BlueCrest
BlueCrest AllBlue Fund Limited

BlueCrest AllBlue Fund Limited

Annual Report and Accounts 2014

Contents

2014 in Numbers

+6.3%

2014 Sterling Share price increase

+6.9%

2014 NAV per share increase Sterling Class

4.2%

Annualised standard deviation (Sterling NAV since inception)

£65m

Value of Sterling Shares repurchased

-4.4%

Average Sterling Class discount to NAV

£820m

Net Asset Value 31 December 2014

0.1

Correlation Sterling NAV to FTSE 100 Total Return Index (since inception)

0.2

Correlation Sterling NAV to Barclays Global Aggregate (since inception)

+8.3%

Annualised Sterling NAV return (since inception)

Information is for BlueCrest AllBlue Fund Limited as at 31 December 2014.

A glossary is provided at the end of this report on page 91

Chairman's Statement

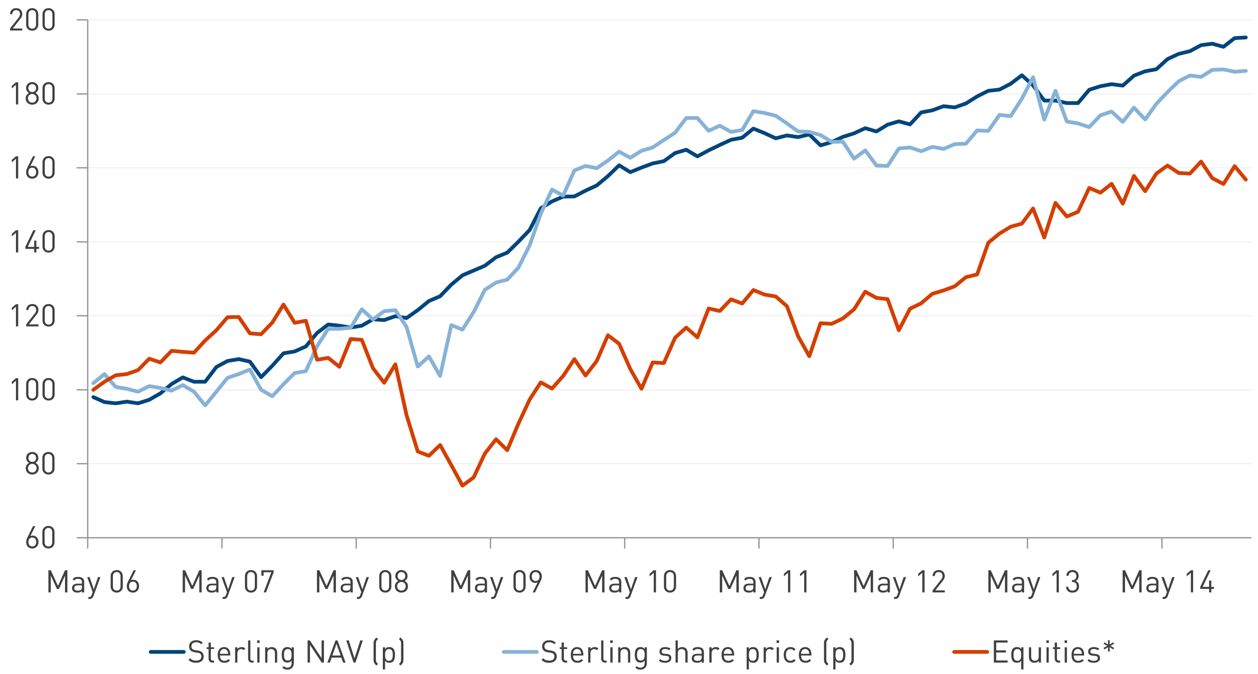
I am pleased to report a year of good performance for your Company. 2014 saw a total net asset value return of 6.9% (Sterling Shares), produced in a very consistent fashion and with very low volatility.

The year was by no means an easy one in financial markets with occasionally treacherous conditions in credit markets, emerging markets and commodities. At the same time the geo-political backdrop deteriorated with growing tensions in Russia and the Middle East as well as continued threats to the stability of the Eurozone. That said, economic growth was generally more encouraging, at least in the Anglo-Saxon economies, and monetary policy remained highly accommodative at a global level. This saw 2014 end on a rather more cheerful note.

That the Company was able to successfully navigate these choppy seas is a testament to the inherent, embedded diversification in AllBlue. 2014 saw the introduction of a new fund into AllBlue, BlueCrest Equity Strategies Fund ("BESF"), a discretionary equity fund. BESF is largely equity neutral but your board, along with many other investors, were alert to the impact that this could have upon the equity sensitivity of the overall portfolio. However, correlations between the seven funds that comprise AllBlue and to the various asset markets remain very low and there is no increase in the equity linkage of returns. Furthermore, all seven funds produced positive returns for the calendar year. As reported in the Investment Manager's report later, BlueCrest see good opportunities for both BESF and BlueCrest Quantitative Equity Fund in 2015 and, at the time of writing, they have indeed started the year on the front foot.

In January 2015 a notable landmark was quietly passed by the Company. Since the Company's launch in 2006 it has now returned over 100% to investors, an annualised return of 8.4% (from inception to 31st January 2015, Sterling NAV). I believe that it is important to retain this longer term perspective as we review each month's or each year's performance. There have, of course, been some years that have been highly fruitful and some years that have been less rewarding. However AllBlue retains an enviable boast that it has produced a positive return over every rolling 12 month period since inception with very low volatility. Such robust defensive characteristics, when combined with strong long term returns, have ever greater value in a world of such uncertainty.

Chairman's Statement



*Source: Bloomberg. Performance is from inception to 31 January 2015. Sterling NAV (p) and Sterling share price (p) are for BlueCrest AllBlue Fund Limited Sterling Share Class. *"Equities" is the FTSE 100 Total Return Index (rebased to 100).*

BOARD SUCCESSION

As I reported to you in the half year financial statements, Steve Le Page joined the Board in June 2014 as Chairman of the Audit Committee, in the place of Jonathan Hooley. Steve has already made a valuable contribution around the Board table.

As I have always said to those of you that I have met in person, I believe that your Company has one of the strongest boards that I know, in terms of experience, skills, diversity of thought and constructive engagement. However, three of us, John Le Prevost, Paul Meader and I, have been on the Board since the Company's inception in 2006. The UK Code of Corporate Governance recommends that directors should not remain beyond nine years and all three of us are approaching that anniversary.

We are alert, however, to the need for orderly succession and the retention of "corporate memory". As a result, our intention is that one of each of the three directors should step aside in each calendar year starting in 2015. Consequently we have already begun a search process and have retained Thomas & Dessain International Search and Selection to manage a structured and thorough search process.

We are, of course, very alert to the need for board diversification and the expectations that investors, governments and regulators have regarding board composition for companies that are members of the FTSE350. I look forward to reporting to you further on this matter in due course.

Chairman's Statement

GOVERNANCE

Good governance remains at the heart of our work as a board and is taken very seriously. In addition, the Board is very active. It meets regularly to a formal timetable but also meets for a large number of additional meetings. During 2014, we held a total of 12 Board meetings and 34 committee meetings.

In order to respond to the evolution of the regulatory and governance landscape, the Company established a Risk Committee in April 2014 which is chaired by Paul Meader. This committee is focused primarily on investment related risks, the Audit Committee retaining responsibility for other risks. The two committees do, however, work hand in glove. Later in this report, Mr Meader details the remit and the work undertaken by the Risk Committee and I am pleased to report that the process has brought value to the identification, management and, where possible, mitigation of risks. It has also brought a sharper focus that can only be of benefit to shareholders.

SHAREHOLDER COMMUNICATION

We have continued our programme of active shareholder engagement during 2014. I sincerely hope that you find the factsheets and other information valuable. The work previously undertaken by the Board and BlueCrest has been enhanced during the year by the appointment of Broker Profile. Broker Profile is a specialist investor relations consultancy and we have been pleased with their progress to date in enabling us to meet new shareholders as well as reacquaint ourselves with existing investors.

As in previous years, I would reiterate that we are always pleased to have contact from shareholders and meet as many of you as possible. In addition, any feedback on the information that we provide is most welcome. If you are not on our mailing list and would like to receive regular updates, please email info@bluecrestallblue.com.

DISCOUNT MANAGEMENT

Whilst the shares finished the year at a discount to net asset value of 4.6% (Sterling class), that discount has been stable for much of the year and within the bounds that we understand most shareholders find acceptable. As a Board, we regularly weigh the balance between maintaining liquidity of the shares, the stability of the discount and the desire of shareholders to see the shares trade as closely as possible to their intrinsic value. During 2014, the Company repurchased £61.8 million Sterling shares and $5.8 million US Dollar shares. Because these repurchases took place at a discount, they created an uplift of 0.40% to the Sterling net asset value and 0.36% to the USD net asset value in 2014.

Chairman's Statement

BLUECREST

The close of 2014 saw some structural changes at BlueCrest. With effect from 1 January 2015 the systematic trading business of BlueCrest has been spun out into a new investment management company, Systematica Investments. Systematica is led by Leda Braga who both ran the systematic trading desk at BlueCrest and was also President of BlueCrest. Mike Platt, a founder of BlueCrest, remains with BlueCrest which manages the five discretionary trading funds and BlueCrest Quantitative Equity Fund, the successor to BlueMatrix within AllBlue.

Close links, both financial and personal, remain between the two firms. In addition, there has been no erosion to the infrastructure of BlueCrest. The Board spent some time examining the issues associated with this and is satisfied that it is very much a case of business as usual and will have no detrimental impact on AllBlue or the Company.

As in previous years, we have also made an annual visit to BlueCrest's offices. We met key front office personnel and also those responsible for areas such as controls, compliance, risk and internal audit.

LOOKING FORWARD

It is easy to focus on the negatives in the global economic, political and financial outlook. The media thrive on such matters. However, there are also signs that the global economy is healing and that the extraordinary monetary and fiscal policies implemented around the world are working, even if we do not yet understand the real, long term implications.

There is little doubt that volatility will continue in 2015 and beyond and that fixed income markets, in particular, are problematic for investors, whether through a move to negative yields or the risk of a sharp increase in yields as monetary policy is tightened. Against this backdrop, BlueCrest AllBlue Fund would seem to continue to command a strong place in investors' portfolios, where its long term proven characteristics of diversification, attractive returns and good liquidity are more essential than ever.

I look forward to reporting to you again with the half year results.

Yours faithfully

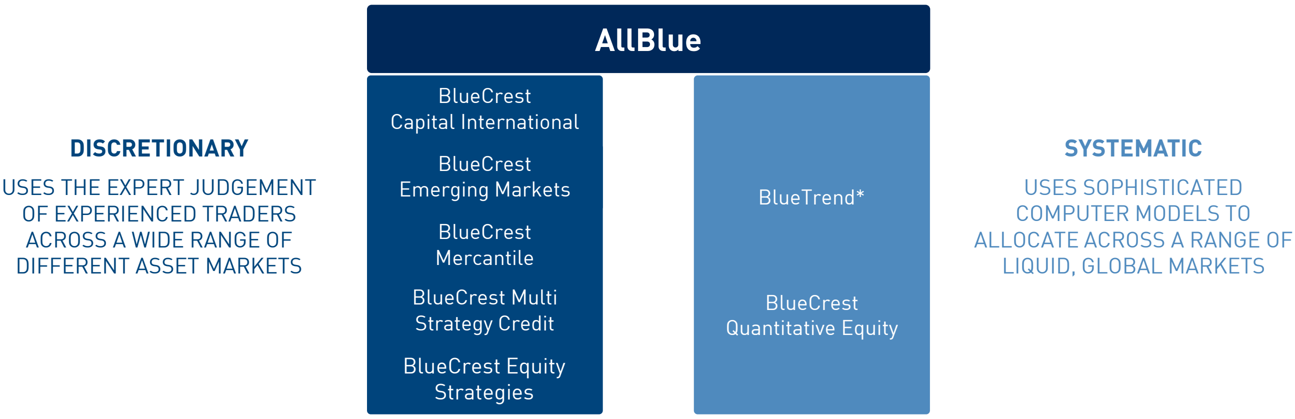
Richard Crowder

Chairman

Company & Investment Overview

The Company is a Guernsey investment company listed and traded on the Premium Segment of the official list of the United Kingdom Listing Authority and traded on the main market of the London Stock Exchange with assets of approximately £820m*. The investment objective of the Company is to seek to provide consistent long-term capital growth through an investment policy of investing substantially all of its assets in AllBlue of any successor vehicle of AllBlue.

AllBlue is a multi-strategy fund of hedge funds investing in BlueCrest and Systematica funds across AllBlue's two core specialisations: discretionary and systematic trading. These two complementary strategies are blended using seven underlying BlueCrest and Systematica funds.



*The investment manager for the BlueTrend fund changed from BlueCrest Capital Management Limited to Systematica Investments Limited as of 1 January 2015.

Using robust risk management, AllBlue blends these seven non-correlated funds to produce attractive returns with low volatility. AllBlue has full transparency into the seven funds aiding the sterling share class return of 8.7%* per annum since inception in 2006, combined with low volatility. A summary on each underlying fund is provided at the end of this section.

AllBlue and six of the underlying funds are managed by BlueCrest Capital Management Limited, one of the world's premier hedge fund managers with offices in the UK, Europe, the US and Asia. Founded in 2000, BlueCrest manages approximately $13.9bn** and has a proven track record of generating strong levels of capital growth whilst ensuring capital preservation. It has an award-winning reputation for excellence in discretionary trading. The principals of BlueCrest have a significant level of their own wealth invested alongside their clients, aligning their interests with those of their investors.

BlueTrend is managed by Systematica, an independent firm launched in January 2015 comprising the systematic investment management business previously managed as part of BlueCrest Capital Management Limited. Systematica is led by Leda Braga, formerly head of systematic trading at

Company & Investment Overview

BlueCrest and manages approximately $9.2bn** across a number of futures and equity based strategies.

The Company has two share classes, Sterling and Dollar (the third class, Euro, was closed during the year) 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 is occasioned by active trading in BCAB's shares as the turnover on the London Stock Exchange typically exceeds 0.5% of the total shares each week.

More information on the Company, its performance and current allocations can be found on the website, www.bluecrestallblue.com

* Net performance of AllBlue Limited (Class A GBP) to 31 December 2014.
** As at 1 March 2015.

Company & Investment Overview

THE SEVEN UNDERLYING FUNDS

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

2014 Investment Manager Report

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

During the last year markets have been impacted by a number of notable events, including the Russia/Ukraine crisis, a growing threat from the 'Islamic State' group, the Ebola epidemic and an extended drop in oil prices. Despite these factors, equities, credit and government bonds generally posted positive returns, though performance was challenging for emerging markets and very weak for commodities. Against this backdrop, AllBlue Limited ("AllBlue") generated a return of +6.26% (Class A USD) with modest correlation to traditional asset classes, low volatility and tight control of downside risk.

Reviewing 2014, each of the seven underlying strategies provided a positive contribution, with the largest contributions from the BlueCrest Quantitative Equity strategy (achieved through BlueMatrix prior to 1 December 2014 and BlueCrest Quantitative Equity thereafter) and BlueCrest Multi Strategy Credit. In combination, AllBlue retained its record of continual positive annual returns, and has been positive over every rolling 12 month period since inception.

In each of the first two quarters of the year, gains were generated across all but one of the underlying funds, with performance led by BlueTrend and Multi Strategy Credit respectively. In the third quarter all but two of the underlying funds were positive. In the fourth quarter, whilst gains were made by four of the underlying funds, led by BlueCrest Quantitative Equity (BlueMatrix prior to 1 December 2014) and BlueTrend, the sharp market reversals seen in October and December led to small losses in the BlueCrest Multi Strategy Credit, BlueCrest Emerging Markets and BlueCrest Capital International funds, reducing the overall return for AllBlue during that period.

During the year, the allocations to BlueCrest Quantitative Equity (BlueMatrix prior to 1 December 2014) and BlueCrest Multi Strategy Credit were increased to reflect the allocation committee's view that an attractive opportunity set was available for those strategies based on individual security selection. In June 2014, the BlueCrest Equity Strategies Fund was added to further diversify the strategy mix within AllBlue; the fund operates a multi-portfolio manager, multi strategy approach, covering global equity markets. Conversely, the allocation committee saw a less attractive opportunity set available for more macro-based strategies, and consequently allocations were reduced to the BlueTrend and BlueCrest Capital International funds. The allocation to the BlueCrest Emerging Markets fund was also reduced to reflect increased uncertainty and heightened geopolitical influences in those markets. Other allocation changes were less significant and were made to capture shifts in relative market opportunities through the period.

Throughout the course of the year AllBlue's VaR (Historic Simulation, 95% confidence, 1 day VaR) has averaged 0.25%, slightly lower than the average for 2013, with a low of 0.20% being seen in August and October and a high of 0.33% being observed in February and May. The underlying funds continued to hold significant levels of unencumbered cash, with levels at year-end ranging from 20% in BlueCrest Mercantile to 82% in BlueTrend. The imputed cash level for AllBlue was around 47% at year-end.

A high level of diversification was seen between the underlying funds, with the average correlation being 8%. The highest correlation in 2014, measured on weekly data, was between BlueCrest Multi Strategy Credit and BlueCrest Emerging Markets (50%), whilst the lowest correlation was observed between BlueCrest Quantitative Equity and BlueCrest Mercantile (-47%).

Looking forward, the US economy is picking up steam, but with declining inflation and the headwinds of a strong US Dollar, the Federal Reserve may delay interest rate hikes until later in the year, which may also be influential for the timing of the Bank of England's potential interest rate rise. The ECB announced the commencement of its own quantitative easing early in 2015, finally following the actions taken previously by other major central banks, but political pressures have mounted in individual countries and could lead to deeper cracks in the currency union. In Japan, Prime Minister Abe will press on with reforms, aiming to bring inflation through whatever means possible. The tussle between the opposing actions of the central banks of the US/UK on one hand, and those of Europe/Japan on the other, is likely to introduce higher volatility to markets, which should benefit the trading style of our funds. Further sources of uncertainty include the level of oil prices and the impact on emerging markets, US Dollar currency strength and a range of geopolitical threats.

AllBlue's underlying strategies have the capability to deliver returns irrespective of market direction, with both the discretionary and systematic funds likely to benefit from the stronger expected influence of fundamental factors on the assets within their respective trading universes.

2014 Investment Manager Report

ALLBLUE ALLOCATION

	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Change
BlueCrest Capital International	20.1%	20.6%	18.7%	14.4%	15.9%	-4.2%
BlueCrest Emerging Markets	19.0%	15.5%	13.1%	12.0%	8.9%	-10.1%
BlueCrest Multi Strategy Credit	21.1%	23.7%	25.1%	25.1%	24.8%	+3.7%
BlueCrest Mercantile	8.9%	8.9%	8.9%	8.9%	8.9%	0.0%
BlueCrest Equity Strategies	-	-	5.0%	8.5%	10.0%	+10.0%
BlueTrend	14.9%	9.9%	7.9%	7.9%	8.0%	-6.9%
BlueCrest Quantitative Equity*	15.8%	21.4%	21.3%	23.0%	23.3%	+7.5%
Cash	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%

AllBlue Allocations as of the 1st of each quarter end month (Q4: December, Q1: March, Q2: June and Q3: September). *Prior to 1 December 2014, the allocation to this strategy was achieved through BlueMatrix.

FUND PERFORMANCE

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014
AllBlue	**1.74%**	**2.28%**	**1.30%**	**0.81%**	**6.26%**
BlueCrest Capital International	0.70%	0.02%	0.23%	-0.84%	0.10%
BlueCrest Emerging Markets	0.76%	4.48%	1.19%	-0.81%	5.65%
BlueCrest Multi Strategy Credit	5.49%	2.96%	-1.01%	-1.01%	6.43%
BlueCrest Mercantile	1.23%	0.93%	1.05%	0.46%	3.72%
BlueCrest Equity Strategies*	-	0.88%	2.67%	2.86%	6.53%
BlueTrend	-3.72%	10.27%	-0.13%	6.28%	12.68%
BlueCrest Quantitative Equity**	3.44%	-0.41%	5.08%	2.31%	10.75%

The figures shown are for the longest running share class in each strategy, namely Class A USD for all funds excluding BlueCrest Multi Strategy Credit which is for Class X USD and BlueCrest Equity Strategies which is for BlueCrest Equity Strategies Fund Limited (Class B USD). *From 1 June 2014. **Prior to 1 December 2014, the allocation to this strategy was achieved through BlueMatrix.

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS.

2014 Investment Manager Report

ALLBLUE ATTRIBUTION

	Q1 2014	Q2 2014	Q3 2014	Q4 2014	2014
BlueCrest Capital International	0.12%	0.01%	0.03%	-0.14%	0.02%
BlueCrest Emerging Markets	0.11%	0.60%	0.14%	-0.07%	0.78%
BlueCrest Multi Strategy Credit	1.21%	0.74%	-0.25%	-0.25%	1.45%
BlueCrest Mercantile	0.12%	0.08%	0.09%	0.05%	0.34%
BlueCrest Equity Strategies*	-	0.04%	0.18%	0.22%	0.44%
BlueTrend	-0.49%	0.95%	-0.04%	0.52%	0.94%
BlueCrest Quantitative Equity**	0.69%	-0.09%	1.14%	0.54%	2.28%

Attribution is for AllBlue Limited (Class A USD). *From 1 June 2014. **Prior to 1 December 2014, the allocation to this strategy was achieved through BlueMatrix.

BLUECREST CAPITAL INTERNATIONAL

During the year, performance contribution by region was dominated by profits from European (primarily euro area and UK) strategies. Asia Pacific strategies made a modest contribution, broadly in line with the capital allocation, whereas the North American region delivered flat returns, as gains from Mortgages strategies were offset by underperformance in US Rates strategies. Cross Market strategies implemented across more than one region were one of the greatest profit contributors.

European rates strategies successfully captured the decrease in yields as the economy deteriorated and inflation fell. UK rates strategies profited from tactical trading through the majority of the year. US rates strategies positioned with a short bias were challenged by the technical bid for bonds that kept yields persistently low, with bouts of panic leading to further safe haven buying.

The low positive performance in 2014 reflects a very challenging environment for both our tactical and directional rates trading strategies. Volatility and trading volumes continued to deteriorate, limiting opportunities for tactical trading and our economic assessment and valuation analysis did not correspond with the bond market rally that persisted through the year.

2014 Investment Manager Report

BLUECREST EMERGING MARKETS

The fund performed positively during an extremely challenging year for emerging markets, through prescient portfolio and risk management by the team. Returns were driven by the active trading of long and short positions in local rates, FX and sovereign credit, capturing mis-pricing opportunities in advance of event catalysts. Diversification, a focus on liquidity and timing of defensive positioning all protected the portfolio during periods when emerging market assets incurred severe losses.

CEEMEA strategies outperformed other regions, as increased support from the European Central Bank benefitted peripheral European interest rate markets, for instance in Poland and Hungary. Asia was also profitable, mainly from relative value currency strategies and long-biased sovereign credit positions. Latin America detracted from performance, with Brazil proving particularly challenging. By asset class, all areas were positive performers with sovereign credit and currency strategies the most significant contributors.

Through the year, the portfolio's directional positioning was broadly neutral; the result of a combination of long/short positions across asset classes and regions. Although overall risk levels rose during the year, in terms of VaR, the heightened market volatility was a major contributor and the portfolio's exposures were generally reduced accordingly.

BLUECREST MULTI STRATEGY CREDIT

Credit markets generated positive performance over the review period, although weakness surfaced in the second half of 2014 as greater risk aversion led to large outflows from high yield mutual funds and put pressure on prices. Over the year, new corporate and convertible bond issuance has remained strong, spurred by mergers and acquisitions activity.

Fund performance was positive for the first half of the year, with the second half posting a modest negative return as market dislocations led to a more challenging environment. All strategies were positive performers over the year with the exception of High Yield which posted a small loss. The most successful strategy was Long/Short Credit trading, which gained from issuer selection in a number of industries. Small losses were made in High Yield as the US markets in particular were challenging.

The portfolio started the year with a modest long bias coupled with significant hedges and short exposure to protect in the case of reversals. During the second quarter, risk exposures were reduced to increase the defensive nature of the portfolio, which served to be correct following the weakness incurred during the second half of the year.

2014 Investment Manager Report

BLUECREST MERCANTILE

Over 2014 the two main sub-strategies, Bank Basel III and Trade Credit Opportunities, produced positive returns, whereas the Commodities Finance sub-strategy delivered a modestly negative return. Within the Bank Basel III sub-strategy, performance of the underlying portfolios remained positive throughout the year as overall default rates in the portfolio's assets continued to be very low. The Trade Credit opportunities portfolio also performed well, as good sector selection and the identification of cheap assets led to solid net positive carry, despite the cost of hedges. The portfolio maintained defensive positioning through holding shorter duration assets and CDS hedges. Our portfolio hedges are proving highly valuable in providing a positively convex profile for the fund during periods of greater macro uncertainty. The Commodities Finance sub-strategy was negatively impacted by exposure to gold-related assets that incurred price falls during the year.

BLUECREST EQUITY STRATEGIES

This multi-manager, global equity multi-strategy fund was introduced as a new component of AllBlue in June 2014, with an initial allocation of 5%, which was increased to 10% by year end. The largest element of the strategy is long/short equity trading, primarily from a fundamental perspective, complemented by event driven and relative value strategies. Long/short equity trading saw strong gains from Europe, followed by North America and then smaller gains from Asia Pacific & Emerging Markets portfolios. Sector performance saw positive contributions from the Energy and Financials areas, while the Technology, Media and Telecommunications sector was more challenging. Event-driven trading benefitted from a generally strong environment of increased willingness by boards to engage in strategic moves and a number of announced corporate actions. The net equity exposure of the portfolio was maintained at a modest level, ensuring low correlation to equity indices over the year.

BLUETREND

The environment for trend following improved in 2014 and led to strong performance of the BlueTrend strategy, in particular in the second and fourth quarters. The best performing sector was Bonds, where a long bias was maintained throughout the year and positions benefitted from yields moving generally lower across global bond markets, resulting in a gain of approximately 18% gross; Interest Rates was also a positive contributor to returns on a smaller scale. Currencies were profitable, contributing approximately +2% gross, as the weakness of the Japanese Yen and Euro (which fell -13.7% and -12.0% respectively over the year) were amongst the opportunities captured within the sector. The Energies sector detracted from returns, around -4% gross, after the sharp deterioration in oil prices initially led to losses from long positions, before the bias switched to short later in the year. The Equities and Metals sectors also detracted, whilst Crops contributed positively. Over the course of the year the

Margin to Equity for BlueTrend ranged between 10.1% and 18.2% with an average of 15.8% (measured on monthly data).

BLUECREST QUANTITATIVE EQUITY (formerly accessed via BLUEMATRIX)

The Quantitative Equity strategy was achieved through BlueMatrix prior to 1 December 2014 and BlueCrest Quantitative Equity thereafter. Strong performance in 2014 saw gains delivered across all three regions and from all signal families traded by the strategy. For the majority of the year, greater single stock return dispersion and healthy trading volumes provided a favourable environment for the strategy. The strongest contribution came from the European portfolios, which accounted for more than half of the returns, followed by North America and then Asia Pacific and Emerging Markets. All signal families were positive performers, with Traditional signals providing the greatest contribution followed by Alternative and then Proprietary signals. The net equity exposure of the portfolio was maintained at a minimal level, ensuring low correlation to equity indices over the year. Looking forward, benefits are anticipated from enhancements made to the model during 2014, including expansion of the Macro Alpha and Alpha Capture signals and further optimisation of the portfolio construction and risk model processes used within the strategy.

Directors and Secretary

The Company has five Directors, all of whom are non-executive. All directors, with the exception of Jonathan Hooley and Steve Le Page, held office throughout the reporting year. All Directors, with the exception of Jonathan Hooley, held office at the date of this report.

Richard Crowder, Chairman (aged 65) holds a range of non-executive directorships and consultancy appointments. Having worked as an Investment Manager with Ivory & Sime in Edinburgh and as a Head of Investment Research with W.I. Carr in the Far East, he undertook a wide range of responsibilities for Schroders in London and the Far East, culminating in the role of Managing Director for Schroders' Singapore associate. Having then worked as Chairman of Smith New Court International Agency and Director of Smith New Court Plc, Mr Crowder was the founding Managing Director of Schroders' Channel Islands subsidiary from 1991 until he became a non-executive Director in 2000. He is resident in Guernsey.

Andrew Dodd (aged 43) is a partner, executive committee member and board member of BlueCrest. He is also a director of AllBlue Limited, BlueCrest BlueTrend Limited and several of the Underlying Funds and a member of the AllBlue Committee which is responsible for portfolio allocations within AllBlue Limited. He joined BlueCrest in 2006 after a 13 year career at Goldman Sachs where he specialised in advising insurance, banking and asset management clients with respect to mergers and acquisitions, capital markets, structured finance and asset/liability management. He holds a BA in Philosophy, Politics and Economics from Oxford University. He is resident in Jersey.

Paul Meader, Senior Independent Director (aged 49) is an independent director of a number of investment management companies, insurers and investment funds. Until 2013, he was Head of Portfolio Management for Canaccord Genuity based in Guernsey, having previously held the role of Chief Executive of Corazon Capital Group which was acquired by Collins Stewart in 2010. Prior to joining Corazon he was Managing Director of Rothschild's Swiss private-banking subsidiary in Guernsey. Mr. Meader has 28 years' experience in financial markets with particular expertise in fixed income investments. He is a Chartered Fellow of the Chartered Institute of Securities & Investments and is past Chairman of the Guernsey International Business Association. He is resident in Guernsey.

John Le Prevost (aged 63) is the Chief Executive Officer of Anson Group Limited and Chairman of Anson Registrars Limited (the Company's Registrar). He has spent over forty years working in offshore fund, trust and investment businesses during which time he has been a managing director of subsidiaries in Guernsey for County NatWest Investment Management, The Royal Bank of Canada and for Republic National Bank of New York. He is a Full Member of the Society of Trust and Estate Practitioners and in 1991-2 read for a law degree via distance learning and in 2009-11 read for an MBA from Southampton

University via the Guernsey Training Agency. He is a non-executive director of a number of London listed investment companies and is a trustee of the Guernsey Sailing Trust. He is resident in Guernsey.

Steve Le Page, **Chairman of Audit Committee** (aged 58), retired from partnership with PwC in the Channel Islands in September 2013 and joined the board in June 2014 to succeed Jonathan Hooley who resigned on 25 April 2014. His career at PwC spanned 33 years, during which time he was partner in charge of their Assurance and Advisory businesses for ten years and Senior Partner for five years. In these executive positions he led considerable change and growth in that firm and also helped fund boards deal with regulatory and reporting issues. His experience spans initial listings, ongoing governance and reporting, continuation and going concern and even winding up of Listed and unlisted entities. He is a Chartered Accountant and a Chartered Tax Advisor and he has a number of non-executive roles. He is resident in Guernsey

Company Secretary and Administrator

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

The Administrator is also responsible for the Company's general administrative functions such as the calculation of the NAV of Shares and the maintenance of accounting and statutory records. In addition, at the direction and request of the Board, the Administrator is responsible for undertaking the required actions to adjust the Company's portfolio in order to reflect monthly share conversions or other activities undertaken by the Board in accordance with the Investment Policy.

Report of the Directors

The Directors present their report and financial statements for the year ended 31 December 2014.

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

THE COMPANY

Information on the Company including its Investment Objective and Policies can be found on page 83 onward.

SHAREHOLDER COMMUNICATION

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

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

Report of the Directors

The Company announces the confirmed net asset value of each share class on a monthly basis and a commentary on the investment performance of AllBlue is provided in the Company's monthly factsheet. The estimated net asset value of each share class is announced weekly via a Regulatory Information Service. The daily market closing prices of Shares are available on Reuters, Bloomberg, in the Financial Times and the Daily Telegraph. A copy of the Registration Document, Summary Note and Securities Note of the Company can be found at www.bluecrestallblue.com.

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

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

NET ASSET VALUE ("NAV")

The NAV for accounting purposes of the Company's Shares, including all distributable reserves as at 31 December 2014 was GBP 1.9523 (Sterling Shares) and USD 1.8624 (US Dollar Shares).

The Company's NAV is based on valuations of unquoted investments. In calculating the NAV and the NAV per Share of the Company, the Administrator relies on the NAVs of the shares in AllBlue and AllBlue Leveraged supplied by the administrator of each fund.

RESULTS AND DIVIDENDS

The results for the year are set out in the Statement of Comprehensive Income on pages 52 to 53. In accordance with the Investment Objective the Directors did not declare any dividends during the year under review and the Directors do not recommend the payment of a dividend as at the date of this report.

DIRECTORS

The Directors, all of whom are non-executive are shown on pages 17 and 18. No Director has a contract of service with the Company, nor are any such contracts proposed.

The interests of the Directors in the Shares of the Company as at the date of signature of these financial statements are as follows:

Report of the Directors

Director	Number and Class of Shares
Mr Andrew Dodd	329,165 Sterling Shares
Mr Richard Crowder	120,000 Sterling Shares
Mr John Le Prevost	96,784 Sterling Shares
Mr Paul Meader	29,163 Sterling Shares

RELATED PARTY TRANSACTIONS

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

Andrew Dodd is a principal, executive committee member and board member of BlueCrest. He is also a director of AllBlue Limited and several of the Underlying Funds and a member of the AllBlue Committee which is responsible for portfolio allocations within AllBlue Limited. As at 31 March 2015, BlueCrest holds a material number of shares in the company which does not exceed five per cent of the total shares in issue.

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

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

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

Report of the Directors

SUBSTANTIAL SHAREHOLDINGS

The Directors have been notified of the following substantial interests in the Company's relevant share capital as at 31 March 2015. There have been no material changes in the below list of substantial shareholdings from that as at 31 December 2014 other than to adjust the percentage of voting rights to reflect the shares in issue at that time.

Name	Number of Voting Rights	% of Voting Rights
Schroders Plc	69,382,225	16.2
Rathbone Brothers Plc	60,450,669	14.1
BlackRock Inc	48,382,169	11.3
HSBC Holdings	33,492,683	7.8
Quilter & Co Ltd	31,675,360	7.4
Cazenove Capital Management Limited	29,108,951	6.8

CORPORATE GOVERNANCE

Statement of Compliance with the AIC Code of Corporate Governance

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

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

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

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

Report of the Directors

The UK Corporate Governance Code includes provisions relating to:

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

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

THE BOARD

The Board comprises five non-executive Directors all of whom are independent (with the Chairman being independent on appointment) for the purposes of Principle Two of the AIC Code and Listing Rule 15.2.12A except for Mr Dodd, who is a member of the Board of the investment manager of AllBlue Limited and AllBlue Leveraged Feeder Limited. As part of their examination of the independence of the Board, the Board have considered the independence of Mr Le Prevost, who is a director and controller of the Registrar of the Company and a former director and controller of the Company's Administrator and Mr Meader who holds cross directorships with Mr Le Page and Mr Le Prevost as disclosed below and have concluded that Mr Le Prevost, Mr Meader and Mr Le Page remain independent under principle two of the AIC Code.

Biographies of the Directors appear on pages 17 and 18, demonstrating the wide range of skills and experience they bring to the Board and highlights of their specific key skills and experience are included on page 26. In accordance with Principle Five of the AIC Code, below is a list of all other public company directorships and employments held by each Director and shared directorships of any commercial company held by two or more Directors at the date of this report:-

Richard Crowder

Baring Vostok Investments PCC Limited

Better Capital PCC Limited

FF&P Global Property Fund PCC Limited

FF&P Enhanced Opportunities Fund PCC Limited

FF&P Venture Funds PCC Limited

Heritage Diversified Investments PCC Limited

Japan Residential Investment Company Limited

Paul Meader

Guaranteed Investment Products 1 PCC Limited – non-executive directorship with John Le Prevost

ICG-Longbow Senior Secured UK Property Debt Investments Ltd

JP Morgan Global Convertibles Income Fund Limited

Spitfire Funds (Bermuda) Limited

Spitfire British Property Recovery Fund

Spitfire International Property Recovery Fund

Volta Finance Limited – non executive directorship with Steve Le Page

John Le Prevost

Doric Nimrod Air One Limited

Doric Nimrod Air Two Limited

Doric Nimrod Air Three Limited

Guaranteed Investment Products 1 PCC Limited – non-executive directorship with Paul Meader

Thai Prime Fund Limited

Andrew Dodd

BlueCrest BlueTrend Limited

Steve Le Page

MedicX Fund Limited

Volta Finance Limited – non executive directorship with Paul Meader

BOARD MEETINGS

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

Report of the Directors

During the year under review the Board met twelve times. Of those twelve meetings, four were quarterly Board meetings and the remainder were ad hoc meetings held at short notice to deal with specific matters including the Company's buy-back programme and the redemption of Euro Shares. Director attendance (which includes attendance by alternates) is summarised below:-

Director	Quarterly Board Meetings	Ad Hoc Board Meetings	Audit Committee Meetings	Management and Remuneration Committee Meetings	Nomination Committee Meetings	Risk Committee Meetings
Richard Crowder	4 of 4	7 of 8	4 of 4	2 of 2	4 of 4	1 of 1
Andrew Dodd	3 of 4	4 of 8	-	-	2 of 4	1 of 1
Jonathan Hooley*	2 of 2	1 of 2	2 of 2	0 of 0	0 of 0	-
Paul Meader	4 of 4	7 of 8	4 of 4	2 of 2	4 of 4	1 of 1
John Le Prevost	3 of 4	6 of 8	3 of 4	1 of 2	4 of 4	1 of 1
Steve Le Page*	2 of 2	4 of 5	2 of 2	2 of 2	1 of 1	-

*Jonathan Hooley resigned as a director of the Company on 25 April 2014. Steve Le Page was appointed a director on 3 June 2014. Accordingly, their attendance at meetings is shown against the meetings held during their appointment this year.

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

Report of the Directors

KEY SKILLS AND EXPERIENCE

A review of the skills and experience of the existing Board members, who all held office throughout the Financial Year, except for Steve Le Page who was appointed on 3 June 2014, is outlined below:

Director	Key Skills and Experience
Richard Crowder Chairman	Wide knowledge of investment management as well as broad experience of non-executive directorship, chairmanship and executive directorship in quoted and unquoted companies.
Paul Meader Senior Independent Director	An experienced portfolio manager with in-depth knowledge of private wealth management and institutional asset management. Long term experience of asset allocation, fixed income and hedge funds. Significant financial services, fund management, regulatory and non-executive director experience.
Steve Le Page Chairman of Audit Committee	Wide-ranging knowledge of audit, financial reporting, corporate governance and internal controls in the context of listed investment companies.
John Le Prevost	Extensive knowledge of investment company administration, regulation, listing rules, corporate structuring and substantial non-executive director experience of listed companies in the UK and the Far East.
Andrew Dodd	Extensive knowledge and experience of hedge funds, asset/liability management, capital markets, financial management and risk analysis

The Board approves the nomination for re-election of all directors on an annual basis. The above table summarises the rationale for re-election of directors. All Directors will put themselves forward for re-election at each Annual General Meeting. On 8 August 2014, the most recent AGM, shareholders re-elected Richard Crowder, Andrew Dodd, John Le Prevost and Paul Meader. Due to the timing of the appointment there was no opportunity to elect Steve Le Page at the August 2014 General Meeting. Mr Le Page will put himself forward for election at the 2015 Annual General Meeting.

Report of the Directors

The Board believes that changes to its composition, including succession planning for the Chairman or other director, can be managed without undue disruption to the Company's operations. Directors are able and encouraged to provide statements to the Board of their concerns and ensure that any items of concern are recorded in the Board minutes and the Chairman encourages all Directors to present their views on matters in an open forum. The Board is also scheduled to consider the tenure of Directors once any Director has been appointed to the Board for a continuous period of nine years and this will occur in 2015 for Messrs Crowder, Meader and Le Prevost. Whilst the Board is of the view that directors can continue in certain circumstances beyond a tenure of nine years, thereafter such Directors will be subject to increasing scrutiny as to their effectiveness and independence. In order to achieve orderly succession and to retain 'corporate memory', it is the intention of the Board that one of each of the above three directors should step aside in each calendar year starting in 2015. Under the supervision of the Nomination Committee, the Company has engaged Thomas & Dessain International Search and Selection to manage a structured and thorough search process.

AUDIT COMMITTEE

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

During 2014 the Company established a Risk Committee, and the report of the chairman of that committee can be found on page 38. In establishing this new committee the Board were careful to seek to ensure that all areas of risk and control were addressed by either that committee or the Audit Committee. Consequently the terms of reference of each committee make the division of responsibilities between them clear. The Audit Committee is responsible for monitoring the effectiveness of the controls and systems in place to address, inter alia, the risks of loss or misappropriation of assets, overstatement of liabilities or failure of financial reporting systems or processes, including valuation reporting and processes.

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

Committee has recommended to the Board that the re-appointment of EY as the Company's external auditors be proposed to shareholders at the 2015 Annual General Meeting.

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

MANAGEMENT AND REMUNERATION COMMITTEE

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

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

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

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

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

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

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

Report of the Directors

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

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

	2014	2013
Director's fee	£42,000	£35,000
Additional fee payable to chairman	£18,000	£15,000
Additional fee payable to Audit Committee chairman	£8,000	£5,000
Additional fee payable to senior independent director	£6,000	£5,000

NOMINATION COMMITTEE

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

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

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

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

Following the notification of the resignation of Jonathan Hooley, announced 13 March 2014, the Nomination Committee met to identify the experience and skills which would be needed following the departure of Mr. Hooley and those individuals who might best provide them. The Nomination Committee devised five key objective criteria and mindful of the diversity policy of the Company, the Nomination Committee established a shortlist of candidates, interviewing each candidate individually. Having considered these criteria, Mr Steve Le Page was deemed the most suitable candidate and on 3 June was appointed as a director of the Company as a result of this process.

As disclosed on page 21 the Company has engaged Thomas & Dessain International Search and Selection to manage the orderly succession of each director who has served longer than nine years under the oversight of the Nomination Committee, in line with objective criteria set by the committee, mindful of the diversity policy of the Company.

RISK COMMITTEE

A Risk Committee has been established and its membership and Terms of Reference are available on the Company's website www.bluecrestallblue.com.

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

The Committee's work has focused on two levels:

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

The Committee meets regularly and has, over the course of its first year, spent time defining the scope and mandate of its operations, reviewing key documentation, developing key reporting and interacting with BlueCrest and JTC to examine and understand the risks that the Company is exposed to at both levels.

Further information relating to the work of the Risk Committee is explained in the Risk Committee report on page 38.

BRIBERY

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

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

INTERNAL CONTROLS & RISK MANAGEMENT REVIEW

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

Report of the Directors

The Audit Committee, on behalf of the Board, carries out an annual review of the internal financial controls of the Company. In addition, ISAE 3402 (or equivalent) reports have been obtained from the relevant service providers where available to verify these reviews. The Management and Remuneration Committee also conducts regular reviews of the Company's service providers. The internal controls are designed to meet the Company's particular needs and the foreseeable risks to which it is exposed. Accordingly, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

The Company has put in place arrangements with AllBlue and BlueCrest (as appropriate) for the Company to receive weekly estimated NAVs and estimated and final monthly NAVs in relation to AllBlue and AllBlue Leveraged electronically as soon as they are released to AllBlue investors, together with certain factsheets produced on each fund and other administrative information and reports. The purpose of these arrangements is to ensure that the Directors have sufficient timely information to enable them to monitor the Company's investments in AllBlue. In addition, the appointment of Andrew Dodd to the Board, together with his alternate director, allows the Board immediate direct access to senior representatives of the BlueCrest group to discuss issues and receive information on matters which may impact Shareholders.

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

The Company is a self-managed investment company with no separate investment manager. Accordingly no fees are payable to an investment manager. BlueCrest is the investment manager of AllBlue and AllBlue Leveraged. Administration and Secretarial duties for the Company are performed by JTC. The Board considers that the systems and procedures employed by the Administrator and AllBlue provide sufficient assurance that a sound system of internal controls is in place.

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

Specific matters reserved exclusively for the decision of the Board include all matters concerning the acquisition and realisation of shares in underlying investments, the authorisation of conversions between share classes, the variation of terms on which an overdraft facility is used to finance operating costs and the invocation of any premium or discount mechanisms.

PRINCIPAL RISKS AND UNCERTAINTIES

The Risk Committee reviews risks each quarter and monitors the existing risk control activity designed to mitigate these risks. The principal risks associated with the Company are:

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

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

- Share price discount risk. The Company has a discount control mechanism provision which is designed to mitigate this risk. In the event that the twelve month average discount exceeds five per cent, an ordinary resolution will be proposed as to whether the Company should continue as an investment company. The share price is continually monitored and, if appropriate, the Company buy back facility is utilised to help control share price discount levels. Furthermore, the Board also consider whether any additional control measures need to be taken.

- Concentration risk: The Company's principal exposure is to AllBlue and AllBlue Leveraged and, therefore, the Company is exposed to concentration risk through these two funds. The Board considers that both funds are highly diversified in their exposures, both to the Underlying Funds and the range of individual positions and exposures of each Underlying Fund. The Board believes that this mitigates the concentration risk. The Board actively monitors the exposures of AllBlue, AllBlue Leveraged and the Underlying Funds.

- Leverage risk: The Company does not undertake structural borrowings but will not maintain exactly 1:1 economic exposure to AllBlue at all times because of factors including, but not limited to, Share issuance and buybacks, general expenses and the exact level of leverage embedded in AllBlue Leveraged from time to time. The Board regularly monitors the exposure to AllBlue and rebalances when required. AllBlue does not undertake structural leverage. AllBlue Leveraged seeks to maintain a position which is approximately 2x leveraged to AllBlue (prior to 1 January 2015 1.5x leveraged). This leverage may not be maintained or be constant because of changes to the leverage facility made available to AllBlue Leveraged. The Board monitors the performance of the Company against the performance of AllBlue. Leverage exists in the Underlying Funds either through formal borrowing facilities or embedded in derivative positions. Some of the Underlying Funds will be exposed to significant gross leverage. The Board monitors the performance and strategies of each Underlying Fund and the exposure of AllBlue to each Underlying Fund.

- Counterparty risk: The Company is exposed to counterparty risk directly and indirectly via AllBlue and the Underlying Funds. BlueCrest provide reporting to the Board of the counterparty exposures of AllBlue and the controls exercised around counterparty exposure. The Company seeks to ensure that it does not have undue direct counterparty exposures in line with market practices. AllBlue Leveraged has counterparty exposure to the leverage provider.

- Credit risk: The Company is exposed to credit risk both directly through cash and cash equivalents and applies controls accordingly. The Company is also exposed to credit risk more broadly through AllBlue and the Underlying Funds. The Board believes that credit risk is well diversified through the exposures taken by BlueCrest as Investment Manager of AllBlue.

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

AUDITOR

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

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

GOING CONCERN

The performance of the investments held by the Company over the reporting year is set out in the Statement of Comprehensive Income 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 market price risk, credit risk, liquidity risk, interest rate risk and the risk of leverage by Underlying Funds are set out at note 15 to the financial statements.

The Company's Articles incorporate a discount management provision (which applies to each class of Share individually) that requires a continuation vote to be proposed in respect of the particular class of Shares at a class meeting of the relevant shareholders (by way of ordinary resolution) in the circumstances explained on page 87.

As at 28 February 2015, for the purposes of the continuation votes the Sterling shares had traded at an average 4.37% discount to their net asset values and the US Dollar shares had traded at an average 4.39% discount to their net asset values,

Report of the Directors

After making 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 annual financial report.

Whilst it is not currently anticipated that continuation votes will need to be put to any class of shareholders of the Company in the next twelve months, the Board cannot be certain that the requirement for one or more continuation votes will not be triggered and, if continuation votes were triggered, it cannot be confirmed that any or all of such continuation votes would be passed. Notwithstanding such uncertainty, the financial statements are prepared on the going concern basis in light of the Board's assessment of:

- shareholders' appetite to continue their investments in the Company; and
- the expectation of the Directors that the Company will continue for the foreseeable future.

DISCLOSURE OF INFORMATION TO AUDITORS

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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

Report of the Directors

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

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

RESPONSIBILITY STATEMENT

The Board of Directors, as identified at pages 17 and 18, jointly and severally confirm that, to the best of their knowledge:

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

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

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

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

By order of the Board

Steve Le Page, Director
13 April 2015

Risk Committee Report

MEMBERSHIP

The Risk Committee was established in April 2014 and comprises Paul Meader (Chairman), Richard Crowder, John Le Prevost and Andrew Dodd. Steve Le Page, as the remaining director and Chairman of the Audit Committee, has right of attendance and has attended all the meetings of the Committee since his appointment.

COMMITTEE OVERVIEW

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

The Committee's work has focused on two levels:

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

During 2014 preparatory meetings took place to seek to define the scope and mandate of the Risk Committee's operations, reviewing key documentation, developing key reporting and interacting with BlueCrest and JTC to examine and understand the risks that the Company is exposed to at both levels. Subsequently, the Committee then met formally in Q4 2014 and will, henceforth, meet regularly.

The work of the Committee revolves primarily around:

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

ENGAGEMENT WITH BCML

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

Risk Committee Report

The Risk Committee has continued with this process. I am pleased to report that this has been successful and that BlueCrest are highly responsive and transparent with the Company. We receive detailed reporting from BlueCrest regarding AllBlue and AllBlue Leveraged. We also receive reporting from GlobeOp, the administrator of AllBlue, which provides additional information and assists with the validation of the BlueCrest reporting.

ALLBLUE AND UNDERLYING FUNDS

During the year we have examined and monitored the absolute and relative investment risk exposures of AllBlue including the degree of embedded diversification. In June 2014 BlueCrest Equity Strategies Fund ("BESF") was introduced as a seventh fund into AllBlue and work was undertaken by the Committee to understand the return characteristics of BESF, including correlations to other funds (most particularly to BlueCrest Quantitative Equity Fund/BlueMatrix) and to the broader equity and credit markets. We are satisfied that, to date and based on the characteristics of BESF prior to its inclusion within AllBlue, there has been no appreciable reduction in diversification or increase in equity linkage in the returns of AllBlue.

The work of the Committee has been to look both at individual underlying fund characteristics and also at the effect of aggregating portfolio exposures. The Committee places a particular emphasis on the evolution of trends and I am pleased to be able to report that, whilst there is inevitably some degree of statistical variability, there appears to be a well established pattern that the seven funds demonstrate no statistically significant correlation with each other.

AllBlue's and the Company's performance is also reviewed against the market opportunity set and against peers.

The Committee's work also extends to the aggregation of various exposures at the Company level. JTC provide reporting on a large number of aggregated, Company-level risk metrics which the Risk Committee monitors and their reporting also enables the Risk Committee to validate some of BlueCrest's data.

EXPOSURE MONITORING

As explained elsewhere, as well as owning shares in AllBlue, the Company maintains a cash balance and exposure to AllBlue Leveraged. This facilitates, amongst other things, the Company's repurchase of Shares in the market but brings a number of additional risks. In particular, there is a risk that the buyback of Shares will cause the Company's economic exposure to AllBlue to vary from its objective of 1:1 over time. This exposure is reset as frequently as possible (monthly subscriptions and quarterly redemptions, with notice). During the year, the economic exposure of the Sterling Shares to AllBlue varied between 100.73% and 104.90%.

The Company periodically has a material cash balance and this brings additional counterparty and credit risks to the Company over and above those that would exist if the Company solely invested in AllBlue. Accordingly, the Risk Committee recently developed a Treasury Policy for the Company which has been considered and adopted by the Board subsequent to the balance sheet date. This should ensure greater risk spreading of the Company's cash than previously existed.

RISK MATRIX

Finally, the Risk Committee undertook a root and branch review of the Company's risk matrix and its implementation. This included a focus on the key controls surrounding the principal pre-control risks faced by the Company and the principal post-control risks that the Company continues to face. The resulting revised risk matrix has been approved by the Board. This should facilitate a greater focus henceforth on those key risk controls and the material post control risks.

CONCLUSION

I believe that the introduction of a Risk Committee has brought a sharper focus to the Company's identification, assessment, monitoring and management of risks. Inevitably this is a work in progress and during the first half of 2015, the Committee will seek to evaluate its progress to date and, I hope, further enhance its processes and assessments. In addition, with the spin-off of Systematica Investments in January 2015, we have subsequently assessed the changes that this has brought, including a meeting with Systematica personnel.

Paul Meader

Risk Committee Chairman

Audit Committee Report

MEMBERSHIP

The current Chairman of the Audit Committee is Steve Le Page, who became Chairman on his appointment to the Board on 3 June 2014. Jonathan Hooley was Chairman until his retirement from the Board on 25 April 2014, and Paul Meader was acting Chairman during the intervening period. Mr Meader and Richard Crowder (Company Chairman) were members of the Audit Committee throughout 2014, although Mr Crowder resigned from the Committee on 13 January 2015. John Le Prevost joined the Committee on 28 November 2014.

COMPLIANCE WITH THE AIC CODE

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

- The Chairman of the Company was a member of the Committee as the Board consider that he was independent on appointment.
- The Company does not have an internal audit function, because it has no employees and operates no systems of its own, relying instead on the employees and systems of its external service providers.

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

The Audit Committee met on four occasions during 2014, and all meetings were fully attended by those persons who were members of the Committee at that time. The external auditor attended two of these meetings, during which time the Committee and the auditor met privately, that is in the absence of any service providers.

KEY ACTIVITIES OF THE AUDIT COMMITTEE

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

- Corresponding with the Financial Reporting Council about their review of the Company's 31 December 2012 financial statements;
- Monitoring and assessing the financial systems and controls operated by the Company's key service providers;
- Overseeing the preparation and publication of, and giving appropriate advice to the Board in respect of, the annual report for the year ended 31 December 2014;

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

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

FRC REVIEW OF 31 DECEMBER 2012 ANNUAL FINANCIAL STATEMENTS

During the early part of calendar year 2014, the Company received a letter from the Conduct Committee of the Financial Reporting Council (FRC) raising a number of queries and observations based on the Company's 31 December 2012 financial statements. After meeting with both the Company's auditor and administrator, as Chairman of the Audit Committee, I sent a reply to this letter in which I clarified the Board's view of the points raised, resulting in a second exchange of brief letters. In summary, I am pleased to say that whilst minor amendments to the disclosures made by the Company were implemented in response to this review, there were no material changes needed to the reporting of results or net asset values. Most of the necessary amendments were made to the half year report for the period to 30 June 2014, and the remainder are reflected in these financial statements, where applicable.

The most significant change implemented is to highlight the gain made on repurchase of the Company's own shares in the Statement of Comprehensive Income (as discussed in Note [1k] to the Financial Statements). In considering its response to the FRC on this area, the Board felt that whilst this gain was not material in amount, it was an important element of performance which should be highlighted to investors.

The Board also accepted that the amount payable on the redemption of shares which took place in April 2013 should have been treated as a current liability in the December 2012 financial statements, and has undertaken to ensure that should such circumstances reoccur the correct treatment will be applied. It is important to note that this change of treatment would not have had any impact on the result for 2012 or on the reported net asset value per share.

The Board would like to thank the Conduct Committee for its comments and its constructive approach to this review.

FINANCIAL SYSTEMS AND CONTROLS OPERATED BY SERVICE PROVIDERS

In common with most investment funds, the Company is reliant on the systems, processes and controls operated by its service providers. Throughout the year, the Committee is alert to any indication that service providers may not be performing as expected, such as inaccurate or delayed information, shareholder feedback and the level and standard of interaction between service providers. In so doing the Committee uses its collective knowledge of how other entities are serviced as well as their own experience from previous roles with other service providers.

In addition, the Committee has reviewed the third party controls reports (ISAE 3402 or equivalent reports) provided by the following key service providers to AllBlue–

- ISAE 3402 Report from the administrator of AllBlue;
- ISAE 3402 Report from the investment manager of AllBlue.

A Director has also visited the Company's Secretary and Administrator to carry out a detailed review of their processes under the direction of the Management & Remuneration Committee, and the findings have been taken into account by the Committee. Finally, the non-executive directors all visited BlueCrest, the investment manager of AllBlue Limited and AllBlue Leveraged Feeder Fund Limited, to discuss their processes and activities and their possible impact on the Company.

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

PREPARATION OF THIS ANNUAL REPORT

In October and November 2014 the Committee met with both the external auditor and the Secretary and Administrator, and as Chairman I met with each of these parties separately, to consider the timetable for production of this annual report and to review the proposed scope of the external audit and the arrangements for cooperation between them. The Company's key risks, principal accounting policies and significant areas of judgment or estimation (all as disclosed elsewhere in this annual report) were also considered for appropriateness and completeness. As a result of these meetings we were able to conclude that the annual report production process had been properly planned and prepared for.

In March 2015 the Committee reviewed the draft annual report for compliance with International Financial Reporting Standards and applicable Law or regulation, and also reconsidered the key risks, principal accounting policies and significant areas of judgment or estimation to ensure the disclosure of these items and their application to the annual report remained appropriate. This review and reconsideration included further meetings with the external auditor and Secretary and Administrator. It also included certain activities connected with the review of service providers, as detailed above.

The significant issues which the Committee considered in relation to these financial statements, in addition to those set out elsewhere in this section, were the existence and valuation of the Company's investment holdings. Existence was verified by obtaining direct confirmation from the administrators of each underlying investment. The price at which each investment is valued was also confirmed directly in this way. In addition, the Committee considered the results of the service provider monitoring referred to above (and especially the ISAE 3402 report from the administrator of AllBlue), and also reviewed the actual volume of trading in those investments around the year end to confirm the liquidity of that price. The Committee concluded that the investments existed and were properly valued in accordance with the accounting policy of the Company, set out on page 50.

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

Finally in respect of the annual report, in March the Committee considered the regular monitoring of the Company's cash position carried out by the Board, together with a detailed cash forecast for the period until 31 March 2016. The principal uncertainty involved in the forecasting of the Company's cash requirements is the level at which cash will be utilised in support of the Company's policy of buying back its own shares to reduce the discount to NAV at which they trade. The Committee is satisfied that with the level of cash held, the regular monitoring by the Board and the liquidity of the Company's investments, it is appropriate to prepare the financial statements on a going concern basis.

EXTERNAL AUDITORS

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

Audit Committee Report

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

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

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

Steve Le Page

Chairman

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLUECREST ALLBLUE FUND LIMITED

Opinion on financial statements

In our opinion the financial statements:

» give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;

» have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"); and

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

What we have audited

We have audited the financial statements of BlueCrest AllBlue Fund Limited for the year ended 31 December 2014 which comprise the Primary Accounting Policies, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Shareholders, the Statement of Cash Flows and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and IFRS.

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

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 37, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Our assessment of risks of material misstatement

We identified the following risks that we believed would have the greatest effect on the overall audit strategy; the allocation of resources and directing the efforts of the engagement team:

» existence and ownership of the Company's investments, because failure to obtain good title exposes the Company to significant risk of loss; and

» valuation of the Company's investments, because valuations can require significant judgement and estimation.

Our application of materiality

We determined planning materiality for the Company to be £8.2m (2013: £8.4m), which is approximately 1% of equity. This provided a basis for determining the nature, timing and extent of risk assessment procedures, identifying and assessing the risk of material misstatement and determining the nature, timing and extent of further audit procedures. We used equity as a basis for determining planning materiality because the Company's primary performance measures for internal and external reporting are based on net asset value.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgement was that overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Company should be 75% of materiality, namely £6.2m (2013: £6.3m). Our objective in adopting this approach was to ensure that total uncorrected and undetected audit differences in the financial statements did not exceed our materiality level.

We agreed with the Audit Committee that we would report to them all audit differences in excess of £0.41m (2013: £0.42m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

Independent Auditor's Report

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

An overview of the scope of our audit

We adopted a risk-based approach in determining our audit strategy. This approach focuses audit effort towards higher risk areas, such as management judgments and estimates.

We performed audit procedures and responded to the risks identified as described below.

We addressed the risk that the Company does not hold good title to its investments as follows;

» we obtained confirmation of shareholdings from both the administrator of the investee funds and the Company's administrator (for shares held by them in a nominee capacity on behalf of the Company) and agreed this to the records of the Company. We also obtained and considered the ISAE 3402 report on the administrator of the company's significant investee funds to ascertain whether the relevant controls could be relied upon in our audit strategy.

We addressed the risk of incorrect valuation of the Company's investments as follows;

» we agreed the valuation of the Company's investments to the net asset values published by the administrator of the investee funds.

» we formed an independent view as to whether the fair value of the Company's investments is equivalent to the net asset value of the investee funds and challenged management's assumptions in reaching this conclusion. This included obtaining evidence to support the ability of the Company to redeem its holdings in the investee funds at the year end.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

» materially inconsistent with the information in the audited financial statements; or

» apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or

» is otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

Under the Companies (Guernsey) Law, 2008 we are required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Christopher James Matthews, FCA
for and on behalf of Ernst & Young LLP
Guernsey, Channel Islands
13 April 2015

[1] The maintenance and integrity of the Company's website is the sole responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the Financial Statements since they were initially presented on the website.

[2] Legislation in Guernsey governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Primary Accounting Policies

KEY ACCOUNTING POLICY AND KEY ACCOUNTING JUDGMENT AND AREA OF ESTIMATION UNCERTAINTY for the year ended 31 December 2014

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

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

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

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

In order to assess the fair value of the unquoted non-current and current investments, the NAV of the underlying investment in AllBlue, AllBlue Leveraged and the ICS Funds is taken into consideration. The Company's holdings are realisable at their NAV on quarterly dealing days facilitated by the administrators of these funds. Having taken account of the Company's history of successfully realising its holdings at NAV, and in the absence of gating or suspension of redemptions of these funds at the Company's year end, the Directors are satisfied that the reported NAV is a fair estimation of fair value of the Company's current holdings.

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

Primary Accounting Policies

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

Valuation of non-current investments

The Directors consider that the confirmed NAV of AllBlue and AllBlue Leveraged, as produced by the administrator of those funds, represents the fair value of the investments in the Company. Fair value can be confirmed through redemptions, which can occur on a quarterly basis. These can only be suspended at the discretion of the board of AllBlue or AllBlue Leveraged as appropriate. To further satisfy themselves as to the fair value of the investments, the Directors attend site visits and scrutinise independent reports prepared by reputable Audit firms relating to the existence of assets in the underlying fund and their valuation as well as checks and procedures in place within the underlying funds and administrator of AllBlue. Different assumptions regarding the valuation techniques of AllBlue and AllBlue Leveraged could lead to different valuations of the investments produced by different parties.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2014

	Notes	Ordinary Shares Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Net gain on non current financial assets at fair value through profit or loss	7	49,450,769	794,394	4,460,387	53,015,225
Net gain on current financial assets at fair value through profit or loss	7	2,387	-	-	2,387
Net gain on purchase of own shares	12, 1(j)	3,123,107	-	256,678	3,278,896
Bank interest received		102,451	1,318	9,967	109,562
Operating expenses	3	(719,832)	(52,588)	(78,464)	(809,831)
Other Comprehensive Income that will be reclassified to profit or loss in future periods					
Currency aggregation adjustment	1(g)	-	-	-	1,944,229
Increase in net assets attributable to shareholders after other comprehensive income		51,958,882	743,124	4,648,568	57,540,468
		Pence (£)	**Cent (€)**	**Cents ($)**	
Earnings per share for the year - Basic and Diluted	5	12.67	12.03	11.47	

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

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

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2013

	Notes	Ordinary Shares Restated Sterling Share Class £	Restated Euro Share Class €	Restated US Dollar Share Class $	Restated Total £
Net gain / (loss) on non current financial assets at fair value through profit or loss	7	13,910,541	223,242	(673,819)	13,559,401
Net gain on current financial assets at fair value through profit or loss	7	935	-	-	935
Net gain on purchase of own shares	12, 1(j)	2,288,524	-	22,472	2,302,897
Bank interest received		48,112	923	3,887	51,382
Operating expenses	3	(850,083)	(13,666)	(85,057)	(916,090)
Other Comprehensive Income that will be reclassified to profit or loss in future periods					
Currency aggregation adjustment	1(g)	-	-	-	(4,177,092)
Increase / (decrease) in net assets attributable to shareholders after other comprehensive income		15,398,029	210,499	(732,517)	10,821,433
		Restated Pence (£)	**Restated Cent (€)**	**Restated Cents ($)**	
Earnings / (loss) per share for the year - Basic and Diluted	5	3.44	2.36	(0.99)	

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 disclosed above.

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

Financial Statements

STATEMENT OF FINANCIAL POSITION
as at 31 December 2014

		Ordinary Shares			
		Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
NON CURRENT ASSETS	**Notes**				
Unquoted financial assets designated as at fair value through profit or loss	7	725,358,328	-	75,055,765	773,542,038
CURRENT ASSETS					
Quoted financial assets designated as at fair value through profit or loss	7	1,176,874	-	-	1,176,874
Cash and cash equivalents		45,083,160	34,132	69,347	45,154,187
Receivables and prepayments	8	2,557,439	-	3,797	43,746
		48,817,473	34,132	73,144	46,374,807
CURRENT LIABILITIES					
Payables and accrued liabilities	9	69,201	34,132	3,925,739	99,793
		69,201	34,132	3,925,739	99,793
NET CURRENT ASSETS		48,748,272	-	(3,852,595)	46,275,013
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	12	774,106,600	-	71,203,170	819,817,051
Due after more than one year		**774,106,600**	**-**	**71,203,170**	**819,817,051**
SHARES IN ISSUE	10	396,504,386	-	38,229,946	
NAV PER SHARE		£1.9523	€ -	$1.8624	

The NAV per share per the financial statements is equal to the published NAV per share. The published NAV per share represents the NAV per share attributable to shareholders in accordance with the Prospectus.

The financial statements on pages 52 to 82 were approved and authorised for issue by the Board of Directors on 13 April 2015 and are signed on its behalf by:

Richard Crowder	Steve Le Page
Chairman	Director

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

Financial Statements

STATEMENT OF FINANCIAL POSITION
as at 31 December 2013

		Ordinary Shares			
		Sterling Share Class £	**Euro Share Class €**	**US Dollar Share Class $**	**Total £**
NON CURRENT ASSETS	**Notes**				
Unquoted financial assets designated as at fair value through profit or loss	7	760,471,610	15,415,471	67,032,384	813,759,921
CURRENT ASSETS					
Quoted financial assets designated as at fair value through profit or loss	7	1,174,487	-	-	1,174,487
Cash and cash equivalents		26,637,325	5,477	54,382	26,674,719
Receivables and prepayments	8	47,225	36,125	333,950	50,435
		27,859,037	41,602	388,332	27,899,640
CURRENT LIABILITIES					
Payables and accrued liabilities	9	337,150	2,125	9,279	106,761
		337,150	2,125	9,279	106,761
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS		787,993,496	15,454,948	67,411,438	841,552,800
		-		-	-
Due after more than one year		**787,993,496**	**15,454,948**	**67,411,438**	**841,552,800**
SHARES IN ISSUE		431,526,962	8,772,064	38,596,617	
NAV PER SHARE		£1.8260	€1.7618	$1.7465	

The NAV per share per the financial statements is equal to the published NAV per share. The published NAV per share represents the NAV per share attributable to shareholders in accordance with the Prospectus.

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 December 2014

	Notes	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class $	Total £
Opening balance		787,993,496	15,454,948	67,411,438	841,552,800
Adjustment to allocation of reserves brought forward		(1,074,285)	(26,043)	1,750,064	-
Accretive gain transfer between share classes		(256,363)	86,971	291,403	-
Increase in net assets attributable to shareholders		51,958,882	743,124	4,648,568	57,540,468
Redemption of share class	10	-	(13,467,825)	-	(10,459,634)
On-market purchases of Ordinary Shares	12	(64,951,079)	-	(6,021,297)	(68,816,584)
Share conversions	13	435,949	(2,791,175)	3,122,992	-
Closing balance		774,106,600	-	71,203,170	819,817,051

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the year ended 31 December 2013

		Ordinary Shares			
	Notes	Restated Sterling Share Class £	Restated Euro Share Class €	Restated US Dollar Share Class $	Restated Total £
Opening balance		859,456,257	17,825,583	137,112,821	958,305,726
Adjustment to allocation of reserves brought forward		(195,986)	24,122	274,722	-
Accretive gain transfer between share classes		(204,440)	37,323	272,459	-
Increase / (decrease) in net assets attributable to shareholders	1(j)	15,398,029	210,499	(732,517)	10,821,433
Partial redemption of share class	10	-	-	(120,810,551)	(72,966,449)
On-market purchases of Ordinary Shares	12	(49,970,219)	-	(7,678,626)	(54,607,910)
Share conversions	7	(36,490,145)	(2,642,579)	58,973,129	-
Closing balance		787,993,496	15,454,948	67,411,438	841,552,800

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the year ended 31 December 2014

	Ordinary Shares			
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Operating activities				
Increase in net assets attributable to shareholders after other comprehensive income	51,958,882	743,124	4,648,568	57,540,468
(Decrease) / increase in unrealised appreciation on financial assets at fair value through profit or loss	(27,971,936)	1,780,001	(3,685,755)	(29,037,338)
Realised gains on sales of financial assets	(19,766,892)	(2,067,466)	-	(21,372,566)
Realised gains on conversions	(1,714,328)	(506,929)	(774,632)	(2,605,321)
Gain on purchase of own shares	(3,123,107)	-	(256,678)	(3,278,896)
Interest income	(102,451)	(1,318)	(9,967)	(109,562)
Currency aggregation adjustment	-	-	-	(1,944,229)
Adjustment to allocation of reserves brought forward	(1,074,285)	(26,043)	1,750,064	-
Accretive gain transfer between share classes	(256,363)	86,971	291,403	-
(Decrease) / increase in payables	(267,949)	32,007	3,916,460	(6,968)
(Increase) / decrease in receivables	(2,510,216)	36,125	330,154	6,689
Net cashflow from operating activities	(4,828,645)	76,472	6,209,617	(807,723)
Investing activities				
Interest received	102,451	1,318	9,967	109,562
Purchase of financial assets	-	(50,000)	(440,000)	(321,300)
Proceeds from sale of financial assets	85,000,001	13,468,690	-	95,460,307
Net cashflow from investing activities	85,102,452	13,420,008	(430,033)	95,248,569

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

Financial Statements

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2014

	Ordinary Shares			
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Financing activities				
Purchase of own shares	(61,827,972)	-	(5,764,619)	(65,537,688)
Redemption of share class	-	(13,467,825)	-	(10,459,634)
Net cashflow from financing activities	(61,827,972)	(13,467,825)	(5,764,619)	(75,997,322)
Cash and cash equivalents at beginning of year	26,637,325	5,477	54,382	26,674,719
Currency aggregation adjustment	-	-	-	35,944
Increase / (decrease) in cash and cash equivalents	18,445,835	28,655	14,965	18,443,524
Cash and cash equivalents at end of year	45,083,160	34,132	69,347	45,154,187

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

Financial Statements

STATEMENT OF CASH FLOWS
for the year ended 31 December 2013

		Ordinary Shares		
Restated	**Sterling Share Class £**	**Euro Share Class €**	**US Dollar Share Class $**	**Total £**
Operating activities				
Increase / (decrease) in net assets attributable to shareholders	15,398,029	210,499	(732,517)	10,821,433
Decrease in unrealised appreciation on financial assets at fair value through profit or loss	38,210,593	380,465	10,144,087	44,783,841
Realised gains on sales of financial assets	(39,364,833)	(73,405)	(8,008,532)	(44,262,742)
Realised gains on conversions	(12,757,236)	(530,302)	(1,461,736)	(14,080,500)
Gain on purchase of own shares	(2,288,524)	-	(22,472)	(2,302,897)
Interest income	(48,112)	(923)	(3,887)	(51,382)
Currency aggregation adjustment	-	-	-	4,177,092
Adjustment to allocation of reserves brought forward	(195,986)	24,122	274,722	-
Accretive gain transfer between share classes	(204,440)	37,323	272,459	-
Increase / (decrease) in payables	240,936	(13,102)	(102,594)	(509)
Decrease in receivables	62,146	504,056	4,115,632	3,165,556
Net cashflow from operating activities	(947,427)	538,733	4,475,162	2,249,892
Investing activities				
Interest received	48,112	923	3,887	51,382
Purchase of financial assets	(121,140,944)	(1,808,018)	(20,699,971)	(135,144,743)
Proceeds from sale of financial assets	195,340,363	1,272,057	144,721,418	283,804,797
Net cashflow from investing activities	74,247,531	(535,038)	124,025,334	148,711,436

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2013

Restated	Ordinary Shares Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Financing activities				
Purchase of own shares	(47,681,694)	-	(7,656,154)	(52,305,813)
Partial redemption of share class	-	-	(120,810,551)	(72,966,450)
Drawing of bank loan	20,000,000	-	-	20,000,000
Repayment of bank loan	(20,000,000)	-	-	(20,000,000)
Net cashflow from financing activities	(47,681,694)	-	(128,466,705)	(125,272,263)
Cash and cash equivalents at beginning of year	1,018,915	1,782	20,591	1,033,040
Currency aggregation adjustment	-	-	-	(47,386)
Increase in cash and cash equivalents	25,618,410	3,695	33,791	25,689,065
Cash and cash equivalents at end of year	26,637,325	5,477	54,382	26,674,719
	-	-	-	-

The notes on pages 62 to 82 and the Primary Accounting Policies on pages 50 to 51 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2014

1 ACCOUNTING POLICIES

(a) Basis of preparation

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

(b) Going concern

As described in Note 11, should the average 12 month discount at which the shares of any class trade to their net asset value exceed 5% of net asset value per share, the Company is obliged to offer a continuation vote to class shareholders.

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 existance for the foreseeable future. Accordingly, the Directors have adopted the going concern basis in preparing the financial information.

(c) Taxation

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

(d) Expenses

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

(e) Interest income

Interest income is accounted for on an accruals basis.

(f) Cash and cash equivalents

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

(g) Foreign currency translation

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

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. The Company determines that this operating segment is the investment in three share classes of a fund of hedge funds incorporated in the Cayman Islands.

(i) Shares

Sterling, Euro and US Dollar Ordinary shares have been classified as liabilities in accordance with IAS 32 because of the provisions contained in the Company's Articles of Association as described in Note 10. The Directors have been advised that this treatment does not result in the Shares being treated as a liability for the purpose of applying the solvency test set out in Section 527 of the Companies (Guernsey) Law, 2008, as amended.

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

(j) Prior period re-statement

The Company recognised any gain on the purchase of its own shares directly in reserves, as the total discount to NAV on purchase of own shares was considered immaterial. The Directors now consider this gain to be worthy of highlighting to Shareholders because of its impact on the growth in NAV per share, although in absolute amount it remains immaterial, and so going forward the Company will recognise any gain on the purchase of its own shares within the Statement of Comprehensive Income, as 'Net gain on purchase of own Shares' and the Treasury shares will then be held at their NAV at the date of purchase, see Note 12. The prior period figures have also been restated to reflect this change in treatment.

The only impact on the prior year Financial Statements is to show the net gain on purchase of own shares in the Sterling class of £2,288,524 and $22,472 in the USD class, a total gain of £2,302,897. In the Statement of Changes in Net Assets Attributable to Shareholders the cost of on-market purchases of ordinary shares changes by the same value. The EPS for Sterling Class increased by £0.52 to £3.44 per Share and the EPS for the Dollar class increased by $0.03 to ($0.99). The NAV per share has not been affected. As there is no impact on the Statement of Financial Position, an additional comparative position for 1 January 2013 has not been shown.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are descibed on page 50 and in Note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting esimtates 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 futue periods if the revision affects both current and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following, and on page 51, 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)
Fair Value hierarchy classification

In determining the level within the fair value hierarchy, set out in IFRS13, 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 occured and would be disclosed in Note 7.

3 OPERATING EXPENSES

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

3 OPERATING EXPENSES (Continued)

	1 Jan 2013 to 31 Dec 2013 Ordinary Shares			
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Administration fees	179,816	3,450	14,528	192,038
Directors' remuneration	156,975	3,012	12,683	167,645
Registration fees	92,846	1,781	7,501	99,156
Audit fees	23,723	455	1,917	25,335
Legal & Professional fees	129,289	2,480	10,446	138,076
(Profit) / Loss on exchange	(11,135)	(2,864)	15,388	(3,725)
Other operating expenses	278,569	5,352	22,594	297,564
Total expenses for the year	850,083	13,666	85,057	916,090

4 DIRECTORS' REMUNERATION

	1 Jan 2014 to 31 Dec 2014 £	1 Jan 2013 to 31 Dec 2013 £
Richard Crowder, Chairman	60,000	50,000
Steve Le Page, Chairman Audit Committee (appointed 3.6.14)	28,846	0
Jonathan Hooley, Chairman Audit Committee (resigned 25.4.14)	15,934	40,000
Paul Meader, Senior Independent Director	48,000	40,000
John Le Prevost	42,000	35,000
Andrew Dodd	Waived	Waived
	194,780	165,000

The agreed annual directors fees are Richard Crowder £60,000 (2013: £50,000), Steve Le Page £50,000 (2013: £nil), Jonathan Hooley £50,000 (2013: £40,000),Paul Meader £48,000 (2013: £40,000) and John Le Prevost £42,000 (2013: 35,000). Where applicable pro rata fees have paid on on resignation and from appointment date.

During the year, Paul Meader undertook certain additional duties involving a liaison with the Company's principal institutional shareholders, drafting a report on the Alternative Investment Fund Managers Directive ("AIFMD") and drafting a Treasury Policy. Mr Meader received an additional fee of £17,680 (31 December 2013: £60,100) for these duties which is included within Legal & Professional fees.

5 EARNINGS PER SHARE

The earnings per each class of shares is based on the net gain for the year of £51,958,882 (2013: -£36,724,040) and 410,011,172 (2013: 447,558,707) shares in the Sterling Ordinary Share class, €743,124 (2013: €210,499) and 6,175,984 (2013: 8,905,062) shares in the Euro Ordinary Share class, $4,648,568 (2013 loss of : $732,517) and 40,496,798 (2013: 73,908,126) shares in the US$ Ordinary Share class. The earnings per share for the Euro Ordinary Share class is calculated using the weighted average number of shares to the date of redemption.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

6 RELATED PARTY TRANSACTIONS

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

Anson Registrars Limited is the Company's registrar, transfer agent and paying agent. John R Le Prevost is a director and controller of Anson Registrars Limited. £90,856 (2013: £99,156) of costs were incurred by the Company with this related party in the year, of which £8,398 (2013: £9,269) was payable at 31 December 2014.

John R Le Prevost is a director and controller of Anson Custody Limited. Until November 2014, Anson Custody Limited acted as nominee for a proportion of the GBP shares (265,000 shares) as security for the HSBC loan drawn and repaid during 2013 (2014: nil). JTC (Guernsey) Limited acted as nominee for these shares from this date.

JTC (Guernsey) Limited is the Company's administrator and secretary. £185,950 (2013: £192,038) of costs were incurred by the Company with this related party in the year, of which £17,000 (2013: £17,195) was payable at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

7 INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December 2014 Ordinary Shares			
UNQUOTED FINANCIAL ASSETS	**Sterling Share Class £**	**Euro Share Class €**	**US Dollar Share Class $**	**Total £**
Portfolio cost brought forward	611,184,594	13,635,470	62,297,403	660,134,815
Unrealised appreciation on valuation brought forward	149,287,016	1,780,001	4,734,981	153,625,105
Valuation brought forward	760,471,610	15,415,471	67,032,384	813,759,920
Movements in the year:				
Gross share conversions in the year	435,949	(2,791,175)	3,122,992	-
Adjustment for realised gain on share conversions	1,714,328	506,929	774,632	2,605,321
Purchases at fair value	-	50,000	440,000	321,300
Sales	(65,233,109)	(11,401,224)	-	(74,087,740)
Exchange gains on currency balances	-	-	-	1,905,899
Portfolio cost carried forward	548,101,763	-	66,635,029	590,879,595
Unrealised appreciation on valuation carried forward	177,256,565	-	8,420,736	182,662,443
Valuation carried forward	725,358,328	-	75,055,765	773,542,038
Realised gains on sales and conversions	21,481,220	2,574,395	774,632	23,977,887
Increase / (decrease) in unrealised appreciation	27,969,549	(1,780,001)	3,685,755	29,037,338
Net gains on financial assets at fair value through profit or loss	**49,450,769**	**794,394**	**4,460,387**	**53,015,225**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

7 INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	As at 31 December 2013 Ordinary Shares			
UNQUOTED FINANCIAL ASSETS	**Sterling Share Class**	**Euro Share Class**	**US Dollar Share Class**	**Total**
	£	**€**	**$**	**£**
Portfolio cost brought forward	668,703,360	15,138,381	117,875,452	753,532,739
Unrealised appreciation on valuation brought forward	187,498,544	2,160,466	14,879,068	198,408,946
Valuation brought forward	856,201,904	17,298,847	132,754,520	951,941,685
Movements in the year:				
Gross share conversions in the year	(36,490,145)	(2,642,579)	58,973,129	-
Adjustments for realised gains on share conversions	12,757,236	530,302	1,461,736	14,080,500
Purchases at fair value	121,140,944	1,808,018	20,699,971	135,144,743
Sales	(154,926,801)	(1,198,652)	(136,712,887)	(238,493,326)
Exchange gains on currency balances	-	-	-	(4,129,841)
Portfolio cost carried forward	611,184,594	13,635,470	62,297,403	660,134,815
Unrealised appreciation on valuation carried forward	149,287,016	1,780,001	4,734,981	153,625,105
Valuation carried forward	760,471,610	15,415,471	67,032,384	813,759,921
Realised gains on sales and conversions	52,122,069	603,707	9,470,268	58,343,242
Decrease in unrealised appreciation	(38,211,528)	(380,465)	(10,144,087)	(44,783,841)
Net gains / (losses) on financial assets at fair value through profit or loss	**13,910,541**	**223,242**	**(673,819)**	**13,559,401**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

7 INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	As at 31 December 2014			
	Ordinary Shares			
QUOTED FINANCIAL ASSETS	**Sterling Share Class**	**Euro Share Class**	**US$ Share Class**	**Total**
	£	**€**	**$**	**£**
Portfolio cost brought forward	1,170,881	-	-	1,170,881
Unrealised appreciation on valuation brought forward	3,606	-	-	3,606
Valuation brought forward	1,174,487	-	-	1,174,487
Movements in the year:				
Purchases at fair value	-	-	-	-
Sales	-	-	-	-
Portfolio cost carried forward	1,170,881	-	-	1,170,881
Unrealised appreciation on quoted investment valuation carried forward	5,993	-	-	5,993
Valuation carried forward	1,176,874	-	-	1,176,874
Realised gains on sales	-	-	-	-
Increase in unrealised appreciation	2,387	-	-	2,387
Net gains on financial assets at fair value through profit or loss	**2,387**	**-**	**-**	**2,387**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

7 INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

	As at 31 December 2013 Ordinary Shares			
QUOTED FINANCIAL ASSETS	**Sterling Share Class £**	**Euro Share Class €**	**US$ Share Class $**	**Total £**
Portfolio cost brought forward	2,219,610	-	-	2,219,610
Unrealised appreciation on valuation brought forward	2,671	-	-	2,671
Valuation brought forward	2,222,281	-	-	2,222,281
Movements in the year:				
Purchases at fair value	-	-	-	-
Sales	(1,048,729)	-	-	(1,048,729)
Portfolio cost carried forward	1,170,881	-	-	1,170,881
Unrealised appreciation on quoted investment valuation carried forward	3,606	-	-	3,606
Valuation carried forward	1,174,487	-	-	1,174,487
Realised gain on sales	-	-	-	-
Increase in unrealised appreciation	935	-	-	935
Net gains on financial assets at fair value through profit or loss	**935**	**-**	**-**	**935**

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of the unquoted investments held by the Company are based on the published NAV of the underlying investments in AllBlue Limited and AllBlue Leveraged Feeder Limited. On the basis that the significant input to the fair value is observable and no unobservable adjustments are made to the valuations, the Company categorises all these investments as Level 2. The quoted investments held by the Company, the ICS Funds, are in an active market with a directly observable price. The Company therefore classifies this investment as Level 1 in accordance with the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

7 INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

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 31 Dec 2014 GBP	Fair value as at 31 Dec 2013 GBP
Level 1	1,176,874	1,174,487
Level 2	773,542,038	813,759,921

8 RECEIVABLES

	31 Dec 2014 Ordinary Shares				
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Elimination £	Total £
Prepayments	41,308	-	3,797	-	43,746
Inter class loan accounts	2,516,131	-	-	(2,516,131)	-
	2,557,439	-	3,797	(2,516,131)	43,746

	31 Dec 2013 Ordinary Shares				
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Elimination £	Total £
Prepayments	47,225	926	4,041	-	50,435
Inter class loan accounts	-	35,199	329,909	(228,489)	-
	47,225	36,125	333,950	(228,489)	50,435

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

9 PAYABLES (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	31 Dec 2014 Ordinary Shares				
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Elimination £	Total £
Inter class loan accounts	-	-	3,919,377	(2,516,131)	-
Other sundry accruals	69,201	34,132	6,362	-	99,793
	69,201	34,132	3,925,739	(2,516,131)	99,793

	31 Dec 2013 Ordinary Shares				
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Elimination £	Total £
Inter class loan accounts	228,489	-	-	(228,489)	-
Other sundry accruals	108,661	2,125	9,279	-	106,761
	337,150	2,125	9,279	(228,489)	106,761

10 SHARE CAPITAL

Authorised Share Capital
An unlimited number of Unclassified shares of no par value each.

	Ordinary Shares			
Issued	Sterling Share Class	Euro Share Class	US Dollar Share Class	Total
Number of shares in issue at 31 December 2014	431,526,962	8,772,064	38,596,617	478,895,643

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

10 SHARE CAPITAL (continued)

The movement in shares took place as follows:

	Ordinary Shares		
Date of movement	**Number of Sterling Shares**	**Number of Euro Shares**	**Number of US Dollar Shares**
Sub-total brought forward as at 1 January 2013	479,354,793	10,304,993	80,041,527
Conversions	(20,055,424)	(1,532,929)	38,279,422
Purchase of own shares	(27,772,407)	-	(4,310,945)
Redemption 1 July 2013	-	-	(75,413,387)
Sub-total carried forward 31 December 2013	431,526,962	8,772,064	38,596,617
Conversions	(476,592)	(1,521,979)	2,899,179
Purchase of own shares	(34,545,984)	-	(3,265,850)
Redemption 30 September 2014	-	(7,250,085)	-
As at 31 December 2014	396,504,386	-	37,863,275

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

In the event of a return of capital on a winding-up or otherwise, Shareholders 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.

11 DISCOUNT MANAGEMENT PROVISION

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

11 DISCOUNT MANAGEMENT PROVISION (continued)

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

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

On 27 June 2014 the Company announced the proposed closure of the Euro Class. The Board advised that given the small size and lack of liquidity of the Euro Class it would be offering Euro Class shareholders the opportunity to convert into US Dollar or Sterling Shares and then seeking consent to cancel the listing on the official list of the UK Listing Authority of the Euro Class and to redeem all of the Euro Class shares then in issue. The Company issued a Circular dated 4 August 2014 to its shareholders, inviting them to vote on the proposed closure of the Euro Class. On 27 August 2014 at an Extraordinary General Meeting and Euro Class meeting, 97.98% of the voting shareholders voted in favour of the closure of the Euro Class. As a result the remaining Euro Class shares were redeemed on 1 October 2014 and the Euro Class shares were cancelled from the London Stock Exchange effective 2 October 2014.

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").

As at 31 December 2014	**Notes**	**Ordinary Shares** **Sterling Share Class £**	**Euro Share Class €**	**US Dollar Share Class $**	**Total £**
CAPITAL AND RESERVES					
Share capital	10	-	-	-	-
Treasury shares		(86,173,604)	-	(6,021,297)	(89,759,256)
Distributable reserves	13	860,280,204	-	77,224,467	909,576,307
		774,106,600	-	71,203,170	819,817,051

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

for the year ended 31 December 2014

12 TREASURY SHARES (continued)

As at 31 December 2013	**Notes**	**Ordinary Shares** Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
CAPITAL AND RESERVES					
Share capital	10	-	-	-	-
Treasury shares		(82,314,408)	-	(7,364,937)	(86,762,640)
Distributable reserves	13	870,307,905	15,454,948	74,776,375	928,315,439
		787,993,496	15,454,948	67,411,438	841,552,800
		-		-	-

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

Restated As at 31 December 2013	**Ordinary Shares** Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Balance as at 1 January 2013	32,344,190	-	-	32,344,190
Acquired during year	49,970,219	-	7,678,626	54,607,910
Cancelled during the period	-	-	(313,689)	(189,460)
Balance as at 31 December 2013	82,314,408	-	7,364,937	86,762,640

The treasury shares reserve represents 43,911,473 (2013: 46,276,336) Sterling Shares and 3,265,845 (2013: 4,310,945) Dollar Shares purchased in the market at various prices per share ranging from £1.752 to £1.8648 (2013: £1.6925 to £1.7536) for Sterling Shares and $1.7525 to $1.775 (2013: $1.7035) for Dollar shares, and held by the Company in treasury. Cancellation of 36,910,863 (2013: nil) Sterling Shares and 4,310,945 (2013: 183,422) Dollar Shares took place in the period.

During the year, the Company bought back 34,545,984 (2013: 27,772,407) Sterling shares with an average price of £1.8084 (2013: £1.7231) pence and discount of 4.62% (2013: 5.6%) to NAV. During the year, the Company bought back 3,265,850 (2013: 4,494,367) Dollar Shares with an average price of $1.7638 (2013: $1.7035) pence and discount of 4.15% (2013: 0.29%) to NAV.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

13 DISTRIBUTABLE RESERVES

	31 Dec 2014 Ordinary Shares			
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Balance as at 1 January 2014	870,307,904	15,454,948	74,776,376	928,315,440
Increase in net assets attributable to shareholders after other comprehensive income	51,958,882	743,124	4,648,568	57,540,468
Adjustment to allocation of reserves brought	(1,074,285)	(26,043)	1,750,064	-
Accretive gain transfer between share classes	(256,363)	86,971	291,403	-
Redemption of share class	-	(13,467,825)	-	(10,459,634)
Treasury shares cancelled during the period	(61,091,884)	-	(7,364,937)	(65,819,968)
Share conversions	435,949	(2,791,175)	3,122,992	-
Balance as at 31 December 2014	860,280,204	-	77,224,467	909,576,306

	31 Dec 2013			
Restated	Sterling Share Class £	Euro Share Class €	US Dollar Share Class $	Total £
Balance as at 1 January 2013	891,800,446	17,825,583	137,112,821	990,649,916
Increase / (decrease) in net assets attributable	15,398,029	210,499	(732,517)	10,821,434
Adjustment to allocation of reserves brought	(195,986)	24,122	274,722	-
Accretive gain transfer between classes	(204,440)	37,323	272,459	-
Partial redemption of share class	-	-	(120,810,551)	(72,966,450)
Treasury shares cancelled during the period	-	-	(313,689)	(189,460)
Share conversions	(36,490,145)	(2,642,579)	58,973,129	-
Balance as at 31 December 2013	870,307,904	15,454,948	74,776,376	928,315,440

14 FINANCIAL INSTRUMENTS

The Company's main financial instruments comprise:

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

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

(c) Shares held in ICS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Company's financial instruments concern its holding of shares in AllBlue and AllBlue Leveraged. The risks attaching to those shares are market price risk, credit risk, liquidity risk and interest rate risk and also increased volatility due to leverage employed by the Underlying Funds as explained below.

The Company is not exposed directly to material foreign exchange risk as each class of shares in the Company is directly invested in shares of AllBlue, AllBlue Leveraged and ICS denominated in the same corresponding currency.

So far as the Company is concerned the only risk over which the Board can exercise direct control is the liquidity risk attaching to its ability to realise shares in AllBlue, AllBlue Leveraged and ICS for the purpose of meeting share buy backs and ongoing expenses of the Company. For this purpose the Board have created the Cash Reserve (explained in Note 1 (g)) to provide funds to enable the Company to settle share buy backs and meet its expenses in the ordinary course of the business. Thereafter the Board recognises that the Company has via its holding of shares in AllBlue, AllBlue Leveraged and ICS an indirect exposure to the risks summarised below.

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

It must also be noted that there is little or nothing which the Board can do to manage each of the other risks within AllBlue, AllBlue Leveraged or the Underlying Funds in which AllBlue and AllBlue Leveraged invest (the "Underlying Fund(s)"), under the current investment objective of the Company.

(a) Price Risk

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

Details of the Company's Investment Objective and Policy are given on page 83.

Price sensitivity

The Company invests substantially all its assets in AllBlue, AllBlue Leveraged and ICS and does not undertake any structural borrowing or hedging activity at the Company level. Its performance is therefore directly linked to the NAV of AllBlue, which itself is driven by the NAVs of the Underlying Funds, each of which hold a large number of positions in listed and unlisted securities.

At 31 December 2014, if the NAV of AllBlue, AllBlue Leveraged and ICS had been 10% higher/lower with all the other variables held constant, the net assets attributable to Shareholders for the period would have increased by £72,653,520 (2013: £76,164,097) for the Sterling Class, €nil (2013: €1,541,547) for the Euro Class and $7,505,576 (2013: $6,703,238) for the Dollar Class. This change arises due to the increase/ decrease in the fair value of financial assets at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit Risk

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

The assets of Underlying Funds or AllBlue Leveraged 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, AllBlue, AllBlue Leveraged and ICS or the Underlying Funds may not receive back all or any of the assets pledged or held with the defaulting party.

Therefore the maximum credit risk to which the Company was exposed at the year end was £819,873,099 (2013: £841,609,127), that is the total net assets.

The main concentration of risk for the Company relates to its investments in AllBlue and AllBlue Leveraged, although this is mitigated by the diversification offered by their investments into Underlying Funds.

(c) Liquidity Risk

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

There can be no assurance that the liquidity of the investments of AllBlue, AllBlue Leveraged, ICS and the Underlying Funds 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 AllBlue, AllBlue Leveraged and ICS and the value of Shares in the Company. For such reasons AllBlue's, AllBlue Leveraged's and ICS's treatment 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. There was no gating or suspension of AllBlue or AllBlue Leveraged during the period under review or in the previous year.

The market prices, if any, for such illiquid investments tend to be volatile and may not be readily ascertainable and the relevant Underlying Fund may not be able to sell them when it desires to do so or to realise what it perceives to be their fair value in the event of a sale. The size of the Underlying Funds' 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 Funds enter into repurchase/reverse repurchase agreements or derivative transactions, to reduce the level of leveraging, or the liquidation by other market participants of the same or similar positions, may also adversely affect the Underlying Funds' portfolios.

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 Underlying Funds 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)
for the year ended 31 December 2014

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

As at 31 December 2013	1-3 months	Payable if the continuation vote is not passed	Total
	£	£	£
Net assets at the end of the period attributable to shareholders	-	841,552,800	841,552,800
Accrued expenses	106,761	-	106,761
Total	106,761	841,552,800	841,659,561

(d) Interest Rate Risk

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

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

(e) Leverage by Underlying Funds

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

15 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Leverage by AllBlue Leveraged

AllBlue Leveraged operates with a substantial degree of leverage for the purposes of making investments and is not limited in the extent to which it either may borrow or engage in margin transations (although leverage is expected to be an amount equal to approximately 50 per cent. (100 per cent. after the period end) of AllBlue Leveraged's NAV). This leverage presents the potential for a greater rate of total return but will also increase exposure to capital risk and interest costs.

(g) Capital management

The investment objective of the Company is 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. The Company does not intend to pay any distributions to shareholders.

As the Company's Ordinary Shares are of no par value, distributions are not paid and Guernsey Company law does not require the maintenance of a Share premium account, the Directors regard the otherwise distributable reserves of the Company to be its capital for the purposes of this disclosure. Capital for the reporting year under review is summarised in Note 12 to these financial statements.

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

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

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

There are no provisions of the Companies Laws 2008 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 500 million further Shares on a non-pre-emptive basis for a period concluding on 31 December 2015, by a special resolution of Shareholders passed on 3 August 2012, unless such power is previously revoked by the Company's Shareholders in a general meeting pursuant to section 199 of the 2008 Law. The Directors intend to request that the authority to allot Shares on a non-pre-emptive basis is renewed at each general meeting of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2014

16 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

IAS 32 Financial Instruments: Presentation - Amendments relating to the offsetting of assets and liabilities effective for annual periods beginning on or after 1 January 2014.

IAS 39 - *Financial Instruments: Recognition and Measurement* , amendments for novations of derivatives effective for annual periods 1 January 2014.

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

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

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

IFRS 9 Financial Instruments - Classification and measurement of financial assets, effective for annual periods beginning on or after 1 January 2018.

IFRS 9 Financial Instruments - Accounting for financial liabilities and derecognition, effective for annual periods beginning on or after 1 January 2018.

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

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

17 SUBSEQUENT EVENTS

There have been no subsequent events other than those disclosed elsewhere in this report.

Schedule of Investments as at 31 December 2014

SECURITIES PORTFOLIO	NOMINAL HOLDINGS	VALUATION SOURCE CURRENCY	VALUATION GBP	TOTAL NET ASSETS %
AllBlue Limited Sterling Shares	2,864,983	£597,566,380	£597,566,380	72.89%
AllBlue Leveraged Feeder Limited Sterling Shares	488,780	£127,791,949	£127,791,949	15.59%
Institutional Sterling Government Liquidity Fund - Core (Acc) Shares	11,654	£1,176,874	£1,176,874	0.14%
AllBlue Limited Euro Shares	-	€0	£0	0.00%
AllBlue Limited US Dollar Shares	361,359	$75,055,765	£48,183,710	5.88%
			£774,718,912	94.50%

Schedule of Investments as at 31 December 2013

SECURITIES PORTFOLIO	NOMINAL HOLDINGS	VALUATION SOURCE CURRENCY	VALUATION GBP	TOTAL NET ASSETS %
AllBlue Limited Sterling Shares	3,256,846	£637,112,281	£637,112,281	75.71%
AllBlue Leveraged Feeder Limited Sterling Shares	512,852	£123,359,329	£123,359,329	14.66%
Institutional Sterling Government Liquidity Fund -	11,654	£1,174,486	£1,174,486	0.14%
AllBlue Limited Euro Shares	79,426	€ 15,415,471	£12,802,484	1.52%
AllBlue Limited US Dollar Shares	342,943	$67,032,384	£40,485,828	4.81%
			£814,934,408	96.84%

Company Information

The Company is a self-managed Guernsey investment company incorporated on 21 April 2006 in Guernsey with registered number 44704 and an unlimited life. The Company is authorised by the Guernsey Financial Services Commission as a closed ended investment company. The Company currently has two classes of share in issue, being Sterling Shares and US Dollar Shares. All shares in the Company's Euro class of shares were fully redeemed on 1 October 2014.

All Shares in issue have been admitted to the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities.

FINANCIAL HIGHLIGHTS AS AT 31 DECEMBER 2014

	GBP Share Class	USD Share Class
2014 NAV Return	6.92%	6.64%
2014 Share price return	6.28%	6.91%
Since inception* NAV	99.18%	90.01%
Since inception* NAV per annum	8.33%	7.74%
Premium/(discount)	(4.63%)	(4.42%)
ISIN	GB00B13YVW48	GB00B13YXH37
Bloomberg ticker	BABS LN	BABU LN

** Inception date was 22 May 2006. NAV and share price information from Bloomberg.*

INVESTMENT INFORMATION

Investment Objective and Policy

The investment objective of the Company is 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. Accordingly, the Company's published investment policy is consistent with that of AllBlue. In the event that AllBlue changes its investment policy without Shareholder approval, the Directors will consider removing the Company's assets from AllBlue or taking other appropriate action so that the Company is not in breach of any applicable regulation.

Company Information

AllBlue Limited

AllBlue is a fund incorporated in the Cayman Islands with an investment objective to provide consistent long-term appreciation of its assets through investment in a diversified portfolio of underlying funds. Investors in the Company are therefore offered an opportunity to participate indirectly in the same investment portfolio as that of AllBlue.

AllBlue seeks to achieve its investment objective through investment in underlying funds, each of which on its own has a distinct investment objective and approach and which, as part of a portfolio of assets, form a diversified basket of hedge fund investments. As at 31 December 2014, AllBlue was invested in seven underlying funds comprising BlueCrest Capital International Limited, BlueCrest Emerging Markets Fund Limited, BlueCrest Multi Strategy Credit Fund Limited, BlueCrest Mercantile Fund Limited, BlueCrest Equity Strategies Fund Limited, BlueTrend Fund Limited and BlueCrest Quantitative Equity Fund Limited (together, including the master funds into which such funds invest, the "Underlying Funds"), all of which were managed by BlueCrest Capital Management Limited ("BCML") (acting in its capacity as general partner of BlueCrest Capital Management LP). AllBlue may in the future exclude any or all of these funds or from time to time include any other investment fund established by BCML or by managers with close links to BCML.

BCML is the appointed investment manager of AllBlue. BCML has appointed on behalf of AllBlue, acting as its agent, certain members of the BlueCrest group ("AllBlue Sub-Investment Managers") as sub-investment managers to manage the assets of AllBlue, as agents of AllBlue. The AllBlue Sub-Investment Managers seek to construct a portfolio of investments for AllBlue, comprising the Underlying Funds, by utilising proprietary optimisation techniques as well as an in-depth understanding of underlying positions, correlations and risks. Both allocations and risks are closely monitored on a monthly basis by the AllBlue Sub-Investment Managers' AllBlue committee, comprising a team of senior investment professionals of the AllBlue Sub-Investment Managers. On a monthly basis the AllBlue Sub-Investment Managers' AllBlue Committee also reviews the allocation of AllBlue's assets amongst the Underlying Funds and makes such adjustments as it deems appropriate.

It is the policy of the AllBlue Sub-Investment Managers that the assets of AllBlue will be predominantly fully invested. However, AllBlue may from time to time hold certain assets in cash or cash equivalents, should it consider that this is required for efficient portfolio management or otherwise in the best interests of AllBlue.

Company Information

AllBlue Leveraged Feeder Limited

The Company holds a cash reserve (the "Cash Reserve") for the purposes of managing day-to-day cash flows, for meeting expenses of the Company and for funding any repurchases of Shares.

In order to maintain a substantially similar economic exposure to that of AllBlue, the Company invests an appropriate amount into shares in AllBlue Leveraged. AllBlue Leveraged invests all of its assets in the ordinary shares of AllBlue but with the addition of leverage of approximately 100 per cent. of its net asset value (50 per cent prior to 1 January 2015), giving investment exposure which is approximately twice (1.5 times prior to 1 January 2015) that of AllBlue (excluding all fees and expenses attributable to such investments).

The effect of these arrangements is that the Company's aggregate investment exposure to AllBlue is broadly 100% whilst providing access to more immediate liquidity. The Cash Reserve and AllBlue Leveraged investment are held solely within the Sterling class, but so that the Cash Reserve remains available for use by the US Dollar class as well, if needed. The Board reviews the Cash Reserve on a quarterly basis to ensure it is adequate for the Company's anticipated needs and that a broadly 100% exposure to AllBlue is maintained.

Borrowing and Leverage

Although the Company has power under its Articles of Incorporation to borrow up to an amount equal to 10 per cent of its net assets at the time of the drawing, the Directors do not intend that the Company should engage directly in any structural borrowing and any such borrowing would only be for the purpose of managing day-to-day cash flow, for meeting expenses of the Company or for funding repurchases of Shares.

AllBlue does not employ any leverage but may be exposed to it in the Underlying Funds and may engage in short term borrowing, as is deemed necessary from time to time, pending the availability of subscription monies, to fund new allocations to the Underlying Funds, or in order to fund redemptions ahead of redemption proceeds from the Underlying Funds being made available.

AllBlue Leveraged employs leverage for the purpose of making investments. Whilst there is no limit on the extent of borrowings or leverage that AllBlue Leveraged may employ it is expected to be in an amount equal to approximately 100 per cent. of the AllBlue Leveraged net asset value, but may vary from time to time. Prior to 1 January 2014 this was 50 per cent.

Company Information

None of the Underlying Funds are subject to any limits on the extent to which borrowings or leverage may be employed and they may leverage through the use of borrowings, options, futures, options on futures, swaps and other synthetic or derivative financial instruments.

BCML

On 1 July 2014, BlueCrest Capital Management LLP was replaced by BCML (acting in its capacity as general partner of BlueCrest Capital Management LP ("BCMLP")) as investment manager to AllBlue and AllBlue Leveraged.

BCML (acting in its capacity as general partner of BlueCrest Capital Management LP) was appointed as the investment manager of AllBlue and AllBlue Leveraged and the Underlying Funds. BCML has the power (exercisable only with the consent of AllBlue) to appoint, on behalf of AllBlue, acting as its agent, one or more third parties to perform in its place and as agent or agents of AllBlue, any of its functions, powers and duties as investment manager.

Up to 31 December 2014 BCML was a limited liability company registered in Guernsey under company number 58114 with its registered office at BlueCrest House, Glategny Esplanade, St Peter Port, Guernsey, GY1 1WR. On 31 December 2014, BCML migrated from Guernsey to Jersey. The effect of this was that while BCML retained its legal personality, its jurisdiction of registration changed and it ceased to be registered in Guernsey. It is now a limited liability company registered in Jersey under company number 117452 with its registered office at Ground Floor, Harbour Reach, La Rue de Carteret, St Helier, Jersey JE2 4HR.

Prior to 31 December 2014 BCML was licensed and regulated by the Guernsey Financial Services Commission (no. 1036021). On 31 December 2014 BCML as general partner of BCMLP became licensed and regulated by the Jersey Financial Services Commission (nos. FSB2125 and AISB0066). BCML remains registered as an investment adviser with the United States Securities and Exchange Commission under the United States Investment Advisers Act of 1940 and with the U.S. Commodity Futures Trading Commission as a commodity trading advisor and a commodity pool operator and is a member of the National Futures Association in such capacity.

On 1 January 2015 BlueCrest completed the spin-out of Systematica Investments, and Systematica Investments Limited ("SIL") (acting in its capacity as general partner of Systematica Investments LP ("SILP")) assumed the role of investment manager to certain funds previously managed by BCML, including BlueTrend Fund Limited and the master fund into which it invests.

Company Information

Systematica Investments Limited is a limited liability company registered in Jersey under company number 116901 and having its registered office at 47 Esplanade, St Helier, Jersey JE1 0BD.

SIL in its capacity as general partner of SILP is licensed and regulated by the Jersey Financial Services Commission (nos. FSB2127 and AISB0068) and registered as an investment adviser with the United States Securities and Exchange Commission under the United States Investment Advisers Act of 1940 and with the U.S. Commodity Futures Trading Commission as a commodity trading advisor and as a commodity pool operator and is a member of the National Futures Association in such capacity.

CORPORATE INFORMATION

Discount Management Provisions

At all previous annual general meetings the Directors have obtained shareholder approval to buy back up to 14.99% of each class of Shares in issue and they intend to seek annual renewal of this authority from shareholders at each future general meeting held under section 199 of The Companies (Guernsey) Law, 2008, as amended (the "Law"). In accordance with the Law any share buy backs will be effected by the purchase of Shares in the market for cash at a price below the prevailing net asset value of the relevant class of Shares where at the time of purchase the Directors reasonably believe such a purchase will enhance shareholder value. Shares purchased may be cancelled or held in treasury.

As announced on 28 May 2012, the Company engaged buy-back agents to effect share buy-backs on behalf of the Company and this engagement remained in effect throughout the financial period and thereafter up to the date of this report.

As at 31 December 2014, since the commencement of the buyback programme, the Company had bought back £146.7 million worth of Sterling shares and $6.0 million worth of US Dollar Shares through on market share repurchases of 80,372,336 Sterling Shares at an average discount to the prevailing net asset value of 4.9 per cent and accretive net asset value gain of £7,221,558.90, and of 3,265,845 US Dollar Shares at an average discount to the prevailing net asset value of 4.1 per cent and accretive net asset value gain of $256,677.04. As at 31 March 2015 the Company holds 43,499,809 Sterling Shares and 4,006,403 US Dollar Shares in treasury. These shares are available for re-sale on the market, but only at prices above the then prevailing net asset value per share.

Company Information

BlueCrest AllBlue Fund Limited Share Class	Share Price Discount as at 31 December 2014*	Share Price Discount as at 31 December 2013*
Sterling Class	-4.63%	-4.05%
US Dollar Class	-4.42%	-4.78%

**Source: Bloomberg*

The Company actively bought back shares during 2014 to seek to manage the share price volatility and to protect the level of discount to net asset value at which the shares traded. In undertaking the buybacks, the Directors were cognisant of the Company's discount control mechanism under which a continuation vote will be put to a class of shareholders if the relevant class trades at wider than an average discount, over any 12 month period, of 5 per cent to net asset value.

During 2014, the Company repurchased Sterling shares at a cost of £61.8m; of this, £42.6m (approximately 69 per cent.) was bought back during the first six months of the year. The most active months for buybacks were March and April with approximately £10m repurchased during each of these months. From June onwards, the selling pressure on the shares eased, with an average of £3.2m repurchased in each of the last 6 months of the year. The shares were repurchased at an average discount of 4.6 per cent.

The Company started repurchasing the US Dollar class in July and over the remaining months of 2014 bought back $5.8m worth of US Dollar shares at an average discount of 4.1 per cent. The more limited buybacks in this class result from the concentrated nature of the US Dollar class.

Continuation Vote Mechanism

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

Company Information

In the event that a vote to continue is proposed and passed for any class of Ordinary Shares, no further continuation vote will be capable of being proposed for that class for a period of 12 months from the date on which the requirement for a continuation vote was triggered.

Further Issue of Shares

Subject to the terms of the Law, the Listing Rules and the Articles, in order to manage any share price premium to net asset value if the Directors believe there is investor demand that cannot be satisfied through the secondary market and to raise additional capital for investment, the Company may seek to issue additional Shares. Further issues of Shares will only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole and pursuant to the Listing Rules can only be issued for cash at a price below the net asset value of the shares if first offered pro rata to existing shareholders.

The Directors currently have authority to allot the authorised but unissued share capital of the Company and such authority shall only be exercised at prices which are not less than the prevailing net asset value of the relevant share class at the time. The Company held a general meeting of Shareholders on 12 August 2014 at which the pre-emption rights granted to Shareholders were disapplied in relation to up to 45 million new Shares for a period concluding on 31 December 2015, unless such resolution is previously extended, renewed or revoked by the Company's shareholders in a general meeting. In accordance with the Listing Rules, such new Shares could only be issued at or above net asset value per share (unless offered pro rata to existing shareholders or pursuant to further authorisation by shareholders).

Currency Risk Management

As AllBlue's base currency is the US Dollar, BlueCrest may from time to time enter into forward exchange contracts in order to hedge the US Dollar exposure of the assets attributable to its Sterling shares in order to neutralise, as far as possible, the impact of fluctuations in the exchange rates between Sterling and the US Dollar. Whilst hedging of currency exposure may occur within AllBlue, the Directors do not currently intend that the Company will carry out any additional hedging arrangements.

Conversion Facility

The Company has the ability to offer a conversion facility as at the first business day of each calendar month ("**Conversion Day**"). The Directors have the discretion not to operate the conversion facility with respect to either share class from time to time. Where the conversion facility is made available, shareholders are entitled to convert their Ordinary Shares in any currency class for Ordinary Shares in the other currency class as at the Conversion Day. The Board will use reasonable endeavours to

Company Information

procure that new Shares created pursuant to the conversion are admitted to the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange following the relevant conversion

The Closure of the Euro Class

On 27 June 2014 the Company announced the proposed closure of the Euro Class. The Board advised that given the small size and lack of liquidity of the Euro Class it would be offering Euro Class shareholders the opportunity to convert into US Dollar or Sterling Shares and then seeking consent to cancel the listing on the official list of the United Kingdom Listing Authority of the Euro Class and to redeem all of the Euro Class shares then in issue.

The Company issued a Circular dated 4 August 2014 to its shareholders, inviting them to vote on the proposed closure of the Euro Class.

On 27 August 2014 at an Extraordinary General Meeting and Euro Class meeting, 97.98% of the voting shareholders voted in favour of the closure of the Euro Class. As a result the Euro Class shares were redeemed on 1 October 2014 and the Euro Class shares were cancelled from the official list of the United Kingdom Listing Authority on 2 October 2014.

Shareholder Enquiries

The Company's CREST-compliant registrar is Anson Registrars Limited in Guernsey which maintains the Company's registers of shareholders. They may be contacted by telephone on (44) 01481 722 260.

Further information regarding the Company can be found on its website at www.bluecrestallblue.com.

Glossary

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

"AIC Code" mean the AIC Code of Corporate Governance.

"AIC" mean the Association of Investment Companies, of which the Company is a member.

"AllBlue Leveraged" mean AllBlue Leveraged Feeder Limited.

"AllBlue" mean AllBlue Limited.

"Articles" mean the Articles of Association of the Company.

"The Company" mean BlueCrest AllBlue Fund Limited.

"BlueCrest" or "BCML" mean BlueCrest Capital Management Limited.

"Board" mean the Board of Directors of the Company.

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

"Financial Year" mean the period from 1 January 2014 to 31 December 2014.

"GFSC Code" mean the Guernsey Financial Services Commission Financial Sector Code of Corporate Governance.

"IFRS" mean the International Financial Reporting Standards as adopted by the European Union.

"JTC" or the "Administrator" mean JTC (Guernsey) Limited.

"Law" mean the Companies (Guernsey) Law 2008.

"Shares" mean all classes of the shares of the Company in issue.

"SIL" mean Systematica Investments Limited.

"Underlying Funds" means the seven underlying funds of AllBlue comprising BlueCrest Capital International Limited, BlueTrend Fund Limited, 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).

"UKLA" mean United Kingdom Listing Authority.

"VaR" mean Value at Risk.

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