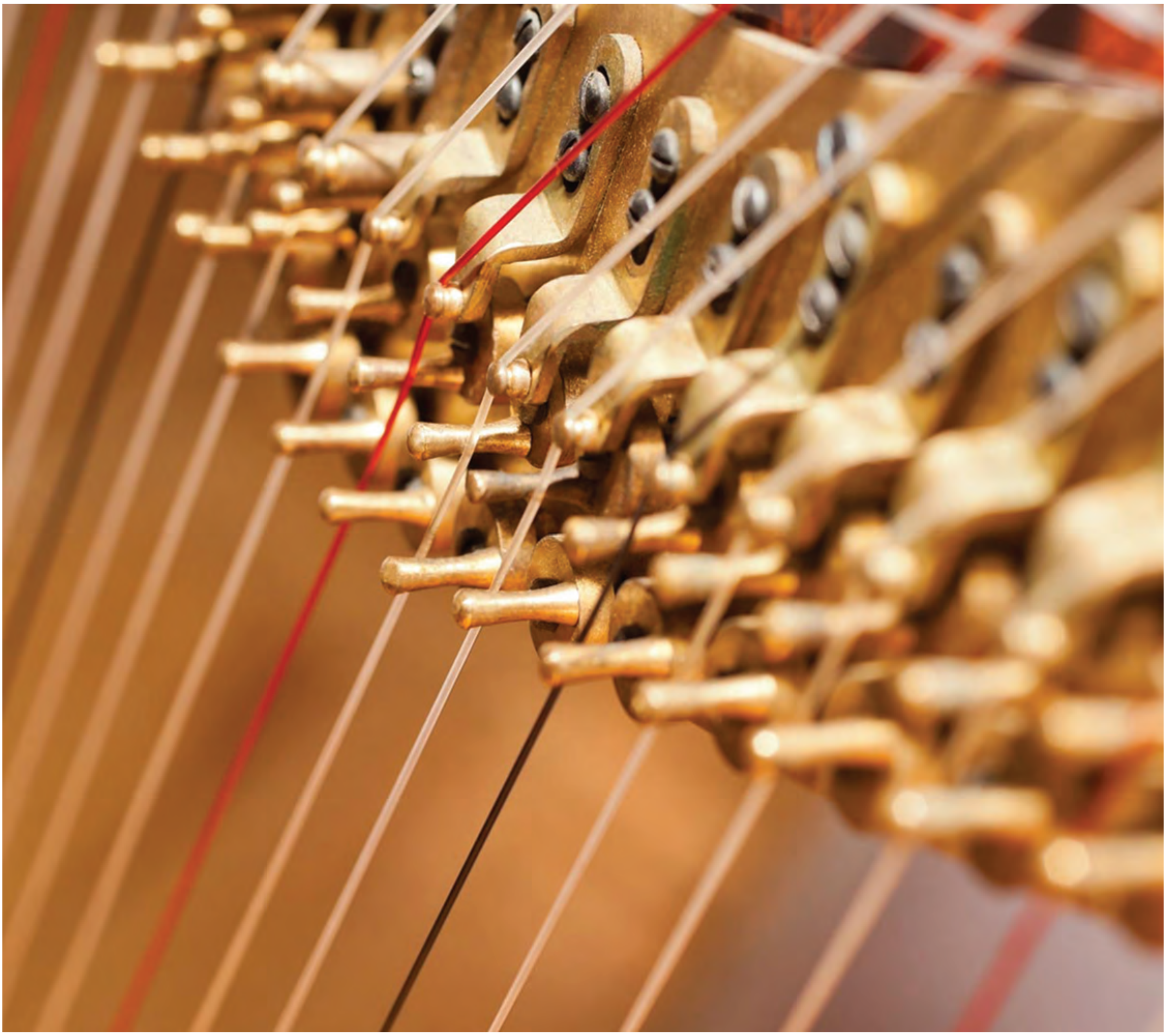
Highbridge Multi-Strategy Fund Limited

Formerly known as BlueCrest AllBlue Fund Limited

Financial Report for the six months ended 30th June 2017 (unaudited)



HIGHBRIDGE

J.P.Morgan
Asset Management

Contents

Financial Results

Key figures for Highbridge Multi-Strategy Fund Limited (the 'Company')

5.46%
2017 Sterling Share price increase[1]

99%
Sterling AllBlue proceeds received[2]

7.05%
Annualised Sterling NAV return (since inception[3])

Underlying Fund Key Figures[4]

2.2
Sharpe Ratio[5, 8]

0.104
Beta to FTSE 100[5, 6, 7, 8]

1/4
of the volatility of the FTSE 100[5, 6, 7, 8]

+1.19%
Outperformance vs HFRI Fund of Funds Diversified Index[5, 9]

0.03
Beta to Barclays Aggregate[5, 8, 9]

0.01
Beta to S&P 500[5, 8, 10]

FINANCIAL RESULTS DISCLAIMERS:

1. Information is for the Company as at 30th June 2017.
2. Information is for the Company as at 31st July 2017.
3. Information is for the Company for the period from inception to 30th June 2017. This alternative performance measure ('APM') is provided for shareholders information in addition to the Financial Statements on page 14. Shareholders should base their assessment on the financial performance of the Company on the information contained in the audited financial statements.
4. Information is for the multi strategy fund managed by Highbridge (the 'Underlying Fund') as at 30th June 2017.
5. Performance represents returns for the Underlying Fund's non-restricted Class F shares from 1st March 2016 to 30th June 2017, net of all applicable fees and expenses. The Company is invested in Class F (GBP denominated) shares which were established on 1st March 2016. PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.
6. Source: FTSE International Limited ('FTSE')@ FTSE 2017. FTSE© is a trade mark of London Stock Exchange Plc and The Financial Times Limited and is used by FTSE 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.
7. The FTSE 100 Index (GBP) ('FTSE 100') is a share index of the 100 companies listed on the London Stock Exchange with the highest market capitalisation. The index is GBP denominated.
8. 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 12. Volatility is annualised. The Underlying Fund's Beta is calculated as the realised slope of the portfolio's return to the index's return, based on monthly observations. The Sharpe ratio is a return/risk measure developed by Nobel Laureate William Sharpe. Return (the numerator) is defined as the incremental average monthly return of an investment over the risk free rate. Risk (the denominator) is defined as the standard deviation of the monthly investment returns less the risk free rate. The values for the risk free rate for the calculations are those of the 90 Day U.S. Treasury Bill. Values are presented in annualised terms; annualised Sharpe Ratios are calculated by multiplying the monthly Sharpe Ratio by the square root of 12.
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. The index is USD denominated.
10. The Barclays Aggregate Bond Index ('Barclays Aggregate') represents securities that are U.S. domestic, taxable and USD 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. The index is USD denominated. 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.
11. 'The S&P 500 Index ('Index') is a product of S&P Dow Jones Indices LLC and/or its affiliates and have been licensed for use by J.P. Morgan Chase Bank N.A. Copyright © 2017. S&P Dow Jones Indices LLC, a subsidiary of S&P Global, Inc., and/or its affiliates. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. For more information on any of S&P Dow Jones Indices LLC's indices please visit www.spdji.com. S&P® is a registered trademark of Standard & Poor's Financial Services LLC and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC. Neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors make any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and neither S&P Dow Jones Indices LLC, Dow Jones Trademark Holdings LLC, their affiliates nor their third party licensors shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.
12. The S&P 500 Index ('S&P 500') consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market-value weighted index (stock price times number of shares outstanding), with each stock's weight in the Index proportionate to its market value. Ticker: SPX Index (Currency USD). The 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.

CHAIRMAN'S STATEMENT

During the six month period to 30th June 2017, the Company's Net Asset Value ('NAV') performance has enjoyed steady, if modest, growth of 1.216% as the NAV per share has risen to £2.1423. The Company's NAV at 30th June was £212 million compared to a NAV of £219 million at 31st December 2016.

This appreciation was achieved with extremely low levels of volatility. More significantly for you, as shareholders, the share price has increased by a pleasing 5.46% for the half year as the discount of the share price to NAV has narrowed.

It is important to remember that this steady appreciation was achieved against a market background that remains uncertain. In the UK, the outcome of the UK June election added another layer of uncertainty to the Brexit situation, which has negatively impacted business optimism in the UK. Across the Atlantic doubts are mounting over whether the US Administration will be able to deliver on its promises. However, global economic growth is gradually strengthening and becoming more synchronised. Notably, the Eurozone recovery is well established and Chinese growth remains robust, even if some commentators question the 'quality' of that growth.

The economic position may be improving but political uncertainty remains. The list is simply too long for this introduction, but issues such as Brexit, North Korea and Russia must rank high. The key message is that none of us, your board included, can know how these issues will develop. In that context, a steady and reliable performance that is based on idiosyncratic positions and not directional calls around macroeconomic events remains as relevant as ever. The Company is designed to deliver a risk-adjusted, uncorrelated return and that is exactly what it has done once again during the period under review. We believe that the Company earns a relevant place in the portfolios of active fund managers.

AllBlue

The Company's exposure to AllBlue has continued to shrink steadily over the period with further distributions from AllBlue being received. The overall exposure to AllBlue is now less than 1% of the Company's net assets and it is anticipated that this will be approaching zero by the end of 2017.

We have continued to make payments to exiting shareholders as monies have been received from AllBlue in sufficient size, and expect this process to be largely complete by the end of 2017.

Discount Management and Future Growth

Your board has continued to authorise an active share buy back programme in the last six months which has contributed, in part, to a steady reduction in the discount rate over the period from 5 to 6% at the beginning of the period to 2% at the period end. During the six months the Company repurchased 4,721,000 shares at an average discount of 5.41%. In recent weeks the share price has traded at a very slight premium to NAV for the first time since August 2013 and has been generally steady in a tight range of zero to a discount of 2%. Given the low level of discount and based on feedback from a number of major shareholders, no tender was offered during the period.

It is worth noting that the Company enjoyed the narrowest discount amongst its peers at 30th June, a testament to the value that current and new shareholders place on the Company's characteristics.

In my last report I commented that we anticipated the establishment of a credit facility, the main purpose of which was to provide support to the share buy back programme. Given the relatively modest need for repurchases during the period we decided not to incur expense in establishing a credit facility and have used the Company's cash resources. However, we will keep the situation under review.

Significantly, the Company appears poised to be able to issue shares for the first time in a number of years. The board, the brokers and the manager have been working hard for the last 18 months to bring us to this point and it is very pleasing to come this far. Initially, we will seek to sell shares from Treasury to meet market demand. This will be done at a modest premium. Growth in share capital will be beneficial on a number of levels but most particularly in enhancing liquidity and in reducing the expense ratio of the Company.

Change of Broker

After a tender process we decided to appoint Peel Hunt in place of Jefferies as joint broker together with Fidante. We are grateful for the support provided by Jefferies to date, but considered it an appropriate time for a change. The Management and Remuneration Committee met with four brokers during the tender process and Peel Hunt were selected from high calibre candidates.

Succession Planning

In early 2018, we will commence the search for a replacement for Paul Meader, who plans to retire from the board in late 2018. We believe in the light of Paul's long association with the Company it would be helpful if there were to be an orderly transition.

I have now served on the board for just over a year and I would like to thank my fellow directors, Paul, Steve and Sarita, for their support and engagement since my appointment.

Looking Forward

Your board remains content with the performance of Highbridge and we continue to believe that the Company has the characteristics to weather any market storms that may prevail and to act as a cornerstone in an investment portfolio.

We hope that this will enable share issuance in the coming year with consequent benefits to all shareholders and I look forward to reporting to you again in early 2018.

Vic Holmes
Chairman 22nd September 2017

INVESTMENT MANAGER'S REPORT

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.

Overview of Markets and Performance

Throughout the first half of 2017, markets continued their steady gradual grind upwards with historically low volatility despite political uncertainty, expensive valuations and hawkish central banks. On the geopolitical front, markets were delivered a risk-friendly outcome to the French election, but a surprisingly unsettling one for the UK Prime Minister. Further delays and distractions to the Trump policy agenda arguably prompted a complete unwind of the reflation trade alongside both PBOC and Fed tightening. Yet despite this backdrop, global equities enjoyed a strong first half of the year with no significant drawdowns. In numbers, the S&P was up +9.3% in the first half of the year, NASDAQ up +14.8%, Eurostoxx 50 up +7.3%, FTSE 100 up +2.38%, Nikkei 225 up +5.8% and HSCEI up +12.5%. Momentum and growth have been key drivers of positive returns this year on the back of self-perpetuating (and, we believe, likely unsustainable) outperformance. As many global equity indices hit record highs, they are expensive based on pretty much every valuation metric. In our view, much of this valuation-stretching performance continues to be driven by the low rate environment that not only provides access to cheap capital but also sees very low yields and compressed spreads keeping demand for bond proxies across asset classes at artificially high levels. These dynamics further distort valuations, dampen volatility and spur ever more non-fundamentally driven capital inflows. It is well documented that volatility continues to be historically low, which we do not believe to be fundamentally justified. However, forecasting the end of a low volatility period is challenging because prices and market dynamics are driven not only by fundamentals, but also by investor sentiment and a range of other factors.

In the first half of 2017, Highbridge Multi-Strategy Fund Limited delivered a +1.22% NAV return. The sub-strategies within the Underlying Fund that were the largest contributors to performance were Convertible Credit & Capital Structure Arbitrage, Asia Arbitrage and Event strategies. The largest detractor from Underlying Fund performance was Statistical Arbitrage; however, the strategy has shown encouraging signs of stabilisation since mid-June. Fundamental Equities strategies produced mixed results during the first half of the year.

Looking ahead, we expect that we will start to see how the effects of imminent Fed tapering of their $4.4 trillion balance sheet as well as the approach of another rate rise are going to be digested by markets. This will not necessarily be an orderly transition. With the ECB and the Fed sounding more hawkish (despite recent attempts by both to backtrack on said hawkishness), we believe that markets are more likely to increasingly focus on the reality of the global unwinding of the great QE experiment with the ECB's €4.2 trillion balance sheet to consider in Europe, and, while likely even further off, the JPY502 trillion balance sheet at the BoJ. Adding it all up, that is close to £11 trillion of global central bank balance sheet capital to be unwound in the coming months and years, an unprecedented number that has the potential to significantly impact markets globally and across asset classes. In the shorter term, the upcoming months will likely also continue to see the interplay of politics and populism across the globe with some key elections in Italy and Germany up ahead and the ongoing ramifications of political missteps and Brexit negotiations in the UK and Trump's stalling agenda in the US. All told, the second half of 2017 looks to be a period that sets itself up for some further shifts on the monetary, fiscal and political stages and undoubtedly brings with it some great opportunities that we will take judiciously. We expect to outperform when volatility returns to the market, and we believe we are positioned to benefit from a reversal in some of the themes that have driven market performance this year and, in our view, have run up too far.

Strategy Review by Strategy Group

- Fundamental Equities: Fundamental Equities has been a mixed area for us in 2017, although we saw improved performance in June. Healthcare and TMT were the top performing sub-strategies during the first half of the year. Industrials was the largest sector detractor, while Real Estate detracted moderately. Financials was slightly down, while Consumer was slightly up for the first half of the year. We do believe that the market is now too bearish on inflation and cyclicals, which is creating some opportunities in our Financials and Industrials books. Some of the dominant themes of the first half of the year discussed above are also providing opportunities for these strategies.

- Event-Driven Equity: We have been pleased to see that our broad exposure to Event strategies has continued to be accretive to Underlying Fund returns in 2017. The Equity Capital Markets strongly outperformed during the first half of the year, and Merger Arbitrage and Event-Focused North American Long/Short Equity also made meaningful contributions. The Event-Focused European Long/Short Equity strategy has generated alpha, but it has been hurt by some idiosyncratic positions and a decision to run with close to zero market beta this year. Although the M&A environment has been slow in 2017, there is substantial corporate activity, and the Event-Focused Long/Short Equity teams in North America and Europe are busy looking at a wide range of opportunities. One of the reasons that we expanded our Event capability over the course of last year is that we find the risk/reward of hard catalyst-driven investments to be attractive, and this is being borne out this year.

- Quantitative Equity: Statistical Arbitrage was the largest detractor during the first half of the year on the back of weak performance in both US and European equities. Losses gradually built up over the course of the first half of the year rather than coming from a handful of sharply negative days. On the positive side, the strategy started to recover in mid-June and had a solid positive July. The Statistical Arbitrage investment team has been with Highbridge for many years, and we continue to have confidence in the team and their ability to generate alpha. However, we feel more comfortable operating with lower exposure to the strategy until we see clear evidence of stabilisation, as we believe it is better to be smaller while the team implements changes to address the drawdown.

- Capital Structure Arbitrage and Fundamental Credit: Convertible Credit & Capital Structure Arbitrage and Distressed Credit, allocations that are run by the same investment team, have continued to be top performers in 2017 on the back of gains across a broad range of positions. We also continue to be excited about the opportunity set ahead for the strategies. Short credit versus long stock opportunities abound as well and have been a focus for us as this trade 'set-up' also offers a way to protect the portfolio if credit

INVESTMENT MANAGER'S REPORT *CONTINUED*

markets become more volatile. The strategy's European exposure is also growing across special situations and cross capital structure opportunities. Asia Arbitrage was also a significant contributor in the first half of the year, with Japanese equities and derivatives the key drivers of positive performance, while capital structure also contributed to a lesser degree. The team has continued to refine their investment process, which combines fundamental and systematic analysis to inform investment decisions, and the strong year to date performance underpins our confidence in this process. Within the broad Capital Structure Arbitrage allocation, earlier this year we added a new Cross Asset Relative Value strategy, which employs quantitative techniques to uncover mean-reverting dislocations and arbitrage opportunities across corporate credits, equities, credit derivatives and equity derivatives in North America with some trading in Europe. The strategy was a moderate detractor during the first half of the year amidst the low rate and low volatility environment as it ramps up its exposure.

- Convertible & Volatility Arbitrage: Convertible & Volatility Arbitrage has continued to be a contributor in 2017 despite the low volatility environment, which is challenging for the strategy. While we believe this environment has created a number of opportunities to initiate long volatility positions, as it is our view that volatility will inevitably rise in the coming months, we have been highly selective in putting capital to work given the need to manage the premium bleed. While convertible issuance has been slow, there were still a number of interesting investment opportunities in new issues.

- Fundamental Credit: Fundamental Credit was the biggest detractor from YTD underlying fund performance, with the European Relative Value Credit strategy detracting -2.85%. The strategy struggled in March, April and May due to its short positioning going into the ECB's surprise announcement in March that it would start buying up non-financial investment grade corporate bonds and the subsequent April meeting that laid out the CSPP implementation plan. The strategy was mostly unwound as of 1st June; however, given the level of rates and spreads, we opted to maintain some of the book's short positions. We realised some gains in the days immediately following the Brexit vote. Distressed Credit contributed +0.02% as the strategy, which received an allocation on 1st April to upsize distressed positions in the Convertible Credit & Capital Structure Arbitrage strategy, continued to ramp up exposure.

- Macro: Fundamental Macro was flat during the first half of the year as the strategy reassessed the Trump administration's ability to drive forward growth policies that would impact various macro markets across currencies, rates, etc. The strategy entered the second half of the year with a net short exposure to US stock markets to reflect concerns over valuations that are high relative to most historic metrics and long VIX positions to benefit should volatility increase off low levels. We have short positions in UK gilts within fixed income and are also short the USD. The latter is expected to weaken further due to more coordinated policies suggesting tighter monetary conditions by other central banks outside of the US for the second half of the year.

Highbridge Capital Management, LLC 26th August 2017

COMPANY & INVESTMENT OVERVIEW

The Company is a Guernsey closed-ended investment company listed 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 £212 million[2].

Following the notification received from BlueCrest Capital Management Limited that all third party investors in AllBlue and AllBlue Leveraged would be redeemed effective 4th January 2016, an Extraordinary General Meeting was held on 24th 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 multi strategy fund managed by Highbridge ('the Underlying Fund') or any successor vehicle of the Underlying Fund via 1992 Multi-Strategy Fund Corporation ('1992').

Prior to the Extraordinary General Meeting held 24th 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 issued shares each week[3].

About the Underlying Fund

The Company invests into the Underlying Fund. 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.

Since its inception on 1st January 1993, the multi strategy fund managed by Highbridge has achieved 10.31% annualised net returns, 6.71% annualised volatility and low beta relative to equity and credit indices[4].

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 nearly 25 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.

[2] As at 15th September 2017.
[3] As at 21st September 2017.
[4] As of 30th June 2017 net of all applicable fees and expenses. Performance represents returns for the Underlying Fund's non-restricted Class D shares net of all applicable fees and expenses. Please note that Class D returns are USD denominated and have been incorporated as a result of insufficient historical data being available for the Class F (GBP denominated) shares in which the Company is invested due to Class F (GBP denominated) being established on 1st March 2016.

COMPANY & INVESTMENT OVERVIEW *CONTINUED*

- **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. Highbridge has approximately $5 billion in assets under management and approximately 175 employees, including approximately 60 investment professionals and has offices in London, New York and Hong Kong[5]. Highbridge established a strategic partnership with J.P. Morgan Asset Management Holdings Inc. ('JPMAM') in 2004. Highbridge is an indirect 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 $1.9 trillion[6].

All investment, capital allocation and risk management decisions for the Underlying Fund are independent of 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 these 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. Neither Highbridge nor JPMAM receive a fee directly from the Company in relation to these services.

Investment Objective and Strategy of the Underlying Fund

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

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

[5] As of 30th June 2017.

[6] As at 31st July 2017.

[7] The annual target net return and other Underlying 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 Risks and Conflicts Disclosure published by the Company in September 2016. These Underlying 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 Underlying 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 Underlying Fund objectives. The actual returns achieved may be more or less than the annual target net return shown.

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, Financials, TMT, Industrials and Healthcare 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
Equity Capital Markets	Strategy focused on opportunities driven by IPOs, marketed equity follow-ons, block trades, secondaries and other capital raising and liquidity transactions across all industry sectors	North America/Europe
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
Cross Asset Relative Value	Trading strategy employing quantitative techniques to uncover mean-reverting dislocations and arbitrage opportunities among corporate credits, equities, credit derivatives and equity derivatives	North America/ Europe
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		
Distressed Credit	Fundamental, middle market distressed strategy focused on generating idiosyncratic returns through active engagement in reorganisation process	North America
Macro		
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

Interim Management Report, Going Concern and Responsibility Statements

INTERIM MANAGEMENT REPORT

A description of the important events that have occurred during the first six months of the financial year and their impact on the performance of the Company as shown in the Financial Statements is given in the Chairman's Statement on pages 4 to 5, and the Notes to the Financial Statements on pages 27 to 44, and are incorporated here by reference.

The principal risks and uncertainties facing the Company are unchanged, and are not expected to change, from those disclosed in the Company's most recent Annual Financial Report, which is available at https://www.highbridgemsfltd.co.uk. These principal risks and uncertainties are: operational, investment, share price discount, concentration, leverage, counterparty, credit and regulatory risk. A detailed explanation of the risks, and how the Company seeks to mitigate them can be found on pages 25 to 26 of the Annual Financial Report for the year ended 31st December 2016. The Board monitors the Company's risk management systems on an ongoing basis.

There were no material related party transactions during the first six months of the financial year, other than those disclosed at note 6 to the Financial Statements.

This Half-Yearly Financial Report has not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

Going Concern

The performance of the investments held by the Company over the reporting period are described in the Statement of Operations and the outlook for the future is described in the Chairman's Statement. The Company's financial position, its cash flows and liquidity position are set out in the Financial Statements and the Company's financial risk management objectives and policies, details of its financial instruments and its exposures to price risk, credit risk, liquidity risk, interest rate risk and the risk of leverage by the Underlying Fund are set out at note 14 to the Financial Statements.

After making due enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of this Interim Financial Report.

Responsibility Statement

We confirm that to the best of our knowledge:

- the condensed Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting;
- the Interim Management report includes a fair review of the information required by:

  (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

By order of the Board

Steve Le Page
Director

22nd September 2017

Financial Statements

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30TH JUNE 2017

	Notes	Sterling Share Class £
Net gain on non current financial assets at fair value through profit or loss	7	2,342,596
Net loss on current financial assets at fair value through profit or loss	7	(441,599)
Net gain on current financial liabilities at fair value through profit or loss	9	315,160
Interest received		651
Operating expenses	3	(343,390)
Other Comprehensive Income that will be reclassified to profit or loss in future periods		
Currency aggregation adjustment		–
Income attributable after other comprehensive income		**1,873,418**
		Pence (£)
Earnings per share for the period - Basic and Diluted	5	0.02

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

There is no other comprehensive income for the period other than as disclosed above.

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30TH DECEMBER 2016

	Notes	Ordinary Shares Sterling Share Class £	 US Dollar Share Class $	 Total £
Net gain on non current financial assets at fair value through profit or loss	7	13,922,400	–	13,922,400
Net gain on current financial assets at fair value through profit or loss	7	1,316,759	(335,153)	1,467,911
Net gain on current financial liabilities at fair value through profit or loss	9	(5,261,595)	–	(5,261,595)
Bank interest received		305,149	–	305,149
Dividends received		2,359	–	2,359
Other income		33,600	–	33,600
Operating expenses	3	(1,332,107)	(4,035)	(1,334,919)
Other Comprehensive Income that will be reclassified to profit or loss in future periods		**8,986,565**	**(339,188)**	**9,134,905**
Currency aggregation adjustment	1(g)	–	–	1,229,733
Increase/(decrease) in net assets attributable to shareholders after other comprehensive income.		**8,986,565**	**(339,188)**	**10,364,638**
		Pence (£)	**Cents ($)**	
Earnings per share for the period - Basic and Diluted	5	0.06	(0.05)	

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

There is no Other Comprehensive Income for the year other than as disclosed above.

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTH PERIOD ENDED 30TH JUNE 2016

	Notes	Ordinary Shares Sterling Share Class £	Ordinary Shares US Dollar Share Class $	Total £
Net gain on non current financial assets at fair value through profit or loss	7	1,987,179	–	1,987,179
Net loss on current financial assets at fair value through profit or loss	7	(4,643,509)	(1,225,208)	(5,528,777)
Net gain on current financial liabilities at fair value through profit or loss	9	851,554	–	851,554
Other income		33,600	–	33,600
Operating expenses	3	(2,115,683)	(4,035)	(2,118,497)
Other Comprehensive Income that will be reclassified to profit or loss in future periods				
Currency aggregation adjustment		–	–	40,386
Loss after other comprehensive income		**(3,582,459)**	**(1,229,243)**	**(4,430,155)**
		Pence (£)	**Cents ($)**	
Earnings per share for the Basic and Diluted	5	(0.02)	(0.19)	

In arriving at the Sterling share class results for the financial period, all amounts above relate to continuing operations. As described in the Notes to these Financial Statements, the remaining US Dollar Class shares were converted into Sterling shares on 29th February 2016.

There is no other comprehensive income for the period other than as disclosed above.

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2017

	Notes	Sterling Share Class £
Non current assets		
Unquoted financial assets designated as at fair value through profit or loss	7	198,202,333
Current assets		
Unquoted financial assets designated as at fair value through profit or loss	7	6,867,356
Cash and cash equivalents		26,799,032
Prepayments and receivables	8	29,278
		33,695,666
Current liabilities		
Unquoted financial liabilities designated as at fair value through profit or loss	9	20,066,383
Other sundry accruals and payables		64,340
		20,130,723
Net assets		211,767,276
Equity		
Share Capital	10	–
Treasury Shares	12	(67,641,309)
Reserves	13	279,408,585
Shareholder's Equity	12	211,767,276
Shares In Issue	10	98,850,119
NAV per Share	17	£2.1423

The Financial Statements on pages 14 to 44 were approved and authorised for issue by the Board of Directors on 22nd September 2017 and are signed on its behalf by:

Vic Holmes
Chairman

Steve Le Page
Director

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2016

	Notes	Sterling Share Class £
Non current assets		
Unquoted financial assets designated as at fair value through profit or loss	7	195,819,170
Current assets		
Unquoted financial assets designated as at fair value through profit or loss	7	28,306,522
Cash and cash equivalents		26,554,506
Prepayments and receivables	8	60,529,306
		115,390,337
Current liabilities		
Unquoted financial liabilities designated as at fair value through profit or loss	9	91,808,555
Other sundry accruals and payables		66,250
		91,874,805
Net assets		219,334,702
Equity		
Share Capital	10	–
Treasury Shares	12	(58,200,465)
Reserves	13	277,535,167
Shareholder’s Equity	12	219,334,702
Shares In Issue	10	103,571,119
NAV per Share	17	£2.1177

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2016

	Notes	Ordinary Shares Sterling Share Class £	US Dollar Share Class $	Total £
Non current assets				
Unquoted financial assets designated as at fair value through profit or loss		219,172,938	–	219,172,938
Current assets				
Unquoted financial assets designated as at fair value through profit or loss	7	128,735,529	–	128,735,529
Quoted financial assets designated as at fair value through profit or loss	7	–	–	–
Cash and cash equivalents		7,428,142	–	7,428,142
Prepayments and receivables		53,328	–	53,328
		136,216,999	**–**	**136,216,999**
Current liabilities				
Unquoted financial liabilities designated as at fair value through profit or loss	8	90,748,128	–	90,748,128
Other sundry accruals and payables		168,458	–	168,458
		90,916,586	**–**	**90,916,586**
Net assets		264,473,351	–	264,473,351
Net assets attributable to shareholders	11	**264,473,351**	**–**	**264,473,351**
Shares in issue	9	131,627,733	–	
NAV per share	16	£2.0093	$0.0000	

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTH PERIOD ENDED 30TH JUNE 2017

	Notes	Sterling Share Class £
Opening Balance		219,334,702
Off-market purchases of Ordinary Shares	13	(9,440,844)
Income after other comprehensive income		1,873,418
Balance at 30th June 2017		**211,767,276**

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2016

	Notes	Sterling Share Class £	US Dollar Share Class $	Total £
Opening balance		–	–	–
Transfer from Net assets attributable to holders of redeemable ordinary shares on 29th February 2016	10	761,608,574	42,124,562	789,583,595
Redemption of Ordinary shares	13	(507,271,382)	29,708,629	(528,582,999)
Share conversions - shareholders	13	8,889,173	(12,415,993)	–
On-market purchases of Ordinary Shares	12	(4,120,599)	–	(4,120,599)
Off-market purchases of Ordinary Shares	12	(54,079,866)	–	(54,079,866)
Income after other comprehensive income		14,308,802	–	16,534,571
At 31st December 2016		**219,334,702**	**–**	**219,334,702**

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
FOR THE SIX MONTH PERIOD ENDED 30TH JUNE 2016

	Notes	Sterling Share Class £	US Dollar Share Class $	Total £
Opening Balance		766,930,811	42,463,750	795,753,528
Decrease in net assets attributable to shareholders		(759,274)	(1,229,243)	(1,606,970)
Net assets prior to transfer to equity		**766,171,537**	**41,234,507**	**794,146,558**
Transfer to Equity on 26th February 2016	1(i)	(766,171,537)	(41,234,507)	(794,146,558)
Balance at 30th June 2016		–	–	–

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTH PERIOD ENDED 30TH JUNE 2016

	Notes	Ordinary Shares Sterling Share Class £	Ordinary Shares US Dollar Share Class $	Total £
Transfer from Net assets attributable to holders of redeemable ordinary shares on 26th February 2016		766,171,537	41,234,507	794,146,558
Redemptions of Ordinary shares	12	(511,357,847)	(24,735,012)	(526,850,022)
Share conversions – shareholders	12	12,482,846	(16,499,495)	–
Loss for the period 29th February to 30th June 2016		(2,823,185)	–	(2,823,185)
Balance at 30th June 2016		**264,473,351**	**–**	**264,473,351**

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30TH JUNE 2017

	Sterling Share Class £
Operating activities	
Increase in Shareholder's equity	1,873,418
Decrease in unrealised appreciation on financial assets at fair value through profit or loss	6,419,746
Decrease in unrealised gains on financial liabilities at fair value through profit or loss	(3,184,449)
Realised gains on repayment of financial liabilities	2,869,289
Realised gains on sales of financial assets	(8,320,743)
Interest Income	(651)
Realised exchange losses	2,619
Decrease in payables	(1,910)
Decrease in receivables	60,500,031
Net cash flow from operating activities	**60,157,350**
Investing activities	
Interest received	651
Purchase of financial assets	–
Proceeds from sale of financial assets	20,954,381
Net cash flow from investing activities	**20,955,032**
Financing activities	
Purchase of own shares	(9,440,844)
Payments to Cash Exit Shareholders	(71,427,012)
Net cashflow used in financing activities	**(80,867,856)**
Cash and cash equivalents at beginning of period	26,554,506
Increase in cash and cash equivalents	244,526
Cash and cash equivalents at end of period	**26,799,032**

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2016

	Ordinary Shares Sterling Share Class £	Ordinary Shares US Dollar Share Class $	Total £
Operating activities			
Increase/(decrease) in Shareholder's equity	8,986,565	(339,188)	10,364,638
Decrease in unrealised appreciation on financial assets at fair value through profit or loss	155,028,146	4,689,566	158,258,951
Increase in unrealised gains on financial liabilities at fair value through profit or loss	5,628,209	–	5,628,209
Realised losses on sales of financial liabilities	(366,614)	–	(366,614)
Realised gains on sales of financial assets	(170,267,305)	(4,354,413)	(173,649,261)
Interest income	(305,149)	–	(305,149)
Currency aggregation adjustment	–	–	(1,229,733)
Decrease in payables	(222,613)	–	(222,613)
Increase in receivables	(5,785,554)	–	(5,785,554)
Net cashflow used in operating activities	**(7,304,315)**	**(4,035)**	**(7,307,126)**
Investing activities			
Interest received	305,149	–	305,149
Purchase of financial assets	(254,508,624)	(31,467,362)	(276,052,575)
Proceeds from sale of financial assets	813,435,132	65,035,565	858,087,746
Net cashflow from investing activities	**559,231,657**	**33,568,203**	**582,340,320**
Financing activities			
Purchase of own shares	(58,200,465)	–	(58,200,465)
Payments to Cash Exit shareholders	(496,129,940)	–	(496,129,940)
Net cashflow used in financing activities	**(554,330,405)**	**–**	**(554,330,405)**
Cash and cash equivalents at beginning of year	**5,275,540**	**64,312**	**5,319,199**
Increase/(decrease) in cash and cash equivalents	(2,403,063)	33,564,168	20,702,789
Transfer to GBP Class	23,682,029	(33,628,480)	–
Cash and cash equivalents at end of year	**26,554,506**	**–**	**26,554,506**

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS FOR THE SIX MONTH PERIOD ENDED 30TH JUNE 2016

	Ordinary Shares Sterling Share Class £	Ordinary Shares US Dollar Share Class $	Total £
Operating activities			
Decrease in net assets attributable to shareholders after other comprehensive income	(3,582,459)	(1,229,243)	(4,430,155)
Decrease in unrealised appreciation on financial assets at fair value through profit or loss	147,410,371	5,579,621	151,198,172
Increase in unrealised loss on financial liabilities at fair value through profit or loss	(897,410)	–	(897,410)
Realised gains on sales of financial liabilities	45,856	–	45,856
Realised gains on sales of financial assets	(144,754,041)	(4,354,413)	(147,656,575)
Compulsory share class conversion	7,377,332	(8,516,276)	–
Interest income	(304,400)	–	(304,400)
Currency aggregation adjustment	–	–	(40,386)
(Decrease) in payables	(109,949)	(379,359)	(120,405)
(Increase)/decrease in receivables	237,300	2,167	(12,680)
Net cash flow (used in)/from operating activities	**5,422,600**	**(8,897,503)**	**(2,217,983)**
Investing activities			
Interest received	304,400	–	304,400
Purchase of financial assets	(217,185,759)	–	(217,185,759)
Proceeds from sale of financial assets	633,369,524	33,568,203	656,458,625
Net cash flow from investing activities	**416,488,165**	**33,568,203**	**439,577,266**
Financing activities			
Purchase of own shares	–	–	–
Payment to Cash Exit Shareholders	(419,758,165)	(24,735,012)	(435,250,340)
Net cashflow used in financing activities	**(419,758,165)**	**(24,735,012)**	**(435,250,340)**
Cash and cash equivalents at beginning of period	5,275,540	64,312	5,319,199
Increase/(decrease) in cash and cash equivalents	2,152,602	(64,312)	2,108,943
Cash and cash equivalents at end of period	**7,428,142**	**–**	**7,428,142**

The Notes on pages 27 to 44 form an integral part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

(a) Basis of accounting

The Financial Statements have been prepared in conformity with International Financial Reporting Standards ('IFRS') as adopted by the European Union 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 same accounting policies and methods of computation are followed in the Interim Financial Report as compared with the most recent Annual Financial Statements (31st December 2016). This report should be read in conjunction with the latest Annual Financial Report (31 December 2016).

For a detailed discussion about the group's performance and financial position please refer to the Chairman's Statement on pages 4 to 5 and Investment Manager's Report on pages 6 to 8.

Items included in the Financial Statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The functional currency is Sterling, and the Company has adopted the Sterling as its presentation currency.

(b) Going concern

The Directors believe that the Company has adequate financial resources and as a consequence the Company is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and has access to significant liquid funds to do so. Accordingly, the Directors have adopted the going concern basis in preparing the Financial Statements.

(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.

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses relating to the Company were previously allocated across the share classes proportionally based on their individual net asset values. As described in Note 10, all remaining US Dollar Class shares were converted into Sterling shares on 29th February 2016 thus in the period there was no need to allocate as there is one class remaining.

(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, money market funds, short dated bonds 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 overdraft facilities.

(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. All differences on these foreign currency translations are taken to the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

1. Accounting policies *continued*

(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 shares in issue have been previously classified as liabilities in accordance with IAS 32 because of the provisions contained in the Company's Articles of Incorporation, and the continuation vote being triggered in 2015.

Following the closure of the US Dollar share class in 2016, the Sterling Shares no longer meet the definition of a financial liability in accordance with IAS 32 and as such are classified and accounted for as equity. The net gain/(loss) of purchased Shares by the Company was derived from the difference between the NAV and the purchase cost at purchase date. As the shares are now equity and not debt, all payments for share buybacks are set off against Reserves and there is no gain in the Statement of Comprehensive Income.

(j) Financial Assets

The classification depends on the purpose for which the investments were acquired. The Company's financial assets may consist of unquoted financial assets designated as at fair value through profit and loss; quoted financial assets designated as at fair value through profit and loss; and Prepayments and Receivables. Unquoted financial assets include the investments from which the Company is in the process of redeeming. Refer to note (k) for further detail.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Financial assets (quoted and unquoted) at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within net changes in fair value of financial assets at fair value through profit or loss in the period in which they arise.

(k) Financial Liabilities (Redemption Liability)

Classification – The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics. The Company's financial liabilities consist of financial liabilities measured at amortised cost (trade payables and other short-term monetary liabilities) and financial liabilities measured at fair value (redemptions liability payable to cash exit shareholders being shareholders of the BlueCrest AllBlue Fund Limited that opted to exit the fund and not remain as Shareholders of the Company following the change of investment objective and the Repurchase Portfolio as a result of the Tender Offer. Refer to note 9). The redemption liability and repurchase portfolio value meets the following classification criteria of IAS 32 for Fair Value Through Profit and Loss (FVTPL):

- Where designation as at FVTPL eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- The redemption liability is based on the amounts due to Cash Exit shareholders which is not a static amount, but changes as the fair value (NAV) of the investments in the AllBlue Limited and AllBlue Leveraged funds changes. Thus there would be a mismatch if the liability is recorded at amortised cost whilst the 'matching' investment is at fair value. In a similar way the amount to be paid to shareholders represented by the repurchase portfolio is linked to the realisation of the underlying assets at fair value.

Recognition and measurement – Financial liabilities at fair value through profit or loss are initially recognised at fair value. Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within net changes in fair value of financial liabilities at fair value through profit or loss in the period in which they arise.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, 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 of financial assets and financial liabilities 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.

Valuation of investments

In order to assess the fair value of the unquoted non-current and current investments, the NAV of the underlying investments in 1992, AllBlue, and AllBlue Leveraged is taken into consideration. The Company's holdings in AllBlue and AllBlue Leveraged were realisable at their NAV on quarterly dealing days until 1st December 2015. 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 funds at the Company's period end, the Directors are satisfied that the reported NAV is a reasonable estimation of fair value of the Company's holdings. 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 reasonable estimation of the fair value of the Company's holdings in AllBlue and AllBlue Leveraged as at 30th June 2017.

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 Administrators of the Underlying Fund, AllBlue and AllBlue Leveraged. Those NAVs are themselves based on the NAV of the various investments held by the Underlying Fund, AllBlue, and AllBlue Leveraged.

On 18th February 2016 BlueCrest announced that two of the funds underlying AllBlue, BlueCrest Multi Strategy Credit Master Fund and BlueCrest Capital International Master Fund, may be entitled to award proceeds as a result of a US civil litigation matter regarding the pricing transparency of certain credit default swaps. Award proceeds which were received by AllBlue in early 2017 were included in that fund's NAV as at 31st December 2016, although it is uncertain whether further proceeds will be received. BlueCrest have indicated that further proceeds may be received in due course although this cannot be assured.

The Company's holding in the Underlying Fund are realisable at their NAV on quarterly dealing days. The Company has limited practical experience of realising such holdings, but the Directors have considered carefully the circumstances of the Underlying Fund and its history of meeting requests for realisations from other investors and consider that the NAV provided by the independent administrator of the Underlying Fund is a fair estimation of the fair value of the Company's holdings.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

3. Operating expenses

	1st Jan 2017 to 30th Jun 2017 Ordinary Shares Sterling Share Class £
Administration fees	59,987
Directors' remuneration	100,000
Registration fees	34,450
Audit fees	36,150
Legal and Professional fees	19,584
Profit on exchange	6,182
Other operating expenses	87,037
Total expenses for the period	**343,390**

	1st Jan 2016 to 30th Jun 2016 Ordinary Shares		
	Sterling Share Class £	US Dollar Share Class $	Total £
Administration fees	86,024	1,508	87,075
Directors' remuneration	212,116	3,128	214,295
Registration fees	55,226	1,298	56,131
Audit fees	19,963	350	20,207
Legal and Professional fees	(35,795)	(627)	(36,232)
Loss/(profit) on exchange	1,110,496	(12,989)	1,101,443
Other operating expenses	667,653	11,367	675,578
Total expenses for the period	**2,115,683**	**4,034**	**2,118,497**

4. Directors' remuneration

	30th Jun 2017 £	30th Jun 2016 £
Richard Crowder, Chairman (resigned 20th July 2016)	–	49,800
Steve Le Page, Chairman Audit Committee	25,000	44,800
Paul Meader, Senior Independent Director	24,000	52,731
John Le Prevost (resigned 27th April 2016)	–	46,865
Sarita Keen	21,000	40,800
Vic Holmes, (Chairman)	30,000	3,230
Andrew Dodd (resigned 3rd February 2016)	–	Waived
	100,000	**238,226**

The agreed annual directors' fees are shown below. Where applicable pro rata fees have been paid on resignation and from appointment date.

Description	**Amount (per annum)**
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

In the previous period, the Company paid the following fees to its directors for their additional work in connection with the restructuring of the Company: John Le Prevost £33,250, Steve Le Page £19,800, Paul Meader £28,731, Sarita Keen £19,800 and Richard Crowder £19,800. The Company's administrator and secretary, JTC, reimbursed the Company £33,600 as a contribution to the director's fees incurred in the course of correcting the conversion error which occurred in February 2016.

5. Earnings per share

	1st Jan 2017 to 30th Jun 2017 Ordinary Shares Sterling Share Class £
The net gain for the period	£1,873,418
The weighted average number of shares in issue during the period	99,878,909
	Pence (£)
Earnings per share	0.02

	1st Jan 2016 to 30th Jun 2016 Ordinary Shares	
	Sterling Share Class	US Dollar Share Class
The net gain for the period	(£3,582,459)	($1,229,243)
The weighted average number of shares in issue during the period	204,313,931	6,606,465
	Pence (£)	Cents ($)
Earnings per share	(0.02)	(0.19)

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

6. Related party transactions

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

Directors' remuneration is disclosed in note 4.

7. Investments designated at fair value through profit or loss

Unquoted financial assets	As at 30th June 2017 Sterling Share Class £
Portfolio cost carried forward	189,790,867
Unrealised appreciation on valuation	15,278,822
Valuation carried forward	**205,069,689**
Realised gains on sales and conversions	8,320,743
Decrease in unrealised appreciation	(6,419,746)
Net gains on financial assets at fair value through profit or loss	**1,900,997**

	As at 31st December 2016 Ordinary Shares		
Unquoted financial assets	Sterling Share Class £	US Dollar Share Class $	Total £
Portfolio cost carried forward	202,427,124	–	202,427,124
Unrealised appreciation on valuation carried forward	21,698,568	–	21,698,568
Valuation carried forward	**224,125,692**	**–**	**224,125,692**
Realised gains on sales and conversions	170,162,429	4,354,413	173,544,386
(Decrease) in unrealised appreciation	(154,387,819)	(5,579,621)	(15,258,951)
Transfer from USD class to GBP Class	(640,327)	890,055	–
Net gains on financial assets at fair value through profit or loss	**15,134,283**	**(335,153)**	**158,285,435**

Disclosure of the details associated with the Company's holdings in quoted assets has not been given as it is considered to be immaterial.

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 values of the unquoted investments held by the Company are based on the published NAV of the Underlying Fund, AllBlue and AllBlue Leveraged. On the basis that the significant input to the fair value is observable and no significant unobservable adjustments are made to the valuations, the Company categorises the Underlying Fund as Level 2, and the other investments as Level 3.

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

Financial assets at fair value through profit or loss

	Fair value as at 30th Jun 2017 GBP	Fair value as at 31st Dec 2016 GBP
Level 1	–	–
Level 2	198,202,333	195,819,170
Level 3	6,867,356	28,306,522
	205,069,689	**224,125,692**
Financial liabilities at fair value through profit or loss		
Level 1	–	–
Level 2	(1,016,020)	(52,843,598)
Level 3	(19,050,363)	(38,964,958)
	(20,066,383)	**(91,808,556)**

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:

	Financial Assets	Financial Liabilities
Balance at beginning of the period	28,306,522	(38,964,958)
Acquisitions	–	–
Disposals and repayments	(20,940,346)	18,193,704
Net realised gain on valuation for the period	8,304,089	(3,204,524)
Movement in unrealised loss on valuation	(8,802,909)	4,925,415
Transfer (to)/from Level 2	–	–
Balance at end of period	**6,867,356**	**(19,050,363)**

On 1st 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. From the start of the program, the Company received redemption proceeds from the AllBlue funds as detailed below.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

7. Investments designated at fair value through profit or loss *continued*

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
28/04/2016	£	7,367,438
27/05/2016	£	16,326,192
29/06/2016	£	3,077,889
30/06/2016	£	745,838
13/07/2016	£	19,303,481
14/07/2016	£	4,677,645
26/08/2016	£	7,116,793
29/09/2016	£	32,107,484
02/11/2016	£	4,323,360
30/11/2016	£	3,960,034
20/12/2016	£	17,802,497
07/02/2017	£	5,391,962
28/02/2017	£	303,504
02/03/2017	£	3,920,619
24/03/2017	£	2,443,283
05/05/2017	£	197,068
08/05/2017	£	47,726
29/06/2017	£	7,770,209
TOTAL:	**£**	**693,469,198**

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
28/04/2016	$	140,748
27/05/2016	$	885,611
29/06/2016	$	207,336
13/07/206	$	1,300,688
26/08/2016	$	386,155
29/09/2016	$	1,742,190
02/11/2016	$	240,001
30/11/2016	$	215,084
20/12/2016	$	966,590
07/02/2017	$	298,230
02/03/2017	$	229,941
24/03/2017	$	131,712
05/05/2017	$	15,922
29/06/2017	$	419,655
TOTAL:	**$**	**41,652,790**

On 24th 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 1st March 2016. The Company's name was also changed to Highbridge Multi-Strategy Fund Limited.

There were no investments made into the Underlying Fund through the non restricted series sterling share class of 1992 Multi-Strategy Fund Corporation in the period.

8. Prepayments and receivables

	30th Jun 2017 GBP	31st Dec 2016 GBP
Prepayments	29,278	36,743
Securities Sold Receivable	–	60,492,566
	29,278	**60,529,309**

9. Financial liabilities designated at fair value through profit or loss

	Fair value as at 30th Jun 2017 GBP	Fair value as at 31st Dec 2016 GBP
Opening	(91,808,555)	–
Redemption Liability at inception	–	(528,582,999)
Repurchase portfolio	–	(54,093,902)
Repayments	71,427,012	496,129,940
Realised (gains)/losses	(2,869,289)	366,614
Change in Unrealised from inception	3,184,449	(5,628,209)
Balance	**(20,066,383)**	**(91,808,555)**

	1st Jan to 30th Jun 2017	1st Jan to 30th Jun 2016
Realised gains	(2,869,289)	(45,856)
Change in Unrealised	3,184,449	897,410
Total gains	**315,160**	**851,554**

The redemption liability is the liability raised for redemptions to Cash Exit shareholders that opted out of the Company on 22nd February 2016. The redemption amounts payable are based on the NAV of the investments in the AllBlue Funds thus the recognition of the liability and the asset match (please refer to note 1 (j) for further details).

The repurchase portfolio is the portfolio that has been set aside to cover the share buyback costs once realised, pertaining to the tender offer of 21st October 2016. A liability has thus been raised that matches the fair value of the assets in the repurchase portfolio.

Please refer to Note 7 for the IFRS 13 Level 3 reconciliation.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

10. Stated capital

Issued	Ordinary Shares Sterling Share Class	US Dollar Share Class	Total
Number of shares in issue at 1st January 2016	381,566,044	22,192,929	403,758,973
Redemptions	(254,398,888)	(15,655,071)	(270,053,959)
Conversions	4,460,577	(6,537,858)	(2,077,281)
Purchase of own shares	(28,056,614)	–	(28,056,614)
Number of shares in issue at 31st December 2016	**103,571,119**	–	**103,571,119**
Redemptions	–	–	–
Conversions	–	–	–
Purchase of own shares	(4,721,000)	–	(4,721,000)
Number of shares in issue at 30th June 2017	**98,850,119**	**–**	**98,850,119**

As explained in Note 1(i) the share classes were previously recognised as liabilities as at the 31st December 2015 year end, however the remaining share class (Sterling) is recognised as equity from the time of the conversion in the prior period (28th February 2016).

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.

All the Company's Shareholders were offered the opportunity to redeem up to 100% of their Shares in the Company (the Cash Exit Offer) as at the 22nd February 2016 Record Date. This Cash Exit Offer closed at 5pm on 22nd 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 29th 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 19th 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 21st October 2016 the Company announced in accordance with the terms and conditions of the Tender Offer, and following the passing of the proposed special resolutions at an Extraordinary General Meeting (the 'EGM'), tenders for 25,892,614 Shares (representing c. 20% of the Shares in issue at the Record Date) were accepted by the Company. Following the above a repurchase portfolio was created as described in the circular dated 26th September, 2016. The total number of Shares in issue, as at 30th June, 2017 was 131,627,733, of which 32,777,614 Shares were held in treasury, and the total number of shares in issue excluding treasury shares was 98,850,119.

On 12th January 2017 £0.07 per sterling share and $0.06 per US Dollar shares were received by investors participating in the Cash Exit Offer totalling £17,375,443 and $992,518.

11. Discount management

On 24th February 2016, the Company's Articles of Incorporation 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.

In addition, the current Articles enable the Directors, at their absolute discretion, to make a quarterly tender offer to Shareholders for up to 20% of the issued share capital of the Company. In the event that the Directors choose to exercise this discretion in any quarter, they may tender for any number of shares, up to 20% of the issued capital.

The Company engaged in a buyback programme during the Period, during which 4,721,000 shares were repurchased at an average discount of 5.41%.

12. 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 International Financial Reporting Standards ('IFRS').

	Notes	As at 30th June 2017 Sterling Share Class £
Capital and reserves		
Stated capital	10	–
Treasury shares		(67,641,309)
Reserves	13	279,408,585
		211,767,276

	Notes	As at 31st December 2016 Ordinary Shares Sterling Share Class £	US Dollar Share Class $	Total £
Capital and reserves				
Stated capital	8	–	–	–
Treasury shares		(58,200,465)	–	(58,200,465)
Reserves	12	277,535,167	–	277,535,167
		219,334,702	**–**	**219,334,702**

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

12. Treasury shares *continued*

Treasury shares	As at 30th June 2017 Ordinary Shares Sterling Share Class £
Balance as at 1st January 2017	58,200,465
Acquired during period	9,440,844
Balance as at 30th June 2017	**67,641,309**

		As at 31st December 2016 Ordinary Shares		
	Notes	Sterling Share Class £	US Dollar Share Class $	Total £
Balance as at 1st January 2016		79,026,334	4,114,619	81,317,613
Acquired during year		58,200,465	–	58,200,465
Cancelled during the year		(79,026,334)	(4,114,619)	(81,317,613)
Balance as at 31st December 2016		**58,200,465**	**–**	**58,200,465**

During the period ended 30th June 2017, the Company bought back 4,721,000 (31st December 2016: 28,056,614) Sterling shares, with an average price of £1.8822 (31st December 2016: £1.9033).

13. Reserves

	30th June 2017 Ordinary Shares Sterling Share Class £
Balance as at 1st January 2017	277,535,167
Increase in net assets attributable to shareholders after other comprehensive income	1,873,418
Balance as at 30th June 2017	**279,408,585**

	31st December 2016		
	Sterling Share Class £	US Dollar Share Class $	Total £
Balance as at 1st January 2015	845,957,145	46,578,369	877,071,141
Increase/(Decrease) in net assets attributable to shareholders after other comprehensive income	8,986,565	(339,188)	10,364,638
Treasury shares cancelled during the period	(79,026,334)	(4,114,619)	(81,317,613)
Share conversions	8,889,173	(12,415,933)	–
Redemptions	(507,271,382)	(29,708,629)	(528,582,999)
Balance as at 31st December 2016	**277,535,167**	**–**	**277,535,167**

14. Financial instruments

The Company's main financial instruments at the period end and the prior period end comprise:

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

(b) Shares held in the Underlying Fund, and creditor interests held in AllBlue, and AllBlue Leveraged.

15. Financial risk management objectives and policies

The main risks arising from the Company's financial instruments concern its holding in the Underlying Fund as well as the investments in the AllBlue funds and the AllBlue Leveraged funds. The risks attaching to those investments are market price risk, credit risk and liquidity risk.

So far as the Company is concerned, the only risk over which the Board can exert direct control is liquidity risk through its ability to exercise redemption rights in the Underlying Fund for the purpose of meeting share buy backs and ongoing expenses of the Company. However, redemptions are restricted to [25%] of the Company's holding in the Underlying Fund on any quarterly redemption date and there are various circumstances under which the Underlying Fund can further restrict redemptions. Since the change of investment policy and the appointment of Highbridge as Investment Manager, the Company has held a modest Cash reserve to cover the running costs of the Company. Additionally, proceeds available from the AllBlue and AllBlue leveraged Funds and the possibility of redeeming from the Underlying Fund enable the Company to meet its liabilities as they fall due. Thereafter the Board recognises that the Company has via its holding of shares in Underlying Fund an indirect exposure to the risks summarised below.

It must also be noted that there is little or nothing which the Board can do to manage each of the other risks within the Underlying Fund or the investments in which the Underlying Fund invests under the current investment objective of the Company. With regard to the recoverability of the investment in respect of the AllBlue and AllBlue Leveraged funds, the Company is reliant on the programme initiated by BlueCrest to return the capital managed in these funds to investors.

(a) Market Risk

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 Fund's investments. Volatility or illiquidity could impair the Underlying Fund's profitability or result in losses.

Details of the Company's Investment Objective and Policy are given on page 10.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

15. Financial risk management objectives and policies *continued*

(a) Market Risk *continued*

Price Risk *continued*

Price sensitivity

The Company invests substantially all its assets in the Underlying Fund and does not undertake any structural borrowing or hedging activity at the Company level. Its performance, therefore, is principally directly linked to the NAV of the Underlying Fund, which holds a large number of positions in listed and unlisted securities.

At 30th June 2017, if the NAV of the underlying investments had been 10% higher/lower with all the other variables held constant, the Shareholders' equity as at 30th June 2017 would have increased/decreased by £18,500,331 (31st December 2016: increase/decrease in net assets attributable to Shareholders of £13,231,714). This change arises due to the net increase/ decrease in the fair value of financial assets and financial liabilities at fair value through profit or loss.

Currency Risk

The Company is not exposed directly to material foreign exchange risk as the Sterling Shares in the Company are directly invested in Sterling denominated shares of the Underlying Fund.

Interest 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 and liabilities 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.

(b) Credit Risk

Credit Risk is the risk that financial losses arise from the failure of a customer or counterparty to meet it's obligations under a contract. Direct credit risk arises from cash and cash equivalents, securities sold receivables and other receivables including creditor interests held in AllBlue Limited and AllBlue Leveraged Feeder Limited. The Company only deposits money with appropriately rated counterparties.

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 the Underlying Fund, the effects of such a default may have negative effects on other prime brokers with whom the Underlying Fund deals. The Underlying Fund and the Company may, therefore, be exposed to systemic risk when the Underlying Fund deals with prime brokers and custodians whose creditworthiness may be interlinked.

The assets of the Underlying Fund 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, the Underlying Fund may not receive back all or any of the assets pledged or held with the defaulting party.

The maximum exposure to credit risk, excluding any credit exposures in the Underlying Fund, AllBlue Limited and AllBlue Leveraged Feeder Limited and before any credit enhancements at 30th June 2017 is the carrying amount of the financial assets as set out below:

	30th Jun 2017 £	31st Dec 2016 £
Prepayments and Receivables	29,278	60,529,309
Cash and Cash Equivalents	26,799,032	26,554,506
	26,828,310	**87,083,815**

(c) Liquidity Risk

In order to realise its investment in the Underlying Fund, the Company generally may, as of any calendar quarter-end, upon at least 65 days' prior written notice to the administrator of the Underlying Fund, redeem up to, but not exceeding, 25% of the number of the 1992 shares issued to the Company upon each subscription. Redemption proceeds may be paid in cash or, at the discretion of 1992, in kind. In addition, 1992 is not required to permit redemptions of more than 10% of the aggregate net asset value of the participating shares of 1992 as of any redemption date. If the redemption requests for a particular redemption date exceed 10% of the aggregate net asset value of the participating shares of 1992, 1992 may limit redemptions to 10% of the aggregate net asset value of the participating shares and determine that all redeeming investors will receive a prorated redemption. 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 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 Underlying Fund's positions 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 Underlying Fund enters 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 Underlying Fund's portfolio.

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

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 AllBlue, AllBlue Leveraged 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.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

15. Financial risk management objectives and policies *continued*

(c) Liquidity Risk *continued*

The table below details the residual contractual maturities of financial liabilities:

	As at 30th June 2017			
	1-3 months £	3-12 months £	More than 1 year	Total £
Assets				
Unquoted financial assets designated as at fair value through profit or loss	–	6,867,356	198,202,333	205,069,689
Prepayments and Receivables	29,278	–	–	29,278
Cash	26,799,032	–	–	26,799,032
Liabilities				
Unquoted financial liabilities designated as at fair value through profit or loss	–	(20,066,383)	–	(20,066,383)
Accrued expenses	(64,340)	–	–	(64,340)

	As at 31st December 2016			
	1-3 months £	3-12 months £	More than 1 year	Total £
Assets				
Unquoted financial assets designated as at fair value through profit or loss	5,934,682	22,371,840	195,819,170	224,125,692
Prepayments and Receivables	60,529,309	–	–	60,529,309
Cash	26,554,506	–	–	26,554,506
Liabilities				
Unquoted financial liabilities designated as at fair value through profit or loss	–	(91,808,555)	–	(91,808,555)
Accrued expenses	(66,250)	–	–	(66,250)

Net assets attributable to shareholders are no longer considered liabilities. Refer to Note 1(i) for further details.

(d) Leverage by the Underlying Fund and by funds underlying AllBlue

Certain funds underlying AllBlue in which the Company has an economic interest, operated with a substantial degree of leverage, may still contain 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 awaiting redemption.

Similarly, the Underlying Fund may also invest with leverage, may borrow and engage in margin transactions. Such leverage may take a variety of forms, including margin loans by the Underlying Fund's prime brokers for the purchase or sale of securities and implicitly as a result of low margin requirements, certain futures contracts and other derivative investments. This leverage represents the potential for a higher rate of total return but will also increase the volatility of the Underlying Fund and present the risk of a total loss of the amount invested in the Underlying Fund.

(e) Assets and Liabilities not carried at fair value but for which fair value is disclosed

The following table analyses the Company's assets and liabilities (by class) not measured at fair value at 30th June 2017 and 31st December 2016 but for which fair value is disclosed.

	30th Jun 2017 £	31st Dec 2016 £
Assets		
Prepayments and Receivables	29,278	60,529,309
Cash and Cash Equivalents	26,799,032	26,554,506
	26,828,310	**87,083,815**
Liabilities	64,340	66,250
Accrued Expenses	64,340	66,250

The assets and liabilities included in the above table are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

(f) Capital management

The investment objective of the Company prior to 25th 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 25th February 2016, the Company's investment objective has been 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.

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 10 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% 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 annual 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 annual 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 up to 14.9 million further Shares on a non pre-emptive basis for a period concluding on 31st December 2018, by a special resolution of Shareholders passed on 19th July 2017, 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 annual 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.

NOTES TO THE FINANCIAL STATEMENTS *CONTINUED*

16. Changes in accounting policies and disclosures

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.

IAS 7 Statement of Cash Flows – amendments resulting from the disclosure initiative effective for annual periods beginning on or after 1st January 2017 (EU endorsement is outstanding).

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 1st January 2018.

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 1st January 2018 (Endorsed by EU).

17. Net asset value per share

The NAV per share per the Financial Statements is equal to the published NAV per share in the current period. The published NAV per share for Sterling share class was £2.1423 (31st December 2016: £2.1177) which represents the NAV per share attributable to Shareholders in accordance with the Prospectus.

18. Events after the reporting period

As stated in Note 7, 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 on 1st December 2015 that the BlueCrest funds would embark upon a programme to return the capital managed in these funds to investors. Subsequent to the 30th June 2017 period, the Company has received redemption proceeds as follows:

Sterling Share Class

07/07/2017	£	7,770,209	
TOTAL:	**£**	**7,709,209**	**98% returned to date (estimated)**

US Dollar Share Class

07/07/2017	$	419,663	
TOTAL:	**$**	**419,663**	**96% returned to date (estimated)**

No further payments have been made after the period end to repay the Company's liabilities to exiting Shareholders as the Directors intend to make only one further such payment in order to minimise the costs incurred by both the Company and the exiting Shareholders.

Schedule of Investments

Schedule of Investment Assets and Liabilities as at 30th June 2017

Investment assets	Nominal holdings	Valuation source currency	Valuation GBP	Total net assets %
Securities portfolio				
Highbridge Multi Strategy Fund Class F Series N - RF/Mar 16	184,399	£198,202,333	£198,202,333	93.59%
AllBlue Limited Sterling	–	£5,320,311	£5,320,311	2.51%
AllBlue Leveraged Feeder Limited Sterling	–	£1,250,916	£1,250,916	0.59%
AllBlue Limited US Dollar	–	$385,708	£296,129	0.14%
			£205,069,689	96.84%

Schedule of Investment Assets and Liabilities as at 31st December 2016

	Nominal holdings	Valuation source currency	Valuation GBP	Total net assets %
Securities portfolio				
Highbridge Multi Strategy Fund Class F Series N - RF/Mar 16	153,912	£163,544,992	£163,544,992	74.56%
AllBlue Limited Sterling	–	£21,788,466	£21,788,466	9.93%
AllBlue Leveraged Feeder Limited Sterling	–	£5,244,110	£5,244,110	2.39%
Highbridge Multi Strategy Fund Class F Series N - RF/June 16	5,265	£5,554,968	£5,554,968	2.53%
Highbridge Multi Strategy Fund Class F Series N - RF/May 16	5,160	£5,432,789	£5,432,789	2.48%
AllBlue Limited US Dollar	–	$1,501,439	£1,216,725	0.55%
Highbridge Multi Strategy Fund Class F Series RF/July 16	1,053	£1,108,114	£1,108,114	0.51%
Highbridge Multi Strategy Fund Class F Series RF/August 16	6,318	£6,500,184	£6,500,184	2.96%
Highbridge Multi Strategy Fund Class F Series	880	£898,838	£898,838	0.41%
Highbridge Multi Strategy Fund Class F Series RF/October	8,856	£8,931,682	£8,931,682	4.07%
Highbridge Multi Strategy Fund Class F Series RF/December	3,875	£3,904,824	£3,904,824	1.78%
			£224,125,692	102.18%

Glossary

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

'**AIFM**' means Alternative Investment Fund Manager.

'**AllBlue Leveraged**' means AllBlue Leveraged Feeder Limited.

'**AllBlue**' means AllBlue Limited.

'**Articles**' means the Articles of Association of the Company.

'**Beta**' means the covariance of a portfolio's returns with its benchmark's returns, divided by the variance of a benchmark's returns.

'**BlueCrest**' means BlueCrest Capital Management Limited.

'**Board**' means the Board of Directors of the Company.

'**Company**' means Highbridge Multi-Strategy Fund Limited.

'**funds underlying AllBlue**' means the seven underlying funds of AllBlue comprising BlueCrest Capital International Limited, BlueTrend 2x Leveraged Fund Limited (with effect from 1st July 2015, BlueTrend Fund Limited prior to 1st 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).

'**Highbridge**' means Highbridge Capital Management LLC.

'**IFRS**' means the International Financial Reporting Standards as adopted by the European Union.

'**JTC**' or the '**Administrator**' means JTC Fund Solutions (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.

'**Sharpe Ratio**' means the average return earned in excess of the risk-free rate per unit of volatility or total risk.

'**Underlying Fund**' means the multi-strategy fund managed by Highbridge into which the company invests substantially all of its assets, via its investment in sterling denominated class F shares of 1992 Multi-Strategy Fund Corporation .

'**VaR**' means Value at Risk.

'**Website**' means the Company's website, https://www.highbridgemsfltd.co.uk.

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J.P.Morgan
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