sterling Shares and paid a fee of £7,500 in respect of this. No other non-audit services were provided by the Auditor during the year or to the date of this report.

VIABILITY STATEMENT

As stated on page 8, the investment objective of the Company is currently to seek to provide consistent returns with low volatility through an investment policy of investing substantially all of its assets in the Underlying Fund or any successor vehicle of the Underlying Fund. Prior to the Extraordinary General Meeting ("EGM") held on 24 February 2016, it was to seek to provide consistent long-term capital growth through an investment policy of investing substantially all of its assets in AllBlue of any successor vehicle of AllBlue. However, in considering the Company's viability, the Directors have only given consideration to the current objective.

The Company's investment performance largely depends upon the performance of its underlying investment into the Sterling Class of Highbridge Capital Corporation, ("HCC") which is also managed by Highbridge Capital Management, LLC ("Highbridge"), the Company's investment manager since 29 February 2016. The Directors, in assessing the viability of the Company have paid particular attention to the risks faced by the Company in seeking to achieve its stated objective, which are set out on page 30. The Board has established a risk management framework which is intended to identify, measure, monitor, report and where appropriate, mitigate the risks to the Company's investment objective. The Board does not consider any other risks faced by the Company to be principal risks, as defined in the Corporate Governance Code.

The Directors confirm that their assessment of the principal risks facing the Company was robust and in doing so they have considered models projecting future cash flows during the three years to 31 December 2018. This model assumes that the Company will be able to meet any requirements for cash either from redemption proceeds from its investment into HCC or from further cash receipts from its creditor interests in AllBlue and AllBlue Leveraged. The Board considers these assumptions to be reasonable, having regard to the information received by the Company to date. The model also assumes that future performance will reflect the actual performance of HCC during the last few years. These models have then been flexed to reflect the impact of some plausible but severe scenarios similar to those experienced by investment markets in the past. The viability assessment covers a period of three years because the Directors are of the opinion that given the Company's recent change of investment policy and investment manager it would be imprudent for them to attempt to assess any longer period. The Directors consider this period to be sufficient given the inherent uncertainty of the investment world.

At the time of writing, the Company's assets exceed its liabilities by a considerable margin, since the resolutions passed at the EGM on 24 February 2016 and the subsequent compulsory conversion of the remaining US Dollar Shares had the effect, inter alia, of causing the Company's issued shares to be treated as equity, not current liabilities under IFRS. Further, the main requirement for cash is to meet the quarterly tender facility and since this is entirely at the Directors' discretion it could therefore be curtailed or discontinued if necessary to manage cash needs. In making their viability assessment, the Directors have included a quarterly tender of a reasonable level in their cash flow projections, albeit that as noted above any resulting cash outflow is assumed to be matched by an inflow from HCC or the creditor interests. The actual level of tender how it is to be funded will be determined upon on the basis of the performance of the investment, anticipated investor demand and the level of the discount, if any, of the Company's share price to its Net Asset Value, and therefore cannot be estimated with accuracy in advance.

The continuation of the Company in its present form is dependent on the Investment Management Agreement with Highbridge remaining in place. The Directors note that the Investment Management Agreement with the Investment Manager is terminable on six months' written notice by either party. The Directors have no current reason to assume that either the Company or the Investment Manager would serve notice of termination of the Investment Management Agreement during the three year period covered by this viability statement. The Articles require that the Directors put a Continuation Resolution to the Annual

General Meeting of the Company to be held in 2021, but this is after the period of this assessment.

The Directors, having duly considered the risks facing the Company, their mitigation and the cash flow modelling, have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of their assessment.

GOING CONCERN

The Company now invests the majority of its assets into the Underlying Fund, and, as indicated in the circular to Shareholders dated 8 February 2016, that fund has returned 10.67% annualised since inception. Whilst this historic performance is no indication for the future, the Directors therefore have a reasonable expectation that positive returns will be made in the future. In addition, at the date of publication of this report, the Company holds a significant amount of cash pending investment into the Underlying fund. This cash holding considerably exceeds normal operating expenditure anticipated during the next twelve months. Finally, the Directors have reasonable grounds for believing that the quarterly tender offers, if any, during the next twelve months will be funded by further receipts from its creditor interests or by redemptions from the Underlying Fund.

The Company's financial risk management objectives and policies, details of its financial instruments and its exposures to market price risk, credit risk, liquidity risk and interest rate risk are set out at note 13 to the Financial Statements. After making enquiries, and after updating the financial information set out in the Annual Report to reflect the change of investment objective and the subsequent investment into the Underlying Fund, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months. Accordingly, they continue to adopt the going concern basis in the preparation of this annual financial report.

The Financial Statements are prepared on the going concern basis in light of the Board's assessment of:

- shareholders' appetite to continue their investments in the Company; and
- the expectation of the Directors that the Company will continue for the 12 months from the date of approval of the Financial Statements.

DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required to prepare financial statements for each Financial Year which give a true and fair view of the state of affairs of the Company as at the end of the Financial Year and of the profit or loss for that year. In preparing those financial statements, the Directors are required to:

- Ensure that the Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for a shareholder to assess the Company's performance, business model and strategy;
- Select suitable accounting policies and apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed subject to any material departures discussed and explained in the Annual Report and Accounts; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the Law. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the Annual Report and Audited Financial Statements include the information required by the Listing Rules and the Disclosure and Transparency Rules of the UK Listing Authority (together "the Rules"). They are also responsible for ensuring that the Company complies with the provisions of the Rules which, with regard to corporate governance, require the Company to disclose how it has applied the principles, and complied with the provisions, of the corporate governance code applicable to the Company.

RESPONSIBILITY STATEMENT

The Board of Directors, as identified at pages 15 and 16, jointly and severally confirm that, to the best of their knowledge:

This report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Company faces;

The Financial Statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profits of the Company;

The Annual Report and Audited Financial Statements taken as a whole is fair, balanced and understandable and provides the information necessary for Shareholders to assess the Company's performance, business model and strategy; and

The Annual Report and Audited Financial Statements includes information required by the UK Listing Authority for ensuring that the Company complies with the provisions of the Listing Rules and the Disclosure Rules and Transparency Rules of the UK Listing Authority, with regard to corporate governance, require the Company to disclose how it has applied the principles, and complied with the provisions, of the corporate governance code applicable to the Company.

By order of the Board

Steve Le Page, Director
29 April 2016

Risk Committee Report

MEMBERSHIP

The Risk Committee was established in April 2014 and comprises Paul Meader (Chairman), Richard Crowder and Sarita Keen. Andrew Dodd and John Le Prevost served as Committee members during the period and until their resignation as Directors. Steve Le Page, as the remaining director and Chairman of the Audit Committee, has right of attendance and attended all the Committee meetings during the period.

THE COMMITTEE'S ACTIVITIES DURING 2015

The Committee's activities relate to investment risk. Other risks, such as operational risk or regulatory risk, are overseen by the Audit Committee. The Risk Committee focused on:

- the direct exposures of the Company itself, for instance to AllBlue, AllBlue Leveraged and cash counterparts; and
- the exposures embedded within AllBlue, its investment characteristics and the risks associated with owning AllBlue.

During 2015, the Committee utilised data from BlueCrest, JTC, GlobeOp (the administrator of AllBlue, AllBlue Leveraged and the majority of the funds underlying AllBlue) and the Company's Corporate Brokers to review and monitor investment risk exposures and also engaged and challenged BlueCrest regarding AllBlue and AllBlue Leveraged. The work of the Committee revolved primarily around:

- Market risk;
- Credit risk;
- Counterparty risk;
- Interest rate risk;
- Liquidity risk; and
- Leverage risk.

Utilising the Company's risk matrix, the Committee sought to identify the principal pre-control investment risks to which the Company was exposed and then monitored the controls that were used to mitigate these risks. It also focused on the material post-control investment risks. Work was also undertaken during the year, in conjunction with the Audit Committee and Board, to identify and, where possible, quantify the Company's risk appetite. This work fed into the development of internal tolerances for certain risks.

Clearly, the Company is in the business of taking investment risk and so the Committee does not seek to eliminate investment risks. Rather, it seeks to ensure that the risks taken accord with the risk appetite of the Company, that no undue or abnormal exposures are taken and that all relevant controls are operating appropriately. The Company's principal investment risks relate to its holdings of investment funds and the Company's ability to control the risks embedded in these funds is limited to its role as a shareholder in those funds. Nonetheless, the Committee monitored underlying investment risks in some detail and had a relationship of constructive engagement with BlueCrest, as detailed below. During the period, all investment risks were considered by the Committee to lie within normal ranges.

On 1 December 2015, the Company was notified by BlueCrest of the intention to return capital to investors in AllBlue. Subsequent to this announcement, the work of the Risk Committee was largely undertaken by the full Board of the Company whilst the evaluation of the Company's future and then the transition to Highbridge Capital Corporation and Highbridge as AIFM took place. Detailed discussions continued with BlueCrest during the early part of 2016.

ENGAGEMENT WITH BCML

The purpose of the Committee's work in identifying risks is to seek to understand which risks can be managed and mitigated and which cannot. The nature of the Company's structure is that it did not have a direct contractual relationship with BlueCrest as investment manager of AllBlue. This has always been the case. The process with BlueCrest, therefore, was one of constructive engagement on both sides – the Company challenging and probing on behalf of Shareholders because AllBlue was the majority investment of the Company, and BlueCrest because the Company was the largest, and a material, investor in AllBlue.

This relationship operated successfully during 2015.

During the year, a due diligence visit was undertaken to BlueCrest in London, as in prior years. This included meetings with key risk and related personnel and examination of risk controls and processes. It also included work to validate the reliance of the Risk Committee on data from BlueCrest.

EXPOSURE MONITORING

As explained elsewhere, as well as owning shares in AllBlue, the Company maintained a cash balance and exposure to AllBlue Leveraged. This facilitated, amongst other things, the Company's repurchase of Shares in the market but brought a number of additional risks. In particular, there was a risk that the buyback of Shares would cause the Company's economic exposure to AllBlue to vary from its objective of 1:1 over time. This exposure was reset as frequently as possible (via monthly subscriptions and quarterly redemptions with notice). During the year, the economic exposure of the Sterling Shares to AllBlue varied between 100.9% and 103.90% and this was within the tolerances set by the Committee and the risk appetite of the Company. Subsequent to the compulsory redemption of the Company's investments in AllBlue and AllBlue Leveraged, the Company retains a residual exposure to AllBlue and AllBlue Leveraged and this is monitored by the

Board and the risk committee.

Cash balances were maintained during the period in accordance with the Treasury Policy.

THE CHANGING ROLE OF THE RISK COMMITTEE IN 2016

Subsequent to the period end, the Company appointed Highbridge as AIFM and, since 1 March 2016, has been invested in HCC alongside the residual interest in AllBlue. Previously, and during the period, the Company was out of scope of the AIFMD. The Committee has now begun to engage with Highbridge to re-examine the role of the Risk Committee, review the Committee's terms of reference and also to review the key risk metrics relevant to the Company's investment in HCC. I look forward to reporting to you on this in due course.

Paul Meader

Risk Committee Chairman

Audit Committee Report

MEMBERSHIP

The current Chairman of the Audit Committee is Steve Le Page, who became Chairman on his appointment to the Board on 3 June 2014. Paul Meader was a member of the Committee throughout 2014 and 2015. Richard Crowder (Company Chairman) was a member of the Audit Committee throughout 2014 but resigned from the Committee on 13 January 2015. John Le Prevost joined the Committee on 28 November 2014 and served until the date of his resignation, and Sarita Keen joined the Committee on 3 June 2015 on her appointment to the Board.

COMPLIANCE WITH THE AIC CODE

In the opinion of the Board, the Audit Committee of the Company complies with the recommendations and requirements of the AIC code in all respects except as follows –

The Chairman of the Company was a member of the Committee as the Board considered that he was independent on appointment.

The Company does not have an internal audit function, because it has no employees and operates no systems of its own, relying instead on the employees and systems of its external service providers.

It should also be noted that the Company has established a Risk Committee to address the risks pertaining to the investment performance of the Company, and therefore the scope of the Audit Committee does not extend to consideration of those risks. The Board has reviewed the scope of both Committees and is satisfied that all risks to which the Company is subject are appropriately managed.

The Audit Committee met on five occasions during 2015 (four in 2014). The auditor attended two of these meetings, during which time the Committee and the auditor met privately, that is in the absence of any service providers.

KEY ACTIVITIES OF THE AUDIT COMMITTEE

In the period since the last Audit Committee report, the key activities of the Committee have been –

- Monitoring and assessing the financial systems and controls operated by the Company's key service providers;

- Overseeing the preparation and publication of, and giving appropriate advice to the Board in respect of, the interim report for the six months ended 30 June 2015 and the current annual report for the year ended 31 December 2015;

- Discussing with the Auditors the review, by the Audit Quality Review Team ("AQRT") of the Financial Reporting Council, of the Auditors' audit of the 31 December 2014 financial statements of the Company;

- Assessing the effectiveness of the external audit and the performance, independence and quality of the auditors to the Company.

Each of these key activities is covered in more detail in the following sections.

FINANCIAL SYSTEMS AND CONTROLS OPERATED BY SERVICE PROVIDERS

In common with most investment funds, the Company is reliant on the systems, processes and controls operated by its service providers. Throughout the year, the Committee is alert to any indication that service providers may not be performing as expected, such as inaccurate or delayed information, shareholder feedback and the level and standard of interaction between service providers. In so doing the Committee uses its collective knowledge of how other entities are serviced as well as their own experience from previous roles with other service providers. During November 2014 a Director visited the Company's Secretary and Administrator to carry out a detailed review of their processes under the direction of the Management & Remuneration Committee, and the findings have been taken into account by the Committee. Finally, in March 2015 the non-executive directors all visited BlueCrest, the investment manager of AllBlue Limited and AllBlue Leveraged Feeder Fund Limited ("the BlueCrest Funds"), to discuss their processes and activities and their possible impact on the Company.

In addition, the Committee has reviewed the third party controls reports (ISAE 3402 or equivalent reports) provided by the following key service providers during 2015 –
ISAE 3402 Report from the administrator of AllBlue;
ISAE 3402 Report from the investment manager of AllBlue.

On 1 December 2015, BlueCrest, and the Board of Directors of each of the relevant BlueCrest Funds (or General Partner, where appropriate) announced that the BlueCrest Funds would embark upon a programme to return the capital managed in those funds to investors. The Board of the Company, as more fully described in the Chairman's Statement, after due process appointed Highbridge Capital Management, LLC ("Highbridge") as its investment manager. During the process of selecting Highbridge an operational due diligence report was obtained from an independent agency experienced in carrying out such work. That report did not identify any control or operational weaknesses at Highbridge which were of concern to the Board or the Company.

On the basis of the activities described immediately above, the Committee identified some delays and inaccuracies, none of which resulted in any financial loss. As a result, the Committee is satisfied that the Company's reliance on service providers during 2015 was not misplaced and that the systems of internal control operated on the Company's behalf, both during the calendar year 2015 and currently, should prevent material error or misstatement of financial information.

PREPARATION OF INTERIM AND ANNUAL REPORTS

Prior to each reporting period end, the Committee met with the Secretary and Administrator, and also with the auditor prior to the annual reporting date. As Chairman, I also met with each of these parties separately. The primary purpose of all of these meetings was to consider the timetable for production of the reports, to review the proposed scope of the external audit of the annual report, and the arrangements for cooperation between the Company's service providers. The Company's key risks, principal accounting policies and significant areas of judgment or estimation (all as disclosed elsewhere in this annual report) were also considered for appropriateness and completeness. As a result of these meetings we were able to conclude that the annual report production process had been properly planned and prepared for.

In August 2015 and April 2016 the Committee reviewed the draft interim and annual reports, respectively, for compliance with International Financial Reporting Standards (as adopted by the European Union) and applicable Law or regulation, and also reconsidered the key risks, principal accounting policies and significant areas of judgment or estimation to ensure the disclosure of these items and their application in the reports remained appropriate. This review and reconsideration included further meetings with the auditor and Secretary and Administrator. It also included certain activities connected with the review of service providers, as detailed above.

The significant issues which the Committee considered in relation to these Financial Statements, in addition to those set out elsewhere in this section, were the existence and valuation of the Company's investment holdings. Existence was verified by obtaining direct confirmation from the administrators of AllBlue, AllBlue Leveraged and ICS. The price at which each investment is valued was also confirmed directly in this way. In addition, the Committee considered the results of the service provider monitoring referred to above (and especially the ISAE 3402 report from the administrator of AllBlue), and also reviewed the cash and valuation statements received post year end. The Committee concluded that the investments existed and were properly valued in accordance with the accounting policy of the Company, set out on page 51

Having carried out the activities set out above the Committee concluded that the Financial Statements were fairly stated. The Committee also read the entire annual report for consistency both internally and with their detailed knowledge of the Company throughout the year, and also considered whether it was as clear and as concise as possible. We then considered the information needs of the likely users of the annual report and whether they were met. Our conclusion was that, taken as a whole, the annual report is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Finally in respect of the annual report, in April the Committee considered the regular monitoring of the

Company's cash position carried out by the Board, together with a detailed cash forecast for the period until 30 April 2017. The principal uncertainty involved in the forecasting of the Company's cash requirements is the level at which cash will be utilised in support of the Company's quarterly tender offer to Shareholders. The Committee is satisfied that with the level of cash held, the regular monitoring by the Board and the liquidity of the Company's investments, it is appropriate to prepare the Financial Statements on a going concern basis.

AQRT REVIEW OF THE 2014 EXTERNAL AUDIT

The AQRT of the Financial Reporting Council carries out inspections of the audits of public interest entities in the UK and Crown Dependencies, including Guernsey.

Each year the AQRT routinely selects a number of audits carried out by the large audit firms, including Ernst & Young LLP, with a view to inspecting the audits of all FTSE 350 companies over a five year cycle. Ernst & Young LLP's audit of the Company's 31 December 2014 Financial Statements was part of this routine inspection programme in the 2014/2015 cycle. The inspection was carried out during the second half of 2015 and the results of the inspection were reported to Ernst & Young LLP and the Company in January 2016. The AQRT reported findings in two areas from their work. These have been carefully considered by the Audit Committee.

They have also been discussed between Ernst & Young LLP and the Audit Committee. The Audit Committee is satisfied that Ernst & Young LLP has appropriately responded to these findings in the 2015 audit and that the quality of the 2014 audit was not compromised.

AUDITORS

As noted above the Committee has met with the auditors on several occasions and this has given us the opportunity to assess the quality of the people involved in our audit and of the content and relevance of their presentations. We have also been able to take into account the results of the AQRT review of the 2014 audit, as noted above. During our meetings with them we considered their risk assessment, planned responses and general approach as well as their actual delivery against plan, and we separately discussed with our Administrator the degree of challenge they experienced from the auditors. We concluded that the external audit process was appropriate to the Company's circumstances and likely to prove effective.

The auditors provide only minimal non-audit services to the Company, and it is the Committee's expectation that this situation will continue, as we do not anticipate the need to seek any services from them, other than the verification of the conversion ratio as described on page 32. The Committee has a formal policy concerning non-audit services, detailed on the company's website, should the need arise.

The Committee has also considered all the aspects of auditor independence set out in the Code and in the Ethical Standards applicable to our auditor, at both the planning and final delivery stages of the audit. We note that Ernst & Young are also auditors to the significant investments held by the Company at the year end and to other structures managed or advised by BlueCrest and its affiliates. We have carefully considered whether these other audit relationships might impinge upon the independence of our auditors and have concluded that any perceived risk in this respect is adequately safeguarded against.

The Committee having concluded that the external audit is effective and that the auditors are independent and competent has recommended to the Board that a resolution to reappoint Ernst & Young LLP be put to the forthcoming AGM of the Company.

Steve Le Page

Chairman of the Audit Committee

Independent Auditor’s Report

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF HIGHBRIDGE MULTI-STRATEGY FUND LIMITED (FORMERLY BLUECREST ALLBLUE FUND LIMITED)

Our opinion on the financial statements

In our opinion:

- Highbridge Multi-Strategy Fund Limited’s (“the Company”) financial statements (the “financial statements”) give a true and fair view of the state of the Company’s affairs as at 31 December 2015 and of its profit for the year then ended;

- the financial statements have been properly prepared in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union;

- the financial statements have been prepared in accordance with the requirements of the Companies (Guernsey) Law, 2008.

What we have audited

Highbridge Multi-Strategy Fund Limited’s financial statements comprise:

Statement of comprehensive income for the year ended 31 December 2015
Statement of financial position as at 31 December 2015
Statement of changes in net assets attributable to shareholders for the year ended 31 December 2015
Statement of cash flows for the year ended 31 December 2015
Related notes 1 to 16 to the financial statements

The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

Overview of our audit approach

Risks of material misstatement	• Valuation of investments; and • Existence and ownership of investments
Audit scope	• We performed an audit of the complete financial statements of the Company for the year ended 31 December 2015.
Materiality	• Overall materiality of £8.0m which represents 1% of net assets attributable to shareholders.

Our assessment of risk of material misstatement

We identified the risks of material misstatement described below (which are consistent with the risks we identified in the prior year) as those that had the greatest effect on our overall audit strategy, the allocation of resources in the audit and the direction of the efforts of the audit team. In addressing these risks, we have performed the procedures below which were designed in the context of the financial statements as a whole and, consequently, we do not express any opinion on these individual areas.

Risk	Our response to the risk	What we concluded to the Audit Committee
Valuation of investments (£790,682,544, PY comparative £774,718,912) *Refer to the Audit Committee Report (page 40); Accounting policies (page 51); and Note 7 of the Financial Statements (page 76)* At 31 December 2015, the Company was invested in AllBlue Limited and AllBlue Leveraged Feeder Limited ("the underlying funds") which are unquoted investments. The Company also holds an investment in Blackrock ICS Institutional Sterling Government Liquidity Fund ("the ICS Fund") which is listed on the London Stock Exchange. The Company's investments are measured at fair value through profit or loss. The fair value of the unquoted investments was determined by reference to the published NAV of the underlying funds as at 31 December 2015. Subsequently, on 4 January 2016, the Company's shareholdings in the underlying funds were converted to 'creditor interests' as part of the process by which they are returning capital to investors, and hence their fair value post-year end is determined by reference to valuation reports provided to the Company by their independent administrator. The fair value of the ICS Fund is based on the publicly available, quoted price. The valuation of the Company's	Our response comprised: - Updating our understanding of the processes adopted by the Board and management in respect of investment valuation, including our understanding of the systems and controls implemented; - We agreed the valuation of the Company's investments in the underlying funds to the net asset values published by the administrator of the underlying funds (GlobeOp) as at 31 December 2015; - We formed an independent view as to whether the fair value of the Company's investments in the underlying funds is equivalent to the net asset value of the investee funds by obtaining post-year end valuation reports from GlobeOp and reviewing for significant pricing adjustments to the Company's creditor interests in the underlying funds, and agreeing post-year end redemption proceeds received to redemption notices issued by GlobeOp; and - We agreed the valuation of the Company's investment in the ICS Fund to publically available pricing sources.	We confirmed that there were no matters identified during our audit work on valuation of investments that we wanted to bring to the attention of the Audit Committee.

investments is a significant driver of the net asset value of the Company and the most significant component of the statement of financial position. Management may seek to overstate the valuation of investments to maximise reported performance and net asset value per share.		
Existence and ownership of investments (£790,682,544, PY comparative £774,718,912) *Refer to the Audit Committee Report (page 40); Accounting policies (page 51); and Note 7 of the Financial Statements (page 64)* Risk that investments presented in the Statement of Financial Position do not exist or the Company does not have the rights to cash flows derived from them. Failure to obtain good title exposes the Company to significant risk of loss.	Our approach comprised: - Updating our understanding of the processes adopted by the Board and management (including obtaining and reviewing the ISAE 3402 reports of GlobeOp and BlueCrest) in respect of the existence and ownership of investments, including our understanding of the systems and controls implemented; and - We obtained confirmations, as at 31 December 2015, of the Company's holdings (both directly held and those held in a nominee capacity by the Company's administrator) in the underlying funds and the ICS Fund, from their respective administrators and agreed them to the records of the Company.	We confirmed that there were no matters identified during our audit work on valuation of investments that we wanted to bring to the attention of the Audit Committee.

The scope of our audit

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope. Taken together, this enables us to form an opinion on the financial statements.

There have been no changes in the scope of our audit in the current year. We performed an audit of the complete financial statements of the Company for the year ended 31 December 2015.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £8.0 million (2014: £8.2 million), which is 1% (2014: 1%) of net assets attributable to shareholders.

It was considered inappropriate to determine materiality based on Company profit before tax as the primary focus of the Company is the overall performance of investments held which includes a significant asset revaluation component. In addition, profit is not a key metric reported upon by the Company.

We believe that net assets attributable to shareholders provides us with an appropriate basis for audit materiality as net asset value is a key published performance measure and is a key metric used by management in assessing and reporting on the overall performance of the Company.

During the course of our audit, we reassessed initial materiality and noted no factors leading us to amend materiality levels from those originally determined at the audit planning stage.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that performance materiality was 75% (2014: 75%) of our planning materiality, namely £6.0m (2014: £6.2m). We have set performance materiality at this percentage due to the investment strategy remaining consistent with our previous experience and limited identification of audit findings in previous periods.

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.4m (2014: £0.4m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 35, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report is made solely to the Company's members, as a body, in accordance with Section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Matters on which we are required to report by exception

ISAs (UK and Ireland) reporting	We are required to report to you if, in our opinion, financial and non-financial information in the annual report is: • materially inconsistent with the information in the audited financial statements; or • apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or • otherwise misleading. In particular, we are required to report whether we have identified any inconsistencies between our knowledge acquired in the course of performing the audit and the directors' statement that they consider the annual report and accounts taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the entity's performance, business model and strategy; and whether the annual report appropriately addresses those matters that we communicated to the Audit Committee that we consider should have been disclosed.	We have no exceptions to report.
Companies (Guernsey) Law 2008 reporting	We are required to report to you if, in our opinion: • proper accounting records have not been kept; or • the financial statements are not in agreement with the accounting records and returns; or • we have not received all the information and explanations we require for our audit.	We have no exceptions to report.
Listing Rules review requirements	We are required to review: • the directors' statement in relation to going concern on pages 34 and 34 and longer-term viability set out on pages 32 and 34. • the part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review; and	We have no exceptions to report.

Statement on the Directors' assessment of the principal risks that would threaten the solvency or liquidity of the entity

ISAs (UK and Ireland) reporting	We are required to give a statement as to whether we have anything material to add or to draw attention to in relation to: • the directors' confirmation in the annual report that they have carried out a robust assessment of the principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity; • the disclosures in the annual report that describe those risks and explain how they are being managed or mitigated; • the directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements; and • the directors' explanation in the annual report as to how they have assessed the prospects of the entity, over what period they have done so and why they consider	We have nothing material to add or to draw attention to.

	that period to be appropriate, and their statement as to whether they have a reasonable expectation that the entity will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.	

Christopher James Matthews, FCA
for and on behalf of Ernst & Young LLP
Guernsey, Channel Islands
29 April 2016

Notes:

1. The maintenance and integrity of the Company's information published on the Company's website is the responsibility of the directors; the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
2. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Audited Financial Statements

Primary Accounting Policies

KEY ACCOUNTING POLICY AND KEY ACCOUNTING JUDGMENT AND AREA OF ESTIMATION UNCERTAINTY FOR THE YEAR ENDED 31 DECEMBER 2015

The Company's unquoted financial assets designated as at fair value through profit or loss are the most significant element of its Statement of Financial Position and the most significant contributor to its performance as set out in the Statement of Comprehensive Income. Consequently, the Board of the Company wish to highlight here the Company's accounting policy for unquoted financial assets designated as at fair value through profit or loss and the accounting judgments and estimation uncertainties which apply to them.

ACCOUNTING POLICY FOR UNQUOTED FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

All investments are designated upon initial recognition as financial assets at "fair value through profit or loss". Investments are initially recognised on the date of purchase (on 'trade date' basis) at cost, being the fair value of the consideration given, excluding transaction costs associated with the investment.

Investments are subsequently re-measured at fair value at each reporting date. Unrealised gains and losses on investments arising from change in the fair value from prior years is recognised in the Statement of Comprehensive Income. Realised gains or losses on the disposal of investments are determined by reference to average purchase cost. These are also recognised in the Statement of Comprehensive Income.

ACCOUNTING JUDGMENTS AND ESTIMATION UNCERTAINTIES APPLICABLE TO UNQUOTED FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

Valuation of current investments

In order to assess the fair value of the unquoted non-current and current investments, the NAV of the underlying investments in Highbridge, AllBlue, AllBlue Leveraged and the ICS Funds is taken into consideration. The Company's holdings in AllBlue and AllBlue Leveraged were realisable at their NAV on quarterly dealing days until 1 December 2015 and the Company's holdings in ICS were realisable at their NAV on daily dealing days facilitated by the administrators of these funds. Having taken account of the Company's history of successfully realising its holdings at NAV, and in the absence of gating or suspension of redemptions of the ICS funds at the Company's year end, the Directors are satisfied that the reported NAV is a fair estimation of fair value of the Company's holding in ICS. The Directors have considered the circumstances surrounding the compulsory redemption of the Company's investments in AllBlue and AllBlue Leveraged and consider that the NAV supplied by the independent administrator of AllBlue and AllBlue Leveraged remains a fair estimation of the fair value of the Company's holdings in AllBlue and AllBlue Leveraged as at 31 December 2015.

The Company's NAV is based on valuations of unquoted investments. As described above, in calculating the NAV and the NAV per share of the Company, the Administrator relies on the NAVs of the shares supplied by the Administrator of the Underlying Fund, AllBlue, AllBlue Leveraged and ICS Funds. Those NAVs are themselves based on the NAV of the various investments held by the Underlying Fund, AllBlue, AllBlue Leveraged and ICS Funds.

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Ordinary Shares Sterling Share Class £	Ordinary Shares US Dollar Share Class $	Total £
Net gain on current financial assets at fair value through profit or loss	7	20,775,843	1,806,344	22,312,758
Net gain on purchase of own shares		2,604,064	269,550	2,780,413
Bank interest received		60,639	1,345	61,519
Operating expenses	3	(990,834)	(39,001)	(1,016,350)
Other Comprehensive Income that will be reclassified to profit or loss in future periods				
Currency aggregation adjustment	1(g)	-	-	1,709,374
Increase in net assets attributable to shareholders after other comprehensive income		22,449,712	2,038,238	25,847,714
		Pence (£)	**Cents ($)**	
Earnings per share for the year - Basic and Diluted	5	5.75	6.67	

In arriving at the results for the financial year, all amounts above relate to continuing operations.

The notes on pages 60 to 78 and the Primary Accounting Policies on page 51 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	Ordinary Shares Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Net gain on non current financial assets at fair value through profit or loss	7	49,450,769	794,394	4,460,387	53,015,225
Net gain on current financial assets at fair value through profit or loss	7	2,387	-	-	2,387
Net gain on purchase of own shares		3,123,107	-	256,678	3,278,896
Bank interest received		102,451	1,318	9,967	109,562
Operating expenses	3	(719,832)	(52,588)	(78,464)	(809,831)
Other Comprehensive Income that will be reclassified to profit or loss in future periods					
Currency aggregation adjustment	1(g)	-	-	-	1,944,229
Increase in net assets attributable to shareholders after other comprehensive income		51,958,882	743,124	4,648,568	57,540,468
		Pence (£)	**Cent (€)**	**Cents ($)**	
Earnings per share for the year - Basic and Diluted	5	12.67	12.03	11.47	

In arriving at the results for the financial year, all amounts above relate to continuing operations.

The notes on pages 60 to 78 and the Primary Accounting Policies on page 51 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

		Ordinary Shares		
		Sterling Share Class	US Dollar Share Class	Total
CURRENT ASSETS	**Notes**	**£**	**$**	**£**
Unquoted financial assets designated as at fair value through profit or loss	7	713,801,407	42,776,629	742,840,902
Quoted financial assets designated as at fair value through profit or loss	7	47,841,642	-	47,841,642
Cash and cash equivalents		5,275,540	64,312	5,319,199
Prepayments and receivables		290,628	2,168	40,648
		767,209,217	42,843,109	796,042,391
CURRENT LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS)				
Other sundry accruals and payables		278,406	379,359	288,863
		278,406	379,359	288,863
NET CURRENT ASSETS		766,930,811	42,463,750	795,753,528
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	10	766,930,811	42,463,750	795,753,528
Due after less than one year		**766,930,811**	**42,463,750**	**795,753,528**
SHARES IN ISSUE	8	381,566,044	22,192,929	
NAV PER SHARE	15	£2.0099	$1.9133	

The Financial Statements on pages 52 to 59 were approved and authorised for issue by the Board of Directors on 29 April 2016 and are signed on its behalf by:

Richard Crowder
Chairman

Steve Le Page
Director

The notes on pages 60 to 78 and the Primary Accounting Policies on page 51 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	Ordinary Shares Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
NON CURRENT ASSETS					
Unquoted financial assets designated as at fair value through profit or loss	7	725,358,328	-	75,055,765	773,542,038
CURRENT ASSETS					
Quoted financial assets designated as at fair value through profit or loss	7	1,176,874	-	-	1,176,874
Cash and cash equivalents		45,083,160	34,132	69,347	45,154,187
Prepayments and receivables		2,557,439	-	3,797	43,746
		48,817,473	34,132	73,144	46,374,806
CURRENT LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS)					
Other sundry accruals and payables		69,201	34,132	3,925,739	99,793
		69,201	34,132	3,925,739	99,793
NET CURRENT ASSETS (LIABILITIES)		48,748,272	-	(3,852,595)	46,275,013
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	10	774,106,600	-	71,203,170	819,817,051
Due after less than one year		774,106,600	-	71,203,170	819,817,051
SHARES IN ISSUE	8	396,504,386	-	38,229,946	
NAV PER SHARE		£1.9523	€0.0000	$1.8624	

The notes on pages 60 to 78 and the Primary Accounting Policies on page 51 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Sterling Share Class £	US Dollar Share Class $	Total £
Opening Balance		774,106,600	71,203,170	819,817,051
Adjustment to allocation of reserves brought forward		338,972	(417,356)	-
Accretive gain transfer between share classes		(206,348)	215,756	-
Increase in net assets attributable to shareholders		22,449,712	2,038,238	25,847,714
On-market purchases of Ordinary Shares	10	(46,443,652)	(5,107,925)	(49,911,237)
Share conversions	11	16,685,526	(25,468,133)	-
Closing balance		766,930,811	42,463,750	795,753,528

The notes on pages 60 to 78 and the Primary Accounting Policies on page 51 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS FOR THE YEAR ENDED 31 DECEMBER 2014

		Ordinary Shares			
	Notes	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Opening Balance		787,993,496	15,454,948	67,411,438	841,552,800
Adjustment to allocation of reserves brought forward		(1,074,285)	(26,043)	1,750,064	-
Accretive gain transfer between share classes		(256,363)	86,971	291,403	-
Increase in net assets attributable to shareholders		51,958,882	743,124	4,648,568	57,540,468
Redemption of share class		-	(13,467,825)	-	(10,459,634)
On-market purchases of Ordinary Shares	10	(64,951,079)	-	(6,021,297)	(68,816,584)
Share conversions	11	435,949	(2,791,175)	3,122,992	-
Closing balance		774,106,600	-	71,203,170	819,817,051

The notes on pages 60 to 78 and the Primary Accounting Policies on page 51 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2015

	Ordinary Shares			
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Operating activities				
Increase in net assets attributable to shareholders after other comprehensive income	22,449,712	-	2,038,238	25,847,714
Increase in unrealised appreciation on financial assets at fair value through profit or loss	1,092,841	-	2,841,115	2,788,254
Realised gains on sales of financial assets	(21,501,565)	-	-	(21,501,565)
Realised gains on conversions	(367,119)	-	(4,647,459)	(3,522,110)
Gain on purchase of own shares	(2,604,064)	-	(269,550)	(2,780,413)
Interest income	(60,639)	-	(1,345)	(61,519)
Currency aggregation adjustment	-	-	-	(1,709,374)
Adjustment to allocation of reserves brought forward	338,972	-	(417,356)	-
Adjustment to share conversions	(5,667,997)	-	8,617,347	-
Accretive gain transfer between share classes	(206,348)	-	215,756	-
Increase/(decrease) in payables	209,205	(34,132)	(3,546,380)	189,070
Decrease in receivables	2,266,809	-	1,630	3,098
Net cashflow (used in)/from operating activities	(4,050,193)	(34,132)	4,831,995	(746,845)
Investing activities				
Interest received	60,639	-	1,345	61,519
Purchase of financial assets	(122,968,481)	-	-	(122,968,481)
Proceeds from sale of financial assets	130,990,000	-	-	130,990,000
Net cashflow from/(used in) investing activities	8,082,159	-	1,345	8,083,038
Financing activities				
Purchase of own shares	(43,839,588)	-	(4,838,375)	(47,130,824)
Net cashflow from/(used in) financing activities	(43,839,588)		(4,838,375)	(47,130,824)
Cash and cash equivalents at beginning of year	45,083,160	34,132	69,347	45,154,187
Currency aggregation adjustment	-	-	-	(40,357)
Decrease in cash and cash equivalents	(39,807,620)	(34,132)	(5,035)	(39,794,631)
Cash and cash equivalents at end of year	5,275,540	-	64,312	5,319,199

The notes on pages 60 to 78 and the Primary Accounting Policies on page 51 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2014

	Ordinary Shares			
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Operating activities				
Increase in net assets attributable to shareholders after other comprehensive income	51,958,882	743,124	4,648,568	57,540,468
(Decrease)/increase in unrealised appreciation on financial assets at fair value through profit or loss	(27,971,936)	1,780,001	(3,685,755)	(29,037,338)
Realised gains on sales of financial assets	(19,766,892)	(2,067,466)	-	(21,372,566)
Realised gains on conversions	(1,714,328)	(506,929)	(774,632)	(2,605,321)
Gain on purchase of own shares	(3,123,107)	-	(256,678)	(3,278,896)
Interest income	(102,451)	(1,318)	(9,967)	(109,562)
Currency aggregation adjustment	-	-	-	(1,944,229)
Adjustment to allocation of reserves brought forward	(1,074,285)	(26,043)	1,750,064	-
Accretive gain transfer between share classes	(256,363)	86,971	291,403	-
(Decrease)/increase in payables	(267,949)	32,007	3,916,460	(6,968)
(Increase)/decrease in receivables	(2,510,216)	36,125	330,154	6,689
Net cashflow (used in)/from operating activities	(4,828,645)	76,472	6,209,617	(807,723)
Investing activities				
Interest received	102,451	1,318	9,967	109,562
Purchase of financial assets	-	(50,000)	(440,000)	(321,300)
Proceeds from sale of financial assets	85,000,001	13,468,690	-	95,460,307
Net cashflow from/(used in) investing activities	85,102,452	13,420,008	(430,033)	95,248,569
Financing activities				
Purchase of own shares	(61,827,972)	-	(5,764,619)	(65,537,688)
Redemption of share class	-	(13,467,825)	-	(10,459,634)
Net cashflow used in financing activities	(61,827,972)	(13,467,825)	(5,764,619)	(75,997,322)
Cash and cash equivalents at beginning of year	26,637,325	5,477	54,382	26,674,719
Currency aggregation adjustment	-	-	-	35,944
Increase in cash and cash equivalents	18,445,835	28,655	14,965	18,443,524
Cash and cash equivalents at end of year	45,083,160	34,132	69,347	45,154,187

The notes on pages 60 to 78 and the Primary Accounting Policies on page 51 form an integral part of these Financial Statements.

Notes to the Financial Statements

1. **ACCOUNTING POLICIES**

(a) Basis of preparation

The Financial Statements have been prepared in conformity with International Financial Reporting Standards as adopted by the European Union ("IFRS") and applicable Guernsey law. The Financial Statements have been prepared on an historical cost basis except for the measurement at fair value of financial assets designated at fair value through profit or loss.

The Financial Statements are presented in Sterling because that is the currency of the primary economic environment in which the Company operates.

(b) Going concern

As described in Note 9, should the average 12 month discount at which the shares of any class trade to their net asset value exceed 5% of net asset value per share, the Company was obliged to offer a continuation vote to class shareholders. This requirement to offer a continuation vote was triggered in respect of the Sterling Share Class during November 2015. However, the announcement from the BlueCrest funds concerning a return of capital to investors (further described in Note 16) was received before a continuation vote was held, and so a replacement resolution was put to shareholders of both Classes at the meetings held on 24 February.

As at the statement of financial position date, the Directors had obtained feedback from several shareholders indicating that they wished the Company to continue with a revised investment objective and the Board were well advanced in their selection of a successor Investment Manager. At that time, the Company had adequate financial resources and as a consequence of the feedback they had received, the Directors believed the Company was well placed to manage its business risks successfully. After making appropriate enquiries, the Directors had at that time and still have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors have adopted the going concern basis in preparing the financial information.

(c) Taxation

The Company has been granted exemption under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 from Guernsey Income Tax, and is charged an annual fee of £1,200 (2014: £600).

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses relating to the Company are allocated across the two (2014: three) share classes proportionally based on their individual net asset values.

(e) Interest income

Interest income is accounted for on an accruals basis.

(f) Cash and cash equivalents

Cash and cash equivalents are defined as call deposits and short term deposits readily convertible to known amounts of cash and subject to insignificant risk of changes in value, together with bank overdrafts. For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and deposits at bank, together with bank overdrafts.

(g) Foreign currency translation

The Financial Statements are presented in Sterling, which is the Company's functional and presentation currency. Operating expenses in foreign currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date. Investments in US Dollars and Euro share classes were initially recorded in their respective currencies and translated into the Company's functional currency at the reporting date. All differences on these foreign currency translations are taken to the Statement of Comprehensive Income.

At the reporting date the results of the Share Classes are shown on the Statement of Comprehensive Income in their respective currencies. These are then converted using the average exchange rate for the year and the Sterling total presented. Any exchange difference arising on the aggregation of share classes is presented on the Statement of Comprehensive Income as Other Comprehensive Income.

(h) Segment information

For management purposes, the Company is organised into one business unit, and hence no separate segment information has been presented.

(i) Shares

The Shares are initially recognised on the date of issue at the net of issue proceeds and share issue costs. The carrying value of the shares is subsequently re-measured as equal and opposite to the other net assets of the Company.

Net gain on purchase of own shares is presented on the Statement of Comprehensive Income. The net gain/(loss) of purchased Shares by the Company derives from the difference between the NAV and the purchase cost at purchase date.

During 2015, a continuation vote was triggered and consequently all the shares have been classified as current liabilities.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described on page 51 and in Note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements and estimates that the Directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the Financial Statements.

Fair Value hierarchy classification

In determining the level within the fair value hierarchy, set out in IFRS 13, the Directors consider whether inputs to a fair value measurement are observable, and significant to its measurement. This requires judgement based on the facts and circumstances around the published NAV of the underlying funds. The Directors consider the availability of the NAV, at the reporting date, and whether holdings would be redeemable at such a NAV with evidence of redemptions at reporting date. They also consider whether unobservable adjustments, such as liquidity discounts, have been made by the Company. In the event there is any change in the above factors, a transfer between fair value hierarchy will be deemed to have occurred and would be disclosed in Note 7.

3. OPERATING EXPENSES

	1 Jan 2015 to 31 Dec 2015 Ordinary Shares		
	Sterling Share Class £	US Dollar Share Class $	Total £
Administration Fees	164,648	9,452	170,832
Directors' remuneration	216,114	12,407	224,231
Registration fees	76,834	4,411	79,720
Audit fees	24,185	1,388	25,093
Legal and Professional fees	315,347	18,104	327,191
Profit on exchange	(40,920)	(21,798)	(55,181)
Other operating expenses	234,626	15,037	244,464
Total expenses for the year	990,834	39,001	1,016,350

	1 Jan 2014 to 31 Dec 2014 Ordinary Shares			
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Administration Fees	173,880	2,237	16,916	185,950
Directors' remuneration	182,148	2,341	17,704	194,780
Registration fees	84,959	1,093	8,265	90,856
Audit fees	24,032	309	2,338	25,700
Legal and Professional fees	70,267	41,460	6,836	107,824
Profit on exchange	(68,144)	2,482	2,153	(64,837)
Other operating expenses	252,690	2,666	24,252	269,558
Total expenses for the year	719,832	52,588	78,464	809,831

4. DIRECTORS' REMUNERATION

	1 Jan 2015 to 31 Dec 2015 £	1 Jan 2014 to 31 Dec 2014 £
Richard Crowder, Chairman	60,000	60,000
Steve Le Page, Chairman Audit Committee (appointed 3.6.14)	50,000	28,846
Jonathan Hooley, Chairman Audit Committee (resigned 25.4.14)	-	15,934
Paul Meader, Senior Independent Director	48,000	48,000
John Le Prevost (resigned 27.4.16)	42,000	42,000
Sarita Keen (appointed 3.6.15)	24,231	-
Andrew Dodd (resigned 3.2.16)	Waived	Waived
	224,231	194,780

The agreed annual directors fees are Richard Crowder £60,000 (2014: £60,000), Steve Le Page £50,000 (2014: £50,000), Jonathan Hooley £nil (2014: £50,000), Paul Meader £48,000 (2014: £48,000), John Le Prevost £42,000 (2014: £42,000) and Sarita Keen £42,000 (2014: £nil). Where applicable, pro rata fees have been paid on resignation and from appointment date.

During the year, Paul Meader undertook additional duties involving a liaison with the Company's principal individual shareholders. Mr Meader received an additional fee of £35,783 (31 December 2014: £17,680) for these duties which is included within Legal and Professional fees.

5. EARNINGS PER SHARE

	1 Jan 2015 to 31 Dec 2015 Ordinary Shares	
	Sterling Share Class	US Dollar Share Class
The net gain for the year	£22,449,712	$2,038,238
The weighted average number of shares in issue during the year	389,791,806	30,540,760
	Pence (£)	Cents ($)
Earnings per share	5.75	6.67

	1 Jan 2014 to 31 Dec 2014 Ordinary Shares Sterling Share Class £	Euro Share Class €	US Dollar Share Class $
The net gain for the year	£51,958,882	€743,124	$4,648,568
The weighted average number of shares in issue during the year	410,011,172	6,175,984	40,496,798
	Pence (£)	**Cent(€)**	**Cents ($)**
Earnings per share	12.67	12.03	11.47

6. RELATED PARTY TRANSACTIONS

Transactions with related parties are made on terms equivalent to those that prevail in an arm's length transaction.

Anson Registrars Limited is the Company’s registrar, transfer agent and paying agent. John R Le Prevost is a Director and controller of Anson Registrars Limited. £79,720 (2014: £90,856) of costs were incurred by the Company with this related party in the year, of which £7,862 (2014: £8,398) was payable at 31 December 2015.

JTC (Guernsey) Limited is the Company’s administrator and secretary. £170,832 (2014: £185,950) of costs were incurred by the Company with this related party in the year, of which £14,868 (2014: £17,000) was payable at 31 December 2015.

John R Le Prevost is a Director and controller of Anson Custody Limited. Until November 2014, Anson Custody Limited acted as nominee for a proportion of the GBP shares (265,000 shares). JTC (Guernsey) Limited acted as nominee for these shares from this date.

7. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2015 Ordinary Shares Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
UNQUOTED FINANCIAL ASSETS				
Portfolio cost carried forward	537,715,020	-	37,197,008	562,966,713
Unrealised appreciation on valuation carried forward	176,086,387	-	5,579,621	179,874,189
Valuation carried forward	713,801,407	-	42,776,629	742,840,902
Realised gains on sales and conversions	21,849,734	-	4,647,459	25,004,725
Decrease in unrealised appreciation	(1,170,178)	-	(2,841,115)	(2,788,254)
Net gains on financial assets at fair value through profit or loss	**20,679,556**	-	**1,806,344**	**22,216,471**

	As at 31 December 2014 Ordinary Shares Sterling Share	Euro Share	US Dollar Share	Total

	Class £	Class €	Class $	£
UNQUOTED FINANCIAL ASSETS				
Portfolio cost carried forward	548,101,763	-	66,635,029	590,879,595
Unrealised appreciation on valuation carried forward	177,256,565	-	8,420,736	182,662,443
Valuation carried forward	725,358,328	-	75,055,765	773,542,038
Realised gains on sales and conversions	21,481,220	2,574,395	774,632	23,977,887
(Increase)/Decrease in unrealised appreciation	27,969,549	(1,780,001)	3,685,755	29,037,338
Net gains on financial assets at fair value through profit or loss	**49,450,769**	**794,394**	**4,460,387**	**53,015,225**

As at 31 December 2015
Ordinary Shares

	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
QUOTED FINANCIAL ASSETS				
Portfolio cost carried forward	47,758,312	-	-	47,758,312
Unrealised appreciation on valuation carried forward	83,330	-	-	83,330
Valuation carried forward	47,841,642	-	-	47,841,642
Realised gains on sales and conversions	18,950	-	-	18,950
Increase in unrealised appreciation	77,337	-	-	77,337
Net gains on financial assets at fair value through profit or loss	**96,287**	-	-	**96,287**

As at 31 December 2014
Ordinary Shares

	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
QUOTED FINANCIAL ASSETS				
Portfolio cost carried forward	1,170,881	-	-	1,170,881
Unrealised appreciation on valuation carried forward	5,993	-	-	5,993
Valuation carried forward	1,176,874	-	-	1,176,874
Realised gains on sales and conversions	-	-	-	-
Increase in unrealised appreciation	2,387	-	-	2,387
		-	-	
Net gains on financial assets at fair value through profit or loss	2,387	-	-	2,387

IFRS 13 requires fair value to be disclosed by the source of inputs, using a three-level hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either

directly (as prices) or indirectly (derived from prices) (Level 2); and

- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of the unquoted investments held by the Company are based on the published NAV of the underlying investments in AllBlue Limited and AllBlue Leveraged Feeder Limited. Following the announcement from BlueCrest on 1 December 2015 that AllBlue Limited and AllBlue Leveraged Fund Limited were closed to redemptions, the unquoted financial assets transferred from level 2 to level 3, on the basis that the NAV is no longer observable due to the return of capital programme (see Note 16). In the prior year the significant input to the fair value was observable and no significant unobservable adjustments were made to the valuations and so the Company categorised all the unquoted investments as Level 2. The quoted investments held by the Company, the ICS Funds, are in an active market with a directly observable price. The Company therefore classifies the investment as Level 1 in accordance with the fair value hierarchy.

Details of the value of the classifications are listed in the table below. Values are based on the fair value of the investments as at the reporting date:

	Fair Value as at 31 Dec 2015 GBP	Fair Value as at 31 Dec 2014 GBP
Level 1	47,841,642	1,176,874
Level 2	-	773,542,038
Level 3	742,840,902	-

Level 3 reconciliation

The following table shows a reconciliation of all movements in the fair value of investments categorised within Level 3 between the beginning and the end of the reporting period:

	2015 GBP	2014 GBP
Balance at beginning of year	-	-
Transfer from Level 2	742,840,902	-
Balance at end of year	742,840,902	-

8. STATED CAPITAL

Authorised Share Capital

An unlimited number of Unclassified shares of no par value each.

Issued	Ordinary Shares Sterling Share Class	Euro Share Class	US Dollar Share Class	Total
Number of shares in issue at 1 January 2014	431,526,962	8,772,064	38,596,617	478,895,643
Conversions	(476,592)	(1,521,979)	2,899,179	900,608
Purchase of own shares	(34,545,984)	-	(3,265,850)	(37,811,834)
Redemption 30 September 2014	-	(7,250,085)	-	(7,250,085)
Number of shares in issue at 31 December 2014	396,504,386	-	38,229,946	434,734,332
Conversions	8,324,658	-	(13,337,017)	(5,012,359)
Purchase of own shares	(23,263,000)	-	(2,700,000)	(25,963,000)
Number of shares in issue at 31 December 2015	381,566,044	-	22,192,929	403,758,973

As explained in Note 1(i) above the share classes have been recognised as liabilities.

In the event of a return of capital on a winding-up or otherwise, the holders of Shares are entitled to participate in the distribution of capital after paying all the debts and satisfying all the liabilities attributable to the relevant Share class.

The holders of Shares of the relevant Share class shall be entitled to receive by way of capital any surplus assets of the Share class in proportion to their holdings. In the event that the Share class has insufficient funds or assets to meet all the debt and liabilities attributable to that Share class, any such shortfall shall be paid out of funds or assets attributable to the other Share classes in proportion to the respective net assets of the relevant Share classes as at the date of winding-up.

Pursuant to Section 276 of the Law, a share in the Company confers on the shareholder the right to vote on resolutions of the Company, the right to an equal share in dividends authorised by the Board of Directors, and the right to an equal share in the distribution of the surplus assets of the Company.

9. DISCOUNT MANAGEMENT PROVISION

On 24 February 2016, the Company's Articles were amended by special resolution to remove the previous discount management provision, and to insert the following provision:

The Directors shall at the Annual General Meeting of the Company to be held in 2021 propose an Ordinary Resolution that the Company continues its business as a closed-ended collective investment scheme (a “Continuation Resolution”). If a Continuation Resolution is passed at such Annual General Meeting then the Directors shall be required to propose a further Continuation Resolution at every fifth Annual General Meeting thereafter.

If a Continuation Resolution is not passed, then the Directors shall, within six months of such Continuation Resolution not being passed, put proposals to Shareholders for the reconstruction, reorganisation or winding up of the Company.

Until 24 February 2016 the Company's Articles incorporated a discount management provision (which applied to each class of Ordinary Shares individually), requiring a continuation vote to be proposed in respect of the particular class of Ordinary Shares at a class meeting of the relevant shareholders (by way of ordinary resolution) if, over the previous 12 month rolling period commencing from 1 January 2008, the relevant class of Ordinary Shares has traded, on average (calculated by averaging the closing mid-market share price on the dates which are 5 Business Days after the date on which each estimated Published NAV announcement is made for each NAV Calculation date over the period) at a discount in excess of 5 per cent to the average NAV per Ordinary Share of that class (calculated by averaging the NAV per Ordinary Share of that class as at the NAV Calculation Date at the end of each month during the period).

In the event that a vote to continue was proposed and passed for any class of Ordinary Shares as a result of the operation of such mechanism, no further continuation vote was capable of being proposed for that class for a further 12 months from the date of the passing of the continuation resolution.

If such continuation vote was not passed, the Directors were to be required to formulate redemption proposals to be put to the Shareholders of that class offering to redeem their Ordinary Shares at the relevant published NAV on the NAV Calculation Date immediately preceding such redemption (less the costs of all such redemptions). However, where one or more such resolutions in respect of the same period is/are not passed and the class(es) of Ordinary Shares involved represent 75 per cent., or more of the Company's net assets attributable to all Ordinary Shares at the last NAV Calculation Date on or immediately preceding the date of the latest continuation resolution being defeated, the Directors may first (at their discretion) put forward alternative proposals to all Shareholders to offer to repurchase their shares or to reorganise, reconstruct or wind up the Company. If, however, such alternative proposals are not passed by the necessary majority of shareholders of the relevant class, the Directors must proceed to offer to redeem the relevant class(es) of Ordinary Shares on the terms described above.

Where following redemption of any class of Ordinary Shares under the discount management provision in place prior to 24 February 2016, the number of Ordinary Shares of that class remaining in issue represent less than 25 per cent., of the Ordinary Shares of that class in issue immediately before such redemption or the listing for such class of Ordinary Shares on the Official List is withdrawn or threatened to be withdrawn or the Directors determine that the conditions for the continued listing of that class are not (or they believe will not be) met, then the Company may redeem the remaining issued Ordinary Shares of that class within three months of such determination at a redemption price equal to the NAV of the Ordinary Shares of that class on the NAV Calculation Date selected by the Directors for such purpose (less the costs of such redemption).

On 30 October 2015, the Company's rolling 12 month discount floor provision was triggered for the Sterling class of the Company's shares by reference to the final NAV as at 30 October 2015. In accordance with the Company's articles of association, a continuation vote was proposed for this class by way of ordinary resolution. As a result, the unquoted financial assets are disclosed as current rather than non current assets.

10. TREASURY SHARES

The Capital and Reserves disclosure below is intended to highlight the legal nature, under applicable Company Law, of the amounts attributable to shareholders and also the existence and effect of the Treasury shares held by the Company. This is supplemental disclosure and not required under IFRS.

		Ordinary Shares			
As at 31 December 2015	**Notes**	**Sterling Share Class £**	**Euro Share Class €**	**US Dollar Share Class $**	**Total £**
Stated capital	8	-	-	-	-
Treasury shares		(79,026,334)	-	(4,114,619)	(81,317,613)
Reserves	11	845,957,145	-	46,578,369	877,071,141
		766,930,811	-	42,463,750	795,753,528

		Ordinary Shares			
As at 31 December 2014	**Notes**	**Sterling Share Class £**	**Euro Share Class €**	**US Dollar Share Class $**	**Total £**
Stated capital	8	-	-	-	-
Treasury shares		(86,173,604)	-	(6,021,297)	(89,759,256)
Reserves	11	860,280,204	-	77,224,467	909,576,307
		774,106,600	-	71,203,170	819,817,051

	Ordinary Shares			
TREASURY SHARES As at 31 December 2015	**Sterling Share Class £**	**Euro Share Class €**	**US Dollar Share Class $**	**Total £**
Balance as at 1 January 2015	86,173,604	-	6,021,297	89,759,256
Acquired during year	46,443,652	-	5,107,925	49,911,237
Cancelled during the period	(53,590,922)	-	(7,014,603)	(58,352,880)
	79,026,334	-	4,114,619	81,317,613

	Ordinary Shares			
As at 31 December 2014	**Sterling Share Class £**	**Euro Share Class €**	**US Dollar Share Class $**	**Total £**
Balance as at 1 January 2014	82,314,408	-	7,364,937	86,762,640
Acquired during year	64,951,079	-	6,021,297	68,816,584
Cancelled during the period	(61,091,884)	-	(7,364,937)	(65,819,968)
	86,173,604	-	6,021,297	89,759,256

The treasury shares reserve represents 40,326,746 (2014: 43,911,473) Sterling Shares and 2,156,861 (2014: 3,265,845) Dollar Shares purchased in the market at various prices per share ranging from £1.86 to

£1.9199 (2014: £1.752 to £1.8648) for Sterling Shares and $1.775 to $1.8125 (2014: $1.7525 to $1.775) for Dollar shares, and held by the Company in treasury.

Cancellation of 26,847,727 (2014: 36,910,863) Sterling Shares and 3,808,984 (2014: 4,310,945) Dollar Shares took place during the year. Following the EGM held on 24 February 2016, all remaining treasury shares in the Company were cancelled.

During the year, the Company bought back 23,263,000 (2014: 34,545,984) Sterling shares with an average price of £1.8861 (2014:£1.8084) pence and discount of 5.62% (2014: 4.62%) to NAV.

During the year, the Company bought back 2,700,000 (2014: 3,265,850) Dollar Shares with an average price of $1.7948 (2014:$1.7638) pence and discount of 5.32% (2014: 4.15%) to NAV.

11. RESERVES

	Sterling Share Class £	31 Dec 2015 Ordinary Shares Euro Share Class €	US Dollar Share Class $	Total £
Balance as at 1 January 2015	860,280,204	-	77,224,467	909,576,307
Increase in net assets attributable to shareholders after other comprehensive income	22,449,712	-	2,038,238	25,847,714
Adjustment to allocation of reserves brought forward	338,972	-	(417,356)	-
Accretive gain transfer between share classes	(206,348)	-	215,756	-
Treasury shares cancelled during the period	(53,590,922)	-	(7,014,603)	(58,352,880)
Share conversions	16,685,526	-	(25,468,133)	-
		-		-
Balance as at 31 December 2015	845,957,145	-	46,578,369	877,071,141

	Sterling Share Class £	31 Dec 2014 Ordinary Shares Euro Share Class €	US Dollar Share Class $	Total £
Balance as at 1 January 2014	870,307,904	15,454,948	74,776,376	928,315,440
Increase in net assets attributable to shareholders after other comprehensive income	51,958,882	743,124	4,648,568	57,540,468
Adjustment to allocation of reserves brought forward	(1,074,285)	(26,043)	1,750,064	-
Accretive gain transfer between share classes	(256,363)	86,971	291,403	-
Redemption of share class	-	(13,467,825)	-	(10,459,634)
Treasury shares cancelled during the period	(61,091,884)	-	(7,364,937)	(65,819,968)
Share conversions	435,949	(2,791,175)	3,122,992	-
Balance as at 31 December 2014	860,280,204	-	77,224,467	909,576,307

12. FINANCIAL INSTRUMENTS

The Company’s main financial instruments at the year end, and the prior year end comprise:

(a) Cash and cash equivalents that arise directly from the Company’s operations;

(b) Shares held in AllBlue and AllBlue Leveraged; and

(c) Shares held in ICS.

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks in 2015 which arose from the Company's financial instruments concerned its holding of shares in AllBlue and AllBlue Leveraged. The risks attached to those shares were market price risk, credit risk, liquidity risk and interest rate risk and also increased volatility due to leverage employed by the funds underlying AllBlue as explained below.

As at the year end the Company was not exposed directly to material foreign exchange risk as each class of shares in the Company was directly invested in shares of AllBlue, AllBlue Leveraged and ICS denominated in the same corresponding currency. This is still the case as the Sterling share class is now invested into the Sterling share class of Highbridge.

So far as the Company is concerned the only risk over which the Board was and is able to exercise direct control is the liquidity risk attaching to its ability to realise shares in AllBlue, AllBlue Leveraged, ICS and now Highbridge for the purpose of meeting share buy backs and ongoing expenses of the Company. For this purpose the Board created a Cash Reserve to provide funds to enable the Company to settle share buy backs and meet its expenses in the ordinary course of the business. Since the change of investment policy and the appointment of Highbridge as Investment Manager, the Company has not held any Cash reserve, relying instead on cash proceeds due on its creditor interests and the possibility of redeeming from HMSF to enable it to meet its liabilities as they fall due.

Thereafter indirectly the Board recognises that the Company had via its holding of shares in AllBlue, AllBlue Leveraged and ICS and has now, via its holding of shares in HMSF, an indirect exposure to the risks summarised below.

For the shares held in ICS the Board notes that such shares may be realised on short notice on any business day. The proceeds in respect of thereof usually being transmitted by telegraphic transfer on the business day following receipt of the redemption notice by the ICS fund, subject to cut-off times depending on the specific ICS fund in which shares are being redeemed.

It must also be noted that there was little or nothing which the Board could do to manage each of the other risks within AllBlue, AllBlue Leveraged or the funds underlying AllBlue in which AllBlue and AllBlue Leveraged invested under the investment objective of the Company prior to 25 February 2016. The same is now true in respect of the risks within HMSF under the current investment objective of the Company.

(a) Price Risk

The success of the Company's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities' prices and the liquidity of the underlying funds' investments. Volatility or illiquidity could impair the profitability of, or result in losses in, the underlying funds' investments.

Details of the Company's Investment Objective and Policy are given on page 8.

Price sensitivity

The Company invested substantially all its assets in AllBlue, AllBlue Leveraged and ICS and now invests in HMSF (hereafter referred to collectively as "Investees" and individually as an "Investee" of the Company"). It does not undertake any structural borrowing or hedging activity at the Company level. Its performance was therefore directly linked to the NAV of the Investees of the Company, which themselves are driven by the prices of a large number of positions in listed and unlisted securities.

At 31 December 2015, if the NAV of AllBlue, AllBlue Leveraged and ICS had been 10% higher/lower with all the other variables held constant, the net assets attributable to Shareholders for the year would have increased/decreased by £76,164,305 (2014: £72,653,520) for the Sterling Class and $4,277,663 (2014: 7,505,576) for the Dollar Class. This change arises due to the increase/ decrease in the fair value of financial assets at fair value through profit or loss.

(b) Credit Risk

The nature of commercial arrangements made in the normal course of business between many prime brokers and custodians means that in the case of any one prime broker or custodian defaulting on its obligations to an Investee of the Company, the effects of such a default may have negative effects on other prime brokers with whom other Investees of the Company deal. The investments underlying the Company may, therefore, be exposed to systemic risk when Investees deal with prime brokers and custodians whose creditworthiness may be interlinked.

The assets underlying Investees may be pledged as margin with prime brokers or other counterparties or held with prime brokers or banks. In the event of the default of any of these prime brokers, banks or counterparties, Investees, and therefore the Company, may not receive back all or any of the assets pledged or held with the defaulting party.

Therefore the maximum credit risk to which the Company was exposed at the year end was £796,042,391 (2014: £819,916,844), that is the total assets.

The main concentration of risk for the Company related to its investments in AllBlue and AllBlue Leveraged, although this was mitigated by the diversification offered by their investments into the funds underlying

AllBlue. The main concentration risk now arises form the Company's investment into HMSF which is itself also diversified through its holdings of many underlying investments.

(c) Liquidity Risk

In some circumstances, investments held by the Investees may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted for them on the various exchanges. Accordingly, an Investee's ability to respond to market movements may be impaired and, consequently, the Investee may experience adverse price movements upon liquidation of its investments which may in turn affect the value of the Company's investment. Settlement of transactions may be subject to delay and administrative formalities.

There can be no assurance that the liquidity of the Company's investments will always be sufficient to meet redemption requests as, and when, made. Any such lack of liquidity may affect the ability of the Company to realise its shares in its investments and the value of Shares in the Company. For such reasons the treatment by the managers of the Company's investments of redemption requests may be deferred in exceptional circumstances including if a lack of liquidity may result in difficulties in determining their NAV and their NAV per share. This in turn would limit the ability of the Directors to realise the Company's investments should they consider it appropriate to do so and may result in difficulties in determining the NAV of a Share in the Company.

The market prices, if any, for such illiquid investments tend to be volatile and may not be readily ascertainable and the relevant underlying fund may not be able to sell them when it desires to do so or to realise what it perceives to be their fair value in the event of a sale. The size of the positions of the funds underlying AllBlue an Investee may magnify the effect of a decrease in market liquidity for such instruments. Changes in overall market leverage, deleveraging as a consequence of a decision by the counterparties with which the Investees enter into repurchase/reverse repurchase agreements or derivative transactions, to reduce the level of leveraging, or the liquidation by other market participants of the same or similar positions, may also adversely affect the portfolios of the Investees.

The sale of restricted and illiquid securities often requires more time and results in higher brokerage charges or dealer discounts and other selling expenses than does the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets.

The Investees and the Underlying Fund may not be able readily to dispose of such illiquid investments and, in some cases, may be contractually prohibited from disposing of such investments for a specified period of time. Restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale. Shareholders should note that the Company is currently awaiting redemption proceeds from AllBlue and AllBlue Leveraged. Further information is provided in Note 16 to the Financial Statements.

	1-3 Months £	Payable if a shareholder	Total £

			vote is not passed £	
As at 31 December 2015				
Net assets at the end of the period attributable to shareholders		-	795,753,528	795,753,528
Accrued expenses		288,863	-	288,863
Total		288,863	795,753,528	796,042,391

		1-3 Months £	Payable if a shareholder vote is not passed £	Total £
As at 31 December 2014				
Net assets at the end of the period attributable to shareholders		-	819,817,051	819,817,051
Accrued expenses		99,793	-	99,793
Total		99,793	819,817,051	819,916,844

(d) Interest Rate Risk

The prices of securities tend to be sensitive to interest rate fluctuations. Unexpected fluctuations in interest rates could cause the corresponding prices of long positions and short positions adopted to move in directions which were not originally anticipated. Generally, an increase in interest rates will increase the carrying costs of investments. However, the Company's investments designated as at fair value through profit or loss are non interest bearing, and therefore are not directly exposed to interest rate risk.

The Company's own cash balances are not materially exposed to interest rate risk as cash and cash equivalents are held on floating interest rate deposits with banks and the Company does not rely on income from bank interest to meet day to day expenses.

(e) Leverage by funds underlying AllBlue

Certain funds underlying AllBlue in which the Company has an economic interest, operate with a substantial degree of leverage and are not limited in the extent to which they either may borrow or engage in margin transactions. The positions maintained by such underlying funds may in aggregate value be in excess of the NAV of AllBlue and AllBlue Leveraged. This leverage presents the potential for a higher rate of total return but will also increase the volatility of AllBlue, AllBlue Leveraged and, as a consequence, the Company, including the risk of a total loss of the amount invested.

(f) Leverage by AllBlue Leveraged

AllBlue Leveraged operated with a substantial degree of leverage for the purposes of making investments and was not limited in the extent to which it could either borrow or engage in margin transactions although leverage was expected to be an amount equal to approximately 100 per cent. (50 per cent. prior to 1 January 2015). This leverage presented the potential for a greater rate of total return but also increased exposure to capital risk and interest costs. The Directors understand that AllBlue Leveraged has now repaid all of its borrowing.

(g) Capital Management

The investment objective of the Company prior to 25 February 2016 was to provide Shareholders with consistent long-term capital growth through an investment policy of investing substantially all of its assets in AllBlue or any successor vehicle to AllBlue. Since 25 February it is to seek to provide consistent returns with low volatility through an investment policy of investing substantially all of its assets in Highbridge Multi-Strategy fund (“the Underlying Fund”) or any successor vehicle of the Underlying Fund. The Company does not intend to pay any distributions to shareholders.

As the Company’s Ordinary Shares are of no par value, distributions are not paid and Guernsey Company law does not require the maintenance of a Share premium account, the Directors regard the otherwise distributable reserves of the Company to be its capital for the purposes of this disclosure. Capital for the reporting year under review is summarised in Note 866 to these financial statements.

At the last Annual General Meeting held pursuant to section 199 of the 2008 Law, the Directors were granted authority to buy back up to 14.99 per cent. of the Ordinary Shares in issue. The Company's authority to make purchases of its own issued Ordinary Shares will expire at the conclusion of the next general meeting of the Company to be held pursuant to section 199 of the 2008 Law and renewal of such authority will be sought at the next general meeting. The timing of any purchases will be decided by the Board.

The Directors intend that purchases will only be made pursuant to this authority through the market, for cash, at prices below the prevailing NAV per Share where the Directors reasonably believe such purchases will be of material benefit to the Company.

The Company’s authorised Share capital is such that further issues of new Ordinary Shares could be made, subject to waiver of pre-emption rights. Subject to prevailing market conditions, the Board may decide to make one or more further such issues or reissues of Ordinary Shares for cash from time to time. Any further issues of new Ordinary Shares or reissues of Ordinary Shares held in treasury will rank pari passu with Ordinary Shares in issue.

There are no provisions of the Law which confer rights of pre-emption in respect of the allotment of Shares but there are pre-emption rights contained in the Articles. The Directors have, however, been granted the power to issue 48 million further Shares on a non pre-emptive basis for a period concluding on 31 December 2016, by a special resolution of Shareholders passed on 30 July 2015, unless such power is previously revoked by the Company's Shareholders in a general meeting pursuant to section 199 of the Law. The Directors intend to request that the authority to allot Shares on a non-pre-emptive basis is renewed at each general meeting of the Company.

Unless authorised by Shareholders, the Company will not issue further Ordinary Shares or reissue Ordinary Shares out of treasury for cash at a price below the prevailing NAV per Share unless they are first offered pro rata to existing shareholders.

14. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The following Standards or Interpretations have been adopted in the current year. Their adoption has not had any impact on the amounts reported in these Financial Statements.

IFRS 13 Fair value measurement - Amendments from Annual improvements cycle effective for annual periods beginning on or after 1 July 2014.

The following Standards or Interpretations that are expected to be applicable to the Company have been issued but not yet adopted. Other Standards or Interpretations issued by the IASB or IFRIC are not expected to be applicable to the Company. The Board have reviewed the impact of the standards below on the Company and they do not expect there to be any changes to the measurement of items in the Financial Statements but recognise additional disclosure may be required.

IFRS 7 Financial Instruments: Disclosures - Deferral of mandatory effective date of IFRS 9 and amendments relating to additional hedge accounting disclosures (and consequential amendments). Applies only when IFRS 9 is adopted, which is effective for annual periods beginning on or after 1 January 2018.

IFRS 7 Financial Instruments: Amendments resulting from September 2014 Annual Improvements to IFRSs, effective for annual periods beginning on or after 1 January 2016.

IFRS 9 Financial Instruments - Finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition, effective for accounting periods commencing on or after 1 January 2018 (EU endorsement is outstanding).

IAS 1 Presentation of Financial Statements - Amendments from the disclosure initiative effective for annual periods beginning on or after 1 January 2016.

15. NET ASSET VALUE PER SHARE

The NAV per share per the Financial Statements is not equal to the published NAV per share. The published NAV per share for Sterling share class was £2.0067 and US Dollar share class $1.9103 which represents the NAV per share attributable to shareholders in accordance with the Prospectus, amended using a discounted cashflow methodology. The Financial Statements do not allow for this discount and show a NAV per share for Sterling share class as £2.0099 and US Dollar share class $1.9133.

16. EVENTS AFTER THE REPORTING PERIOD

On 1 December 2015, BlueCrest, the Investment Manager to the BlueCrest suite of funds, and the Board of Directors of each of the relevant BlueCrest funds (or General Partner, where appropriate) announced that the BlueCrest funds would embark upon a programme to return the capital managed in these funds to investors.

The AllBlue suite of funds have been fully redeemed from three of the underlying funds, being BlueCrest Emerging Markets, BlueTrend 2x and BlueCrest Equity Strategies funds and partially redeemed from four of the underlying funds, being BlueCrest Capital International, BlueCrest Multi-Strategy Credit, BlueCrest Mercantile and BlueCrest Quantitative Equity funds. All third party AllBlue investors have redeemed or withdrawn in full, in respect of the redemption/withdrawal day on 4 January 2016. It was expected that approximately 75% of redemption proceeds was to be paid to investors before the end of January 2016, with the remainder as soon as practicable thereafter.

To date (27 April 2016) the Company has received redemption proceeds as follows:

Sterling Share Class		
06/01/2016	£ 332,678,288	
12/01/2016	£ 2,804,217	
28/01/2016	£ 165,354,783	
24/02/2016	£ 7,668,573	
25/02/2016	£ 31,646,298	
29/03/2016	£ 16,434,016	
TOTAL:	£ 556,586,175	79% returned (estimated*)

US Dollar Share Class		
12/01/2016	$ 22,400,077	
29/01/2016	$ 9,063,077	
25/02/2016	$ 2,118,038	
30/03/2016	$ 891,737	
TOTAL:	$ 34,472,928	79% returned (estimated*)

*Estimated as a result of the fact that the final payment values from AllBlue cannot be known with certainty.

All the Company's shareholders were offered the opportunity to redeem up to 100 per cent of their Shares in the Company as at the Record Date. This Cash Exit Offer closed at 5pm on 22 February 2016. The final number of Shares to be redeemed pursuant to the Cash Exit Offer was as follows:

Sterling Share Class 254,398,888 (67% of total share class)

US Dollar Share Class 15,655,071 (71% of total share class)

On 24 February 2016 the Company's investment policy was changed to permit investment into the Underlying Fund. The Company's investment into the Underlying Fund took effect from 1 March 2016. The Company's name was also changed to Highbridge Multi-Strategy Fund Limited.

On 26 February 2016 6,537,858 US$ Shares remaining following completion of the Cash Exit Offer were compulsory converted into 4,460,577 Sterling Shares using the net asset value as at 19 February 2016. As a result of this, the Company’s assets exceeded its liabilities by a considerable margin as a result of the Company’s issued shares being treated as equity, not current liabilities.

On 1 March 2016 Sterling Share Class investors participating in the cash exit opportunity received £1.54 per Sterling share totalling £391,774,288.

On 1 March 2016 US Dollar Share Class investors participating in the cash exit opportunity received $1.51 per US Dollar share totalling $23,639,157.

On 1 March 2016 the Company invested £204,153,922 into Highbridge Multi Strategy Fund through the non-restricted series sterling share class of Highbridge Capital Corporation, a limited liability company incorporated in the Cayman Islands.

Further distributions to investors participating in the cash exit opportunity, and subscriptions into Highbridge Capital Corporation, will take place as advised in the Circular dated 8 February 2016 once proceeds are received from the Company's investments in AllBlue and AllBlue Leveraged.

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2015

SECURITIES PORTFOLIO	NOMINAL HOLDINGS	VALUATION SOURCE CURRENCY	VALUATION GBP	TOTAL NET ASSETS %
AllBlue Limited Sterling Shares	2,968,821	£637,351,774	£637,351,774	80.09%
AllBlue Leveraged Feeder Limited Sterling Shares	284,177	£76,449,632	£76,449,632	9.61%
Institutional Sterling Government Liquidity Fund - Core (Acc) Shares	472,479	£47,841,642	£47,841,642	6.01%
AllBlue Limited US Dollar Shares	200,723	$42,776,629	£29,039,496	3.65%
			£790,682,544	99.36%

SCHEDULE OF INVESTMENTS AS AT 31 DECEMBER 2014

SECURITIES PORTFOLIO	NOMINAL HOLDINGS	VALUATION SOURCE CURRENCY	VALUATION GBP	TOTAL NET ASSETS %
AllBlue Limited Sterling Shares	2,864,983	£597,566,380	£597,566,380	72.89%
AllBlue Leveraged Feeder Limited Sterling Shares	488,780	£127,791,949	£127,791,949	15.59%
Institutional Sterling Government Liquidity Fund - Core (Acc) Shares	11,654	£1,176,874	£1,176,874	0.14%
AllBlue Limited US Dollar Shares	361,359	$75,055,765	£48,183,710	5.88%
			£774,718,912	94.50%

AllBlue Report

On the invitation of the Directors of the Company, this commentary has been provided by BlueCrest as investment manager of AllBlue Limited and is provided without any warranty as to its accuracy and without any liability incurred on the part of the Company, BlueCrest or AllBlue Limited. The commentary is not intended to constitute, and should not be construed as, investment advice. Potential investors in the Company should seek their own independent financial advice and may not rely on this communication in evaluating the merits of investing in the Company. The commentary is provided as a source of information for shareholders of the Company but is not attributable to the Company.

INVESTMENT MANAGER REPORT ON ALLBLUE FOR 2015

The Class A US$ shares of AllBlue Limited ("AllBlue") provided a net return of 2.60% for the year ended December 31, 2015. The return was delivered with low volatility, which came in at 3.2% for the year based on monthly returns, and a low correlation to equity markets.

During 2015, five of the seven underlying strategies provided a positive contribution, with the largest contribution coming from BlueCrest Equity Strategies. In combination, AllBlue retained its record of continual positive annual returns, and has been positive over every rolling 12 month period since inception.

The first quarter of 2015 saw gains generated by six of the seven strategies, led by BlueCrest Multi Strategy Credit, and with only BlueCrest Capital International detracting. The second quarter saw a more challenging environment for systematic strategies, with losses driven by BlueTrend and BlueCrest Quantitative Equity (BlueCrest Multi Strategy Credit was also modestly negative) offsetting the modest contributions from the remaining four strategies. BlueTrend led the contributions for the third quarter, by this stage through the exposure to BlueTrend 2x Leveraged as described below, and only BlueCrest Multi Strategy Credit posted a slight detraction for the quarter. The final quarter of 2015 saw more modest gains and losses, with the greatest contribution coming from BlueCrest Equity Strategies and the largest detractor being BlueCrest Multi Strategy Credit.

The year saw a number of changes within the AllBlue portfolio including:

As of 1 January 2015, Systematica Investments became the investment manager for BlueTrend. Systematica Investments was spun out of BlueCrest to manage several systematic strategies. This migration was completed successfully, without any significant impact to the AllBlue portfolio.

As of 1 June, the BlueCrest Mercantile management fee was reduced from 2% per annum to 1.5% per annum.

As of 1 July, AllBlue changed the vehicle through which it accesses BlueTrend's trend-following strategy to BlueTrend 2x Leveraged. This enabled AllBlue to gain similar exposure with greater cash efficiency, enabling AllBlue to make additional allocations to its other underlying funds.

As of 1 July, AllBlue allocated to a new share class in BlueCrest Capital International, which carried a 1%/25% fee structure compared to 2%/20% in the previous class.

During the year, the allocations to BlueCrest Capital International and BlueCrest Equity Strategies were increased by approx. 5% and 7% respectively. In the case of BlueCrest Capital International this increase followed a reduction in the allocation over Q1, and reflected increasing volatility within developed fixed income markets as investors anticipated the first hike in US interest rates. The increased allocation to BlueCrest Equity Strategies reflected the committees continued conviction that dispersion within equity markets would continue to present opportunities for portfolio managers. The allocations that were reduced over the year were BlueCrest Multi Strategy Credit, BlueCrest Quantitative Equity, BlueTrend and BlueCrest Mercantile which saw reductions of approximately -5%, -3%, -3% and -1% respectively. It should be noted that the reduction in allocation to BlueTrend coincided with a switch to access the “twice leveraged” vehicle as detailed above, so whilst the capital allocation was reduced risk exposure to the strategy marginally increased. The allocation to Emerging Markets finished the year in line with where it was at the end of the previous year.

Throughout the course of 2015 AllBlue’s Value at Risk (“VaR”) (Historic Simulation, 95% confidence, 1 day VaR) averaged 0.21%, slightly lower than the average for 2014, with a low of 0.06% being seen in December (following the announcement that AllBlue would return capital to its investors) and a high of 0.29% being observed in July. The underlying funds continued to hold significant levels of unencumbered cash, with the imputed cash level for AllBlue being around 65% at year-end (having averaged 48% over the course of 2015).

A high level of diversification was seen between the underlying funds, with the average correlation, measured on weekly data, being 6%. The highest correlation over 2015 was between BlueCrest Equity Strategies and BlueCrest Quantitative Equity (37%), whilst the lowest correlation was observed between BlueCrest Capital International and BlueCrest Multi Strategy Credit (-28%).

On 1 December BlueCrest notified investors within AllBlue of the intention to return capital to investors, and consequently through December several underlying funds began a disinvestment process, with others that were continuing as going concerns facilitating AllBlue’s exit via redemptions. The progress of the disinvestment is evident from the reduction in risk (VaR) and increase in unencumbered cash detailed above. At the end of 2015 AllBlue’s exposure to BlueTrend 2x Leveraged, BlueCrest Emerging Markets and BlueCrest Equity Strategies ceased. Each of the remaining four underlying funds entered a disinvestment process, and remaining positions will continue to be unwound in 2016 with proceeds returned to investors in due course.

ALLBLUE ALLOCATION

	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Change
BlueCrest Capital International	15.9%	11.9%	12.7%	22.0%	20.8%	+4.9%
BlueCrest Emerging Markets	8.9%	9.0%	7.0%	9.0%	9.1%	+0.2%
BlueCrest Multi Strategy Credit	24.8%	22.8%	21.8%	20.1%	19.9%	-4.9%
BlueCrest Mercantile	8.9%	8.9%	7.5%	8.0%	8.0%	-0.9%
BlueCrest Equity Strategies	10.0%	12.0%	14.0%	15.6%	17.2%	+7.2%
BlueTrend / BlueTrend 2x Leveraged *	8.0%	9.5%	10.7%	5.4%	5.0%	-3.0%
BlueCrest Quantitative Equity	23.3%	25.8%	26.3%	20.0%	20.0%	-3.3%
Cash	0.1%	0.1%	0.0%	0.0%	0.0%	-0.1%

AllBlue allocations as of the 1st of each quarter end month (Q4: December, Q1: March, Q2: June, Q3: September).

* The allocation to the strategy was switched from BlueTrend to BlueTrend 2x Leveraged (a more highly leveraged version of the same strategy) on 1 July 2015.

FUND PERFORMANCE

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015
AllBlue	2.50%	-1.76%	1.80%	0.09%	2.60%
BlueCrest Capital International	-6.11%	3.57%	1.96%	0.11%	-0.73%
BlueCrest Emerging Markets	1.49%	0.16%	0.57%	1.88%	4.15%
BlueCrest Multi Strategy Credit	4.42%	-0.50%	-0.64%	-1.19%	2.01%
BlueCrest	0.65%	1.88%	1.04%	-0.43%	3.16%

Mercantile					
BlueCrest Equity Strategies	5.63%	2.08%	1.97%	2.05%	12.21%
BlueTrend / BlueTrend 2x Leveraged *	11.70%	-13.11%	9.16%	-2.37%	3.43%
BlueCrest Quantitative Equity	2.96%	-4.05%	0.46%	-0.39%	-1.15%

The figures shown are for Class A USD of each fund, with the exception of BlueCrest Equity Strategies which is for BlueCrest Equity Strategies Fund Limited (Class B USD). These share classes are shown for representative performance and may differ to the share class held by AllBlue during 2015. * The allocation to the strategy was switched from BlueTrend to BlueTrend 2x Leveraged (a more highly leveraged version of the same strategy) on 1 July 2015, for consistency in reporting fund performance BlueTrend Fund Limited figures have been used for the full year above.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

ALLBLUE ATTRIBUTION

	Q1 2015	**Q2 2015**	**Q3 2015**	**Q4 2015**	**2015**
BlueCrest Capital International	-0.96%	0.36%	0.37%	0.06%	-0.16%
BlueCrest Emerging Markets	0.13%	0.07%	0.05%	0.17%	0.42%
BlueCrest Multi Strategy Credit	1.07%	-0.10%	-0.13%	-0.23%	0.60%
BlueCrest Mercantile	0.06%	0.14%	0.08%	-0.03%	0.25%
BlueCrest Equity Strategies	0.60%	0.28%	0.31%	0.35%	1.54%
BlueTrend / BlueTrend 2x Leveraged *	0.88%	-1.44%	0.96%	-0.13%	0.24%
BlueCrest Quantitative Equity	0.71%	-1.05%	0.17%	-0.08%	-0.25%

Attribution is for AllBlue Limited (Class A USD). *The allocation to the strategy was switched from BlueTrend to BlueTrend 2x Leveraged (a more highly leveraged version of the same strategy) on 1 July 2015.

2015 KEY PERFORMANCE DRIVERS BY STRATEGY

BLUECREST CAPITAL INTERNATIONAL

The year started in a challenging manner for the fund, as the sharp movements in the Swiss franc following the SNB's removal of the peg to the Euro surprised market participants and led to losses in directional positions held by the fund. As market conditions began to improve, and volatility returned to fixed income markets, the fund was able to capture a range of opportunities which left Q2 as the fund's strongest quarter for five years, with the third and fourth quarters also providing positive returns.

Looking at the regional contributions, despite solid performance over 11 months of the year, the losses from January resulted in the European region detracting from performance. The main source of profits for the year came from cross market trading strategies, which contain positions that spanned more than one region; for example positions relating to relative performance of the Eurozone and the US, or Japan vs. other countries. The build up to, and eventual start of, the US rate cycle led to increased activity in US interest rate markets and presented opportunities for the North American portfolios, which were the second largest contributors to performance. The Asian portfolios also contributed positively to performance.

BLUECREST EMERGING MARKETS

All regions produced positive contributions for the year, with the most significant contribution coming from the Asian region, where FX trading strategies led performance as they benefitted from the volatility evident in the region. CEEMEA was the second strongest performer, with Rates and to a lesser extent Credit strategies driving returns. Both Latin America and Developed Market hedges both posted more modest contributions, in the former gains from Rates, FX and Sovereign Credit were largely offset by losses within Corporate Credit and Equity. By asset class, Equity trading strategies detracted from performance, Credit trading made a positive contribution with gains from sovereign credit trading being strong enough to offset losses from corporate credit trading. The strongest asset class was FX trading, with Rates trading strategies also making a significant contribution.

BLUECREST MULTI STRATEGY CREDIT

Most strategies were positive contributors over the year, with only two exceptions. The strongest contribution came from Volatility trading strategies, which saw steady performance throughout most of the year. Long/Short trading strategies were one of the areas that detracted after a volatile year, experiencing a strong start and then facing more challenging conditions as the year progressed. The other strategy to detract from performance was Macro trading, which experienced muted performance through much of the year, however a challenging August left the strategy in negative territory over all. Both High Yield and ABS trading strategies made modest positive contributions, whilst the environment was more favourable for Convertible Bond trading strategies which provided the second largest contribution.

BLUECREST MERCANTILE

The strongest performance contribution came from the Bank Basel III sub-strategy, which produced strong positive returns each quarter. The strategy captured the net carry, and additionally successful trading and rotation of hedges helped to both mitigate mark-to-market movements of the underlying asset and contribute to performance. The Trade Credit Opportunities sub-strategy also contributed positively, with solid returns coming in the first and third quarter. The Commodity Finance sub-strategy detracted from performance as mining related assets were negatively impacted by declining gold prices.

Over the course of 2015 the fund reduced its exposure to the Trade Credit Opportunities sub-strategy in favour of the Bank Basel III sub-strategy. The Bank Basel III sub-strategy saw increased opportunities amid continued pressure on bank balance sheets and more active promotion of securitisation by authorities as a mechanism to stimulate credit provision to the real economy. The exposure to the Commodity Finance sub-strategy remained low as it continues to be wound down as opportunities present themselves.

BLUECREST EQUITY STRATEGIES

Solid performance in 2015 saw gains delivered across both the Equity Long/Short and Event Driven & Relative Value strategies, with the latter producing the slightly higher performance. Regionally it was the European portfolios that led performance, accounting for just over half of the gross returns, with North American portfolios contributing just almost 40% and Asia Pacific a little under 10%. The large volumes of corporate activity provided a good environment for the Event Driven & Relative Value strategies, with all regions delivering positive performance. Within the Long/Short strategies, Europe and North America contributed positively, whilst Asia Pacific detracted modestly. Sector performance saw most sectors contribute to the Long/Short portfolio performance, with only the Technology, Media and Telecommunications sector detracting modestly; the strongest contributions to Long/Short performance came from the Financials sector, and also generalist portfolios trading across sectors.

BLUETREND / BLUETREND 2X LEVERAGED

AllBlue’s exposure to the BlueTrend strategy was originally obtained via the standard fund, however was switched to the twice leveraged vehicle as of 1 July 2015. The comments below capture aggregate contributions for AllBlue’s exposure through these two vehicles.

Over the period, four sectors contributed positively to performance and three detracted. The strongest contribution came from the energy sector, which had an incredibly strong second half of the year; short positions benefitted as prices fell in response to increased supply and falling demand. The metal sector also contributed well, once again driven by performance in the second half of the year. The third sector within the commodity complex, the agricultural commodities, detracted after seeing challenging performance throughout most of the year.

Performance of the FX sector oscillated over the year, and produced a negative contribution in total. The Equity sector also experienced volatility, with a very strong February, a tough June and then December’s detraction turning the sector negative for the year. The two fixed income sectors, of Bonds and Short Term

Interest Rates both contributed positively, with most of their return coming in the first half of the year.

BLUECREST QUANTITATIVE EQUITY

At the regional level the strongest performance came from the European and North American portfolios, whilst the Asia Pacific and Emerging Markets region detracted. The contribution across all signal families was similar, with Alternative signals providing slightly stronger contributions and Traditional signals slightly weaker at the global level. Within the Traditional family, the Value signal was the worst performer with negative contributions in all regions, whilst the Analyst Estimates signal was the best performer in each region. Within the Alternative family, the Company Linkages signal was the strongest performer in North America but was weaker in Asia Pacific and Emerging Markets; the News and Events signal was strongest in both Europe and Asia Pacific and Emerging Markets. Alpha Capture was a solid performer within the Proprietary family for all regions, although the Anti Noise Trader signal was strongest in both Europe and Asia Pacific and Emerging Markets. The portfolio maintained its neutral exposure throughout the year, and gross exposure averaged approx. 600%.

THE SEVEN FUNDS UNDERLYING ALLBLUE

BlueCrest Capital International	A global macro strategy, with a strong fixed income focus. Strategies include directional and curve trading, driven by macro views around central bank activities, their likely actions and market reactions that will impact the level of rates and the shape of the yield curve. Also relative value which looks to identify anomalies across the fixed income markets.
BlueCrest Emerging Markets	A macro strategy that looks to identify opportunities across currency, local interest rates, sovereign and quasi-sovereign credit markets, with a focus on liquidity. The strategy trades throughout Latin America, the Middle East, Central and Eastern Europe, Africa and Asia.
BlueCrest Multi Strategy Credit	Engages in opportunities across the full credit spectrum of corporate and sovereign debt markets, implementing strategies such as long / short credit, credit volatility and capital structure arbitrage.
BlueCrest Mercantile	Invests in bonds and loans associated with the production and trade of commercial goods and commodities and then hedges out the associated risks. The credits are purchased from commercial banks who are under pressure to remove them from their balance sheets in order to manage risk concentration and to adhere to regulatory requirements.
BlueCrest Equity Strategies	Engages in long/short and event driven strategies across global equity markets by taking a multi-trader, multi strategy approach. Primarily non-directional.
BlueTrend	A global systematic trend following strategy that trades in excess of 150 liquid markets covering asset classes including equities, fixed income, foreign exchange, energy, metals and agricultural commodities.
BlueCrest Quantitative Equity	A global systematic equity market neutral strategy that draws upon a wide variety of fundamental and technical inputs, as well as other sources. The portfolio construction process incorporates a sophisticated in-house risk model which seeks to maintain market neutrality at the regional level, as well as limiting exposures to other factors such as size or liquidity.

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Glossary

Unless the context suggests otherwise, references within this report to:

“AIFM” means Alternative Investment Fund Manager.

“AIFMD” means the Alternative Investment Fund Managers Directive.

“AIC” means the Association of Investment Companies, of which the Company is a member.

“AIC Code” means the AIC Code of Corporate Governance.

“AllBlue Leveraged” means AllBlue Leveraged Feeder Limited.

“AllBlue” means AllBlue Limited.

“Articles” means the Articles of Association of the Company.

the “Company” means Highbridge Multi-Strategy Fund Limited.

“BlueCrest” means BlueCrest Capital Management Limited.

“Board” means the Board of Directors of the Company.

“Business Day” means any day on which banks are open for business in the Cayman Islands, United Kingdom and/or Guernsey and/or such other place or places as the Directors may from time to time determine.

“funds underlying AllBlue” means the seven underlying funds of AllBlue comprising BlueCrest Capital International Limited, BlueTrend 2x Leveraged Fund Limited (with effect from 1 July 2015, BlueTrend Fund Limited prior to 1 July 2015), BlueCrest Multi Strategy Credit Fund Limited, BlueCrest Emerging Markets Fund Limited, BlueCrest Mercantile Fund Limited, BlueCrest Equity Strategies Fund Limited and BlueCrest Quantitative Equity Fund Limited (together, including the master funds into which such funds invest).

“GFSC Code” means the Guernsey Financial Services Commission Financial Sector Code of Corporate Governance.

“Highbridge” means Highbridge Capital Management LLC.

“HCC” means Highbridge Capital Corporation, a limited liability company incorporated in the Cayman Islands through which the Company invests into the Highbridge multi-strategy fund.

“ICS” means the Institutional Cash Series plc (“ICS”) (an umbrella investment company with variable capital and having segregated liability between its funds).

“IFRS” means the International Financial Reporting Standards as adopted by the European Union.

“JTC” or the “Administrator” means JTC (Guernsey) Limited.

“Law” means the Companies (Guernsey) Law 2008 (as amended).

“Shares” means the Sterling Shares and US Dollar Shares of the Company in issue.

“Underlying Fund” means the fund ultimately underlying Highbridge Capital Corporation, Highbridge multi strategy fund.

“UKLA” means United Kingdom Listing Authority.

“VaR” means Value at Risk.

“Website” means the Company’s website, https://www.highbridgemsfltd.co.uk.

Directors and Service Providers

Directors Richard Crowder Steve Le Page Paul Meader Sarita Keen	**Registered Office of the Company** Ground Floor, Dorey Court Admiral Park St Peter Port Guernsey GY1 2HT Telephone +44 (0)1481 702400
Administrator and Company Secretary JTC (Guernsey) Limited Ground Floor Dorey Court St Peter Port Guernsey GY1 2HT Telephone +44 (0)1481 702400	**Registrar, Paying Agent and Transfer Agent** Anson Registrars Limited PO Box 426 Anson House, Havilland Street, St Peter Port, Guernsey GY1 3WX
UK Transfer Agent Anson Registrars (UK) Limited 3500 Parkway Whiteley, Hampshire England PO15 7AL	**Auditor** Ernst & Young LLP Royal Chambers St Julian's Avenue St Peter Port Guernsey GY1 4AF
Investment Manager and AIFM Highbridge Capital Management LLC 40 West 57th Street – 32nd Floor New York NY10019	**Investor and Public Relations** J.P. Morgan Asset Management 60 Victoria Embankment London EC4Y 0JP
Corporate Brokers Jefferies Hoare Govett Vintners Place, 68 Upper Thames Street London England EC4V 3BJ	**Corporate Brokers** Fidante Capital plc (previously named Dexion Capital plc) 1 Tudor Street London England EC4Y 0AH
Advocates to the Company as to Guernsey Law Mourant Ozannes PO Box 186 1 Le Marchant Street St Peter Port Guernsey GY1 4HP	 Carey Olsen P.O. Box 98 Carey House, Les Banques St Peter Port Guernsey GY1 4BZ
Solicitors to the Company as to English Law Herbert Smith Freehills LLP Exchange House Primrose Street London England EC2A 2EG	**Investor Liaison** Capital Access Group (previously named Broker Profile) Sky Light City Tower 50 Basinghall Street London England EC2V 5DE