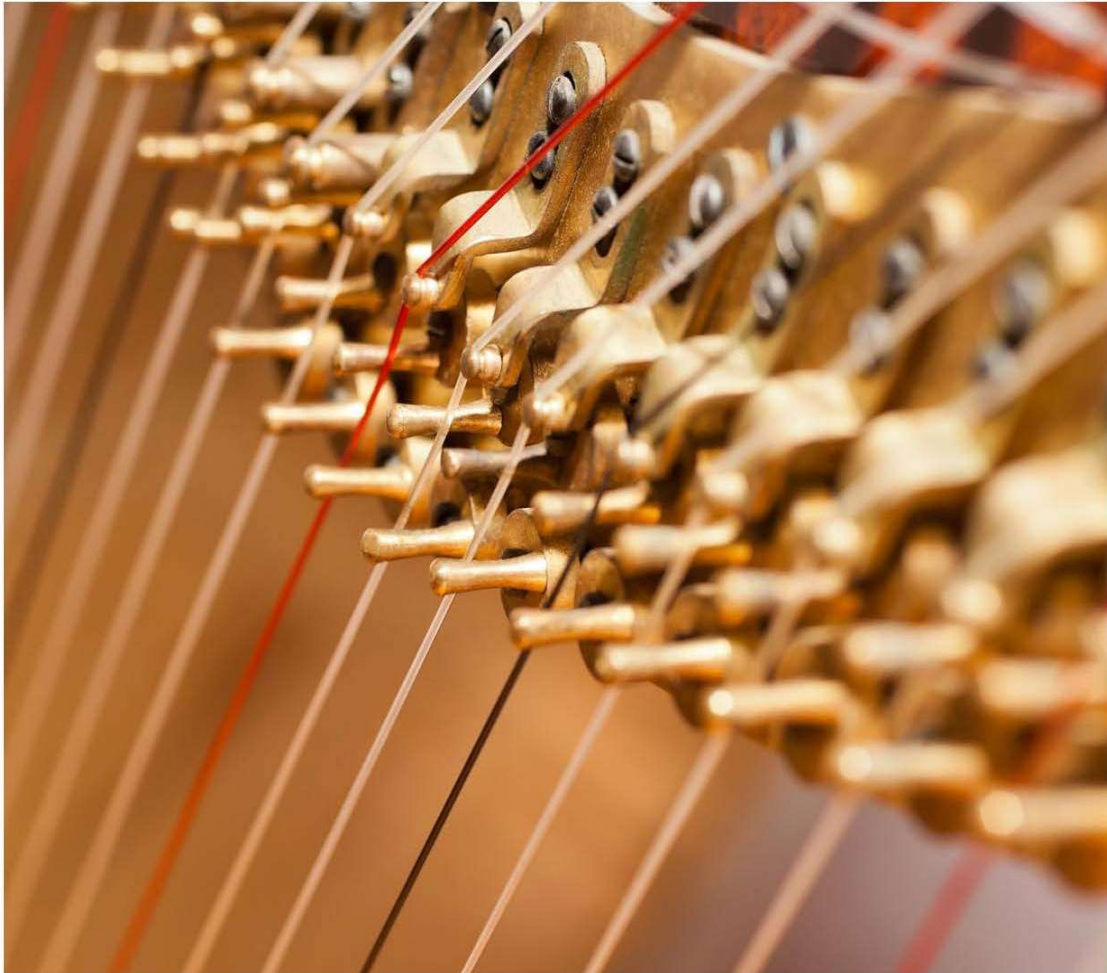


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# Highbridge Tactical Credit Fund Limited

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**Interim Report and Condensed Unaudited Financial Statements  
for the period ended 31 December 2022**



**J.P.Morgan**  
Asset Management

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# Financial Highlights

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## Company Key Figures<sup>1</sup>

	6 months to 31 December 2022	12 months to 31 December 2021
Sterling Share price increase	4.72%	14.77%
NAV per share decrease	(1.51%)	(1.88%)
Annualised Sterling NAV return (since inception)	6.42%	6.35%
Distributions to Shareholders during the period	£-	£58,972,003
Payments to redeemed shareholders during the period	£1,251,984	£2,306,287

## Accounting period

This Interim Report and Condensed Unaudited Financial Statements are made up to 31 December 2022. The results, therefore, cover six-month period up to 31 December 2022 and certain primary statements are not comparable to the previous results, which covered a period of twelve months to 31 December 2021.

## Company wind-down

At the EGM held on 18 December 2020, the Board received Shareholder approval for the Company to enter a managed wind-down in accordance with the procedure set out in article 138 of the Articles.

During the 6 month period to 30 June 2022, the Company did not make any compulsory partial redemptions of ordinary shares. On 16 March 2023, the Board announced its intention to make a further compulsory partial redemption of ordinary shares totalling £ 2,712,912.

During the 6 month period to 31 December 2022, the Company paid £1,251,984 to previous shareholders who elected to exit the Company ("Redemption Liability"). On 16 March 2023, the Board announced its intention to make a further payment totalling £1,845,029.

# Chairman's Statement

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On the basis that this may be my final Chairman's statement I take this opportunity to thank you for your loyalty and patience.

There is little additional information I can share which wasn't included in the recent announcement which your board believes summarised our current position accurately. Therefore for the benefit of those of you who haven't seen the announcement I attach it below:

## **16 March 2023 - "Notice of a redemption, a distribution and Company update**

*On the basis that the Company has recently received final distributions from Highbridge Multi Strategy Master Fund and Highbridge Tactical Credit Master Fund, the Board is pleased to inform shareholders of a compulsory redemption of the majority of the outstanding shares. The compulsory redemption will be made at the most recently published NAV (December 2022) £2.6368 per share and approximately 95% of each shareholders' shares (rounded down) will be redeemed. Full details, including relevant dates and the ISIN number for the remaining shares will be announced early next week.*

*The company will also pay 2.24p per share in respect of the 2019 Exit creditors, and again full details of this distribution will be given early next week.*

*The Board has decided not to make any payment to the original 2016 Exit creditors since the amount of cash available to those creditors is not sufficient to make such a payment economically viable.*

*After the payments referred to above, the only remaining assets in the Company will be minimal cash balances and a residual interest in the AllBlue Funds, which are in liquidation. There remains an inherent uncertainty as to how much if anything, the Company will receive from that residual interest. By way of update the date the appeal made by BlueCrest against the fine of circa £40 million levied against BlueCrest is not yet known, as is the likely outcome of that appeal.*

*The most recent published NAV of the Company reflects the most recent information from the liquidators of the AllBlue Funds which is as at July 2018. This information does not take into account any potential benefit from the FCA dispute or from any other legal claims. The Liquidators have tried to sell the only remaining tangible asset of the AllBlue Funds on two occasions without success. However, in the event that the AllBlue Liquidators are able to make distributions in the future, the Company will allocate such distributions as follows:*

*Current Tactical Credit Fund shareholders: 5.5%  
2019 Exit creditors: 21.00%  
2016 Exit creditors: 73.50%*

*The Board has decided that it is no longer of any value to produce quarterly NAVs, on the basis that the Company is only holding cash and an interest in the AllBlue Funds, with an uncertain carrying value. Therefore, the 30 December 2022 is the final NAV to be produced by the Company.*

*The Board has decided to delay placing the Company into liquidation and thus retaining the Company's listing on the London Stock Exchange until October 2023 so that any distributions received from AllBlue prior to that date can be swiftly passed to the Company's current and former shareholders as appropriate, without the need to request fresh AML documentation from all current and former investors.*

*However, the board is exploring the possibility of issuing a new share class that would raise capital to pursue a new investment strategy which would be managed by Highbridge. The new share class would not share in the existing portfolio assets and would be completely separate from the Company's remaining assets, thus the new share class would not have any exposure to the Company's residual interest in the AllBlue Funds. If that opportunity comes to fruition a Liquidator would not need to be appointed and the Company could continue to be listed. A New Share Class has the advantage of the Company continuing to be listed and avoiding the need to seek additional AML documentation from shareholders and creditors and the costs of running the company could be shared on a pro-rata basis with the New Share Class."*

## **Chairman's Statement (continued)**

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Finally, your board regrets that we have not been able to conclude matters earlier, but we are totally reliant on the Liquidators of the AllBlue Funds being able to finalise the wind up of those funds and it is not within their gift to do that until all outstanding matters, in which those funds have an interest, are finally settled. It is unlikely that those issues will be concluded before the end of October, when we expect to place the Company in liquidation, unless a New Share Class is established prior to that time.

**Vic Holmes**  
**Chairman**  
30 March 2023

# Investment Manager's Report

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*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.*

## **Highbridge Multi-Strategy Fund (“HMSF”)**

As of year-end 2022, the Company is fully redeemed from HMSF.

## **Highbridge Tactical Credit Fund (“HTCF” or the “Underlying Fund”)**

The 2022 investment landscape proved to be particularly challenging. One of the Underlying Fund's key markets, the U.S. convertible debt market experienced its fourth largest drawdown of all time by year-end 2022, from its Nov-21 peak. This was driven by a confluence of factors, in the team's view, including the market's industry skew (i.e., the issuer base's growth orientation), market expansion (record issuance), newfound market tourists (i.e., return chasers), and lofty security valuations (instruments issued at historically tight rate and spread levels combined with an equity market peak). As of year-end 2022, the Company is fully redeemed from HTCF.

## **Highbridge Capital Management, LLC**

30 March 2023

PAST PERFORMANCE IS NOT NECESSARILY INDICATIVE OF FUTURE RESULTS. There can be no assurance that the Underlying Fund's objectives will be realized or that the Underlying Fund will not experience losses. Subsequent factors, including but not limited to, changes in market conditions, interest rates and other economic, political or financial developments, including those related to COVID-19, will impact future performance, possibly significantly. The Underlying Fund is an actively managed portfolio; holdings, sector weightings, allocations and leverage are subject to change. This material is provided for illustrative purposes only and represents subjective opinions and views as of the date hereof subject to change depending on market environment. Certain of the information provided has been based on or derived from information provided by independent third party sources. These sources are considered reliable; however, the Underlying Fund cannot guarantee the accuracy of and has not independently verified such information. The information is not intended to provide and should not be relied on for legal, accounting or tax advice.

# Company and Investment Overview

The Company is a Guernsey domiciled closed-ended investment company listed on the Premium Segment of the Official List of the Financial Conduct Authority and traded on the Main Market of the London Stock Exchange.

The following table shows a breakdown of the Company's Investments and the liabilities payable to previous shareholders who have elected to exit the Company ("Redemption Liability").

## Highbridge Tactical Credit Fund, Ltd ("TCF Feeder")

	31 December 2022	30 June 2022
Investment	£-	£153,687
Net shareholder exposure	£-	£153,687

## Highbridge Multi-Strategy Fund Corporation ("MSF Corp")

	31 December 2022	30 June 2022
Investments	£-	£2,537,061
Cash and cash equivalents	£1,823,874	£-
Investment distribution receivable	£46,129	£1,887,288
Redemption liability	(£1,721,387)	(£3,131,837)
Net shareholder exposure	£148,616	£1,292,512

## AllBlue Limited and AllBlue Leveraged Feeder Limited ("AllBlue Funds")

	31 December 2022	30 June 2022
Investments (i)	£3,422,927	£3,421,668
Redemption liability (i)	(£3,179,829)	(£3,178,652)
Net shareholder exposure (i)	£243,098	£243,016

(i) Based on the last published NAV of the BlueCrest funds in July 2018.

### Company wind-down

At an Extraordinary General Meeting ("EGM") held on 18 December 2020, the Board received Shareholder approval for the Company to cease to act as a feeder into TCF Feeder and to enter a managed wind-down in accordance with the procedure set out in article 138 of the Articles. For the period since the EGM and up to 31 December 2022, the Company had returned approximately £59m to Shareholders through six compulsory redemptions of shares.

On 16 March 2023, it was announced that on the basis that the Company had recently received final distributions from Highbridge Multi Strategy Master Fund and Highbridge Tactical Credit Master Fund, a compulsory redemption of the majority of the outstanding shares would be made. The compulsory redemption would be made at the most recently published NAV (December 2022) £2.6368 per share and approximately 95% of each shareholders' shares (rounded down) would be redeemed.

The company would also pay 2.24p per redeemed share in respect of the 2019 Exit creditors.

The Board decided not to make any payment to the original 2016 Exit creditors since the amount of cash available to those creditors was not sufficient to make such a payment economically viable.

After the payments referred to above, the only remaining assets in the Company are minimal cash balances and a residual interest in the AllBlue Funds, which are in liquidation. There remains an inherent uncertainty as to how much if anything, the Company will receive from that residual interest. By way of update the date the appeal made by BlueCrest against the fine of circa £40 million levied against BlueCrest is not yet known, as is the likely outcome of that appeal.

## **Company and Investment Overview (continued)**

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The most recent published NAV of the Company reflected the most recent information from the liquidators of the AllBlue Funds which was as at July 2018. This information did not take into account any potential benefit from the FCA dispute or from any other legal claims. The Liquidators have tried to sell the only remaining tangible asset of the AllBlue Funds on two occasions without success.

Thus, the Board has decided that it is no longer of any value to produce quarterly NAVs, on the basis that the Company is only holding cash and an interest in the AllBlue Funds, with an uncertain carrying value. Therefore, 31 December 2022 is the final NAV to be produced by the Company.

The Board has decided to delay placing the Company into liquidation and thus retain the Company's listing on the London Stock Exchange until October 2023 so that any distributions received from AllBlue prior to that date can be swiftly passed to the Company's current and former shareholders as appropriate, without the need to request fresh AML documentation from all current and former investors.

However, the Board is exploring the possibility of issuing a new share class that would raise capital to pursue a new investment strategy which would be managed by Highbridge. The new share class would not share in the existing portfolio assets and would be completely separate from the Company's remaining assets, thus the new share class would not have any exposure to the Company's residual interest in the AllBlue Funds. If that opportunity comes to fruition a Liquidator will not need to be appointed and the Company could continue to be listed. A New Share Class has the advantage of the Company continuing to be listed and avoiding the need to seek additional AML documentation from shareholders and creditors and the costs of running the company could be shared on a pro-rata basis with the New Share Class.

### **About Highbridge**

Highbridge was founded in 1992 as one of the industry's first multi-strategy hedge fund managers. Highbridge has approximately US\$4.0 billion in assets under management and staff of over 40 employees, including approximately 14 investment professionals, with an office in New York and a research presence in London. Highbridge established a strategic partnership with J.P. Morgan Asset Management Limited ("JPMAM") in 2004. Highbridge is a subsidiary of JPMAM, which is itself a subsidiary of JPMorgan Chase & Co. (together with its affiliates, "JPM"). JPMAM is a leading investment and wealth management firm, operating across the Americas, EMEA (Europe, Middle East and Africa), and Asia in more than 30 countries, with assets under management of US\$3.0 trillion.

Highbridge was solely responsible for all investment, capital allocation and risk management decisions for the Underlying Fund which are independent of JPMAM. Highbridge is registered as an investment adviser under the U.S. Investment Advisers Act of 1940, as amended.

In addition to managing the Underlying Fund, Highbridge has also been appointed as the investment manager of the Company. As part of these investment management arrangements, JPMAM provides certain support services to the Company as a delegate of Highbridge, including the provision of shareholder relations, public relations and Board support. Neither Highbridge nor JPMAM receives a fee directly from the Company in relation to these services.



## **Company and Investment Overview (continued)**

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### **AllBlue**

The Company was informed by BlueCrest on 1 December 2015 that, effective 4 January 2016, the AllBlue Funds were being redeemed from their seven underlying funds and were compulsorily redeeming the holdings of all investors, including the Company. BlueCrest oversaw the wind down of the AllBlue Funds until Deloitte & Touche LLP were appointed as liquidators on 9 May 2018. The Company retains a creditor interest equivalent to the value of its outstanding holding in the AllBlue Funds. This is measured by reference to the valuation statements received from the Liquidators of the AllBlue Funds, although it should be noted that the latest financial figures available are the audited financial statements as at 31 July 2018. The Board has since received a number of Liquidators' reports for the AllBlue Funds the most recent of which was issued at the end of October 2022. The report cites that there are no distributions planned for the foreseeable future. Future distributions are dependent upon the successful realisation of the remaining assets held by the AllBlue Funds. Whilst progress has been made to enable the sale of one of the largest illiquid assets in the AllBlue Funds, to date two attempts to complete that sale have failed. The Directors are not aware of the timescale for any further attempt at this point. Due to the uncertainties surrounding the assets and the lack of information available or provided to the Directors, there is no estimate of the timing or amount of potential future distributions, or the expected timing of the conclusion of the liquidations. Further information about the proceeds returned to the Company is available in Note 9 to the Financial Statements.

In a press release on 8 December 2020, the Securities Exchange Commission ("SEC") announced that BlueCrest Capital Management Limited had agreed to pay US\$170 million to settle charges arising from inadequate disclosures, material misstatements and misleading omissions concerning the transfer of top traders from its flagship client fund, and replacement of those traders with an underperforming algorithm. It was planned that the SEC would distribute the US\$170 million to affected investors, but the plan made no provision for UK investors and it was approved with no modifications on the 18 February 2022 despite representations from the Company and the AllBlue liquidators. The Financial Conduct Authority ("FCA") then pursued an action on behalf of UK investors. A provisional FCA decision notice was published on the 22 December 2021. The FCA is seeking redress of £40.8m from BlueCrest on behalf of non-US investors and the case has been referred to the Upper Tribunal for review.

Your Board has been in contact with the joint Liquidators of the the AllBlue Funds and they responded by advising that they would revert when they had more information. We will share any updates by way of announcements as and when they are received.

The liquidators of the AllBlue Funds have informed the Company that they will no longer provide net asset values for the AllBlue Funds, save for the audited financial statements as at 31 July 2018.

# Financial Statements

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## INTERIM MANAGEMENT REPORT

The Directors present their Interim Report and Condensed Unaudited Financial Statements for the period ended 31 December 2022.

A description of the important events that have occurred during the first six months of the financial year and their impact on the performance of the Company as shown in the Financial Statements is given in the Chairman's Statement on page 2 and the Notes to the Financial Statements on pages 14 to 20, and are incorporated here by reference.

### Accounting period

This Interim Report and Condensed Unaudited Financial Statements are made up to 31 December 2022. The results, therefore, cover six-month period up to 31 December 2022 and certain primary statements are not comparable to the previous results, which covered a period of twelve months to 31 December 2021

### Statement of Principal Risks and Uncertainties

The principal risks and uncertainties facing the Company for the period from 1 July 2022 to 31 December 2022 are as follows:

The Company has redeemed all of its interests in the underlying HTCF Master Fund and its holding in the HMSF. The investment portfolio now consists of creditor interests in liquidating BlueCrest entities. This investment in turn, holds concentrated portfolios of illiquid investments and potential legal claims which are not marked to market on a regular basis and could be subject to substantial unpredictable price movements prior to and during realisation.

The Company was unsuccessful in pursuing a claim for a share of the SEC fair fund that was established to compensate AllBlue investors for alleged harmful practices by BlueCrest and the legal status of the FCA decision notice which asserts a claim of £40.8m on behalf of UK investors is subject to review by the Upper Tribunal on a date which is not yet known. The Board currently intends to maintain the Company's listing until the outcome of this case is known to facilitate any potential distributions which may be required.

In summary therefore, the actual realisable value of the creditor interests in the AllBlue funds carried in the Statement of financial Position at £3.4 million is totally uncertain and may prove to be significantly more or less than their carrying value.

The Company has now returned more than 100% of shareholder's capital at the time of the Dec 2020 continuation vote and is now in a position where the value of its shareholders' interests is less than the value of its creditors' claims. This will result in its net asset value becoming progressively more leveraged by the value of the creditors' claims. The Company has apportioned its operational costs between the creditors and shareholders based on their respective interests but any error in this process or the computation of respective shareholder and creditor interests could have a significant impact on the net asset value estimates which the Company published up until 31 December 2022. The Board has decided that it is no longer of any value to produce net asset value estimates, on the basis that the Company is only holding cash and an interest in the AllBlue Funds, with an uncertain carrying value. Therefore, the 31 December 2022 is the final net asset value estimate to be produced by the Company.

The continued invasion of Ukraine has led to substantial increases in commodity prices at a time when most global economies were emerging from the Covid-19 crisis. The impact of the resulting surge in inflation on the value of the Company's portfolio and its ability to realise its remaining investment is not yet known.

The Board monitors the Company's risk management systems on an ongoing basis. Shareholders' attention is also drawn to the Company's risk disclosure document (which can be found on the Company's website).

# Financial Statements

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## INTERIM MANAGEMENT REPORT (continued)

### Related Party Transactions

There were no material related party transactions during the financial period.

### Interim Report is Unaudited

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

### Going Concern

At an EGM held on 18 December 2020, the Board received Shareholder approval for the Company to enter a managed wind-down in accordance with the procedure set out in article 138 of the Articles. As a result, the Directors believe the going concern basis to be inappropriate.

As explained elsewhere above, both the amount and timing of any receipts by the Company from the Company's remaining creditor interests in the All Blue entities are unknown. Consequently, the true carrying value of those investments and the Company's associated liabilities to its own creditors which are based on proportionate shares of these All Blue creditor interests are also unknown. However, the Board have ensured that the Company has sufficient cash reserves at the period end to ensure that the known expenses of the Company can be met for the next eighteen months at least and a provision for the costs of £110,895 has been made in these financial statements so that as much as possible of the investment portfolio can be liquidated in an orderly fashion.

### Responsibility Statement

We confirm that to the best of our knowledge that:

- the Condensed Unaudited Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting'; as required by Disclosure Guidance & Transparency Rule ("DTR") 4.2.4R of the UK's Financial Conduct Agency ("FCA"); and
- the Interim Management report includes a fair review of the information required by:

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

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statement may differ from legislation in other jurisdictions.

By order of the Board  
Steve Le Page, Director  
30 March 2023

# Financial Statements

## CONDENSED UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2022

		For the 6 month period ended 31 December 2022 (unaudited)	For the 12 month period ended 31 December 2021 (unaudited)
	Notes	£	£
Net (losses)/gains on current assets at fair value through profit or loss	9	(197,305)	1,309,031
Net gains on current liabilities at fair value through profit or loss	10	157,289	2,923,623
Interest income received		386	57
Gains on foreign exchange		87	-
Operating expenses	4 & 7	(118,223)	(450,109)
Movement in provision for wind-down costs	7	114,105	94,317
<b>(Loss)/profit and total comprehensive income for the period</b>		<b>(43,661)</b>	<b>3,876,919</b>
		Pence (£)	Pence (£)
<b>(Loss)/earnings per share for the period – basic and diluted</b>	6	(4.03)	31.12

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

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

The accompanying notes on pages 14 to 20 form an integral part of these Financial Statements.

# Financial Statements

## CONDENSED UNAUDITED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		31 December 2022 (unaudited)	30 June 2022 (audited)
	Notes	£	£
<b>Current assets</b>			
Unquoted financial assets designated at fair value through profit or loss	9	3,422,927	6,112,416
Investment distribution receivable		46,129	1,887,288
Cash and cash equivalents		5,203,347	2,254,257
Prepayments and receivables		5,289	16,350
		<b>8,677,692</b>	<b>10,270,311</b>
<b>Current liabilities</b>			
Unquoted financial liabilities designated at fair value through profit or loss	10	4,901,216	6,310,489
Due to redeemed shareholders		733,302	733,038
Provision for wind-down costs	7	110,895	225,000
Sundry accruals and payables		73,725	99,569
		<b>5,819,138</b>	<b>7,368,096</b>
<b>Net assets</b>		<b>2,858,554</b>	<b>2,902,215</b>
<b>Equity</b>			
Share capital	11	-	-
Reserves		2,858,554	2,902,215
<b>Shareholders' equity</b>		<b>2,858,554</b>	<b>2,902,215</b>
Shares in issue	11	1,084,073	1,084,073
NAV per share	13	£2.6368	£2.6771

The Financial Statements on pages 10 to 20 were approved and authorised for issue by the Board of Directors on 30 March 2023 and are signed on its behalf by:

Vic Holmes  
Chairman

Steve Le Page  
Chairman of the Audit Committee

The Notes on pages 14 to 20 form an integral part of these Financial Statements.

# Financial Statements

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## CONDENSED UNAUDITED STATEMENT OF CHANGES IN EQUITY

### FOR THE PERIOD ENDED 31 DECEMBER 2022

	Share Capital (unaudited) £	Reserves (unaudited) £	Total (unaudited) £
Opening balance	-	2,902,215	2,902,215
Loss and total comprehensive loss for the period	-	(43,661)	(43,661)
<b>Balance at 31 December 2022</b>	<b>-</b>	<b>2,858,554</b>	<b>2,858,554</b>

### FOR THE PERIOD ENDED 31 DECEMBER 2021

	Share Capital (unaudited) £	Reserves (unaudited) £	Total (unaudited) £
Opening balance	-	57,755,194	57,755,194
Profit and total comprehensive income for the period	-	3,876,919	3,876,919
Share redemptions	-	(58,972,003)	(58,972,003)
<b>Balance at 31 December 2021</b>	<b>-</b>	<b>2,660,110</b>	<b>2,660,110</b>

The accompanying notes on pages 14 to 20 form an integral part of these Financial Statements.

# Financial Statements

## CONDENSED UNAUDITED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2022

	For the 6 month period ended 31 December 2022 (unaudited) £	For the 12 month period ended 31 December 2021 (unaudited) £
<b>Note</b>	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>		
(Loss)/profit and total comprehensive income for the period	(43,661)	3,876,919
Unrealised losses on financial assets at fair value through profit or loss	9 6,361,940	22,151,494
Unrealised gains on financial liabilities at fair value through profit or loss	10 (157,289)	(2,923,623)
Realised gains on sales of financial assets at fair value through profit or loss	9 (6,164,635)	(23,460,525)
Proceeds from sale of financial assets	4,333,343	62,161,799
Interest income	(386)	(57)
Increase in amounts due to redeemed shareholders	264	-
(Decrease)/increase in other payables	(25,844)	37,917
Decrease in wind-down provision	(114,105)	(94,317)
Decrease in prepayments and receivables	11,061	6,710
<b>Net cash flow generated from operating activities</b>	<b>4,200,688</b>	<b>61,756,317</b>
<b>Cash flows from investing activities</b>		
Interest received	386	57
<b>Net cashflow generated from investing activities</b>	<b>386</b>	<b>57</b>
<b>Cash flows used in financing activities</b>		
Share redemptions	-	(58,972,003)
Payments to redeemed shareholders	(1,251,984)	(2,306,288)
<b>Net outflow used in financing activities</b>	<b>(1,251,984)</b>	<b>(61,278,291)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>2,254,257</b>	<b>2,116,674</b>
Increase in cash and cash equivalents	2,949,090	478,083
<b>Cash and cash equivalents at end of period</b>	<b>5,203,347</b>	<b>2,594,757</b>

The accompanying notes on pages 14 to 20 form an integral part of these Financial Statements.

# Notes to the Financial Statements

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## 1. ACCOUNTING POLICIES

### **Basis of accounting**

These Unaudited Condensed Financial Statements (“Financial Statements” or “Interim Financial Report”) have been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’ as required by DTR 4.2.4R, the Listing Rules of the London Stock Exchange and applicable legal and regulatory requirements. They do not include all the information and disclosures required in Annual Financial Statements and should be read in conjunction with the Company’s last Annual Report and Audited Consolidated Financial Statements for the period ended 30 June 2022.

The same accounting policies and methods of computation are followed in the Interim Financial Report as compared with the most recent Annual Financial Statements (30 June 2022). This report should be read in conjunction with the latest Annual Financial Statements (30 June 2022).

## 2. SIGNIFICANT JUDGEMENTS AND ESTIMATES

There have been no changes to the significant accounting judgements, estimates and assumptions from those applied in the Company’s Audited Annual Financial Statements for the period ended 30 June 2022.

### **Going concern**

At an EGM held on 18 December 2020, the Board received Shareholder approval for the Company to enter a managed wind-down in accordance with the procedure set out in article 138 of the Articles. As a result, the Directors believe the going concern basis to be inappropriate.

As explained elsewhere above, both the amount and timing of any receipts by the Company from the realisation of creditor interests are unknown. Consequently, the true carrying value of those investments and the associated liabilities that are based on the Company’s creditor’s proportional ownership are also unknown. However, the Board have ensured that the Company has sufficient cash reserves at the period end to ensure that the known expenses of the Company can be met for the next eighteen months at least and a provision for the costs of £110,895 has been made in these financial statements so that as much as possible of the investment portfolio can be liquidated in an orderly fashion.

## 3. SEGMENTAL REPORTING

The Board has considered the requirements of IFRS 8 – “Operating Segments”. In the Board of Directors’ opinion, the Company is engaged in a single segment of business, being investment in a portfolio of funds, funds of funds and other similar assets.

Segment information is measured on the same basis as that used in the preparation of the Company’s Financial Statements.

The Company receives no revenues from external customers, nor holds any non-current assets, in any geographical area other than Guernsey or Cayman Islands.



# Notes to the Financial Statements (continued)

## 4. OPERATING EXPENSES

	6 months ended 31 December 2022 (unaudited) £	12 months ended 31 December 2021 (unaudited) £
Administrator's fee	43,198	96,564
Directors' remuneration (Note 5)	33,000	126,395
Directors insurance	6,026	9,535
Registration fees	7,429	36,891
Audit fees	320	35,189
Other operating expenses	28,250	145,535
<b>Total expenses for the period</b>	<b>118,223</b>	<b>450,109</b>

As a result of the Financial Statements being prepared on a non-going concern basis, operating expenses are being met from the provision for wind-down costs. Please see Note 7 for further information.

## 5. DIRECTORS' REMUNERATION

	6 months ended 31 December 2022 (unaudited) £	12 months ended 31 December 2021 (unaudited) £
Vic Holmes, Chairman	12,500	47,877
Steve Le Page, Audit Committee Chairman	10,500	40,217
Paul Le Page	10,000	38,301
<b>Total Director remuneration</b>	<b>33,000</b>	<b>126,395</b>

With effect from 1 December 2021 the directors resolved to reduce their previous remuneration by 50%.

## 6. EARNINGS PER SHARE

	6 months ended 31 December 2022 (unaudited) £	12 months ended 31 December 2021 (unaudited) £
(Loss)/profit and total comprehensive income for the period	(43,611)	3,876,919
The weighted average number of shares in issue during the period	1,084,073	12,456,808
<b>(Loss)/earnings per share</b>	<b>(4.03)</b>	<b>31.12</b>

# Notes to the Financial Statements (continued)

## 7. PROVISION FOR WIND-DOWN COSTS

	31 December 2022 (unaudited) £	30 June 2022 (unaudited) £
Opening balance	225,000	475,000
Reversal of the provision	(114,105)	(455,000)
Increase in provision	-	55,000
Wind-down costs attributed to redeemed shareholders		150,000
<b>Closing balance</b>	<b>110,895</b>	<b>225,000</b>

The wind-down costs represent the day to day running costs for the estimated period to liquidation.

## 8. RELATED PARTY TRANSACTIONS

Transactions with related parties are made on terms equivalent to those that prevail in an arm's length transaction. Directors' remuneration is disclosed in Note 5.

## 9. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	31 December 2022 £	30 June 2022 £
Highbridge Tactical Credit Fund, Ltd	-	153,687
Highbridge Multi-Strategy Fund Corporation	-	2,537,061
AllBlue and AllBlue Leveraged (creditor interests)	3,422,297	3,421,668
	<b>3,422,297</b>	<b>6,112,416</b>
	1 July 2022 to 31 December 2022 (unaudited) £	1 January 2021 to 30 June 2022 (audited) £
<b>Unquoted financial assets</b>		
Realised gains on sales on current assets	6,164,635	11,841,311
Unrealised losses on current assets	(6,361,940)	(10,783,565)
<b>Net (losses)/gains on financial assets at fair value through profit or loss</b>	<b>(197,305)</b>	<b>1,057,746</b>

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

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

The fair values of the unquoted investments held by the Company are based on the published NAV of the TCF Feeder, and the most recently available NAV of MSF Corp, AllBlue and AllBlue Leveraged. On the basis that the significant inputs to the fair value of the TCF Feeder and MSF Corp are observable and no significant unobservable adjustments are made to the valuations, the Company categorises the TCF Feeder and HMS Master Fund as Level 2. As the fair value determination for AllBlue and AllBlue Leveraged as at 31 December 2022 is unobservable, these have been categorised as Level 3.

# Notes to the Financial Statements (continued)

## 9. 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 fair value of the investments as at the reporting date:

<b>Financial assets at fair value through profit or loss</b>	<b>31 December 2022 (unaudited) £</b>	<b>30 June 2022 (audited) £</b>
Level 1	-	-
Level 2	-	2,690,748
Level 3	3,422,927	3,421,668
<b>Total</b>	<b>3,422,927</b>	<b>6,112,416</b>

<b>Financial liabilities at fair value through profit or loss</b>	<b>31 December 2022 (unaudited) £</b>	<b>30 June 2022 (audited) £</b>
Level 1	-	-
Level 2	(1,721,387)	(3,131,837)
Level 3	(3,179,829)	(3,178,652)
<b>Total</b>	<b>(4,901,216)</b>	<b>(6,310,489)</b>

There have been no transfers between levels of the fair value hierarchy during the period. Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change has occurred.

Movements in the Company's Level 3 financial instruments during the period were as follows:

<b>Financial Assets Level 3 reconciliation</b>	<b>31 December 2022 (unaudited) £</b>	<b>30 June 2022 (audited) £</b>
Balance at beginning of the period	3,421,668	3,404,185
Movement in unrealised gain on valuation	1,259	17,483

<b>Financial Liabilities Level 3 reconciliation</b>	<b>31 December 2022 (unaudited) £</b>	<b>30 June 2022 (audited) £</b>
Balance at beginning of the period	(3,178,652)	(3,183,744)
Movement in unrealised loss on valuation	(1,177)	(98,296)
Allocation of expenses	-	177,170
Allocation of expenses paid	-	(73,782)
<b>Balance at end of the period</b>	<b>(3,179,829)</b>	<b>(3,178,652)</b>

Please note that movements in the unrealised gain/(loss) on valuation of the level 3 assets arises solely from foreign exchange movements.

### **Redemption from TCF Feeder**

As at 31 December 2022, final redemption proceeds from TCF Feeder of £46,129 were due to the Company (30 June 2022: £108,830). Subsequent to the period end, the Company received cash of £46,129 from TCF Feeder.

# Notes to the Financial Statements (continued)

## 9. INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

### **Return of Capital from MSF Corp**

During 2019, Highbridge Capital Management LLC, the Investment Manager to the HMS Master Fund announced that the HMS Master Fund would be wound down. The Company received final redemption proceeds on 23 December 2022.

### **Return of Capital from AllBlue and AllBlue Leveraged (“the BlueCrest funds”)**

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

From the start of the program, the Company has received redemption proceeds from the AllBlue funds totalling £712,213,318 from the Sterling Share Class and US\$42,684,695 from the US Dollar Share Class. No distributions from the AllBlue funds were received during the period (31 December 2021: £Nil).

The Company was notified in August 2018 that the BlueCrest funds had appointed liquidators on 11 July 2018. The appointment of BlueCrest as investment manager to the BlueCrest Funds terminated on 11 July 2018, although BlueCrest will continue to assist the liquidators during the liquidation process as required. The liquidators advised that the completion of the liquidation and future distributions to investors would be dependent upon the successful realisation of the assets held by the BlueCrest funds. No further distributions are planned at this time, and the possibility of interim distributions resulting from the future sale of the investments held by the BlueCrest funds will be considered by the liquidators as investments are realised by the BlueCrest funds.

## 10. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 December 2022 (unaudited) £	30 June 2022 (audited) £
<b>Designated at fair value through profit and loss:</b>		
Balance at beginning of the period	(6,310,489)	(13,219,682)
Repayments	1,251,984	3,624,165
Allocation of expenses	-	632,964
Allocation of expenses paid	-	(73,782)
Change in unrealised gains	157,289	2,725,846
	<b>(4,901,216)</b>	<b>(6,310,489)</b>
<b>Other net changes in fair value on financial liabilities at fair value through profit or loss:</b>		
Change in unrealised gains	157,289	2,725,846
<b>Total gains</b>	<b>157,289</b>	<b>2,725,846</b>

These balances represent the liabilities payable to:

- cash exit creditors, being former shareholders of the Company that opted to exit the Company and not remain as Shareholders following the appointment of Highbridge as Investment Manager and the Investment into MSF Corp (the “Redemption Liability”);
- tender offer creditors, being those former shareholders who elected to avail of the Tender Offer (the “Repurchase Portfolio”); and
- 2019 exit creditors, being those former shareholders’ who elected to exit the Company at one of the EGM’s held in 2019.

Each of these liabilities meet the classification criteria of IAS 32 for treatment at Fair Value Through Profit and Loss. Please refer to Note 9 for the IFRS 13 Level 3 reconciliation.

# Notes to the Financial Statements (continued)

## 11. SHARE CAPITAL

### Authorised Share Capital

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

Issued	Total Number
<b>Number of shares in issue (excluding Treasury Shares) at 1 January 2021</b>	<b>23,093,530</b>
Share redemptions	(22,009,457)
<b>Number of shares in issue (excluding Treasury Shares) at 31 December 2021 and 30 June 2022</b>	<b>1,084,073</b>
<b>Number of shares in issue at 31 December 2022</b>	<b>1,084,073</b>

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.

The total number of Shares in issue, as at 31 December 2022 was 1,084,073 (30 June 2022: 1,084,073), of which no Shares were held in treasury (30 June 2022: Nil), and the total number of shares in issue excluding treasury shares was 1,084,073 (30 June 2022: 1,084,073). All treasury shares were cancelled by the Board at its meeting on 19 February 2021.

## 12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management objectives and policies are consistent with those disclosed in the Company's Audited Annual Financial Statements for the period ended 30 June 2022. An indicative list of additional risks that reflect the progress of the Company's wind down since the publication of its June 2022 audited statements and recent market events can be found in the Interim Management Report on page 7.

## 13. NAV RECONCILIATION

The following is a reconciliation of the NAV per share attributable to ordinary shareholders as presented in these Financial Statements to the unaudited NAV per share reported to the London Stock Exchange:

	NAV per Ordinary Share 31 December 2022 £ (unaudited)	NAV per Ordinary Share 30 June 2022 £ (audited)
Net Asset Value reported to London Stock Exchange	2.6368	2.7161
Increase in sundry accruals and payables	-	(0.0160)
Increase in provision for wind-down costs	-	(0.0230)
<b>Net Assets Attributable to Shareholders per Financial Statements</b>	<b>2.6368</b>	<b>2.6771</b>

## 14. EVENTS AFTER THE REPORTING PERIOD

In January 2023, Redemption proceeds of £46,129 were received from TCF Feeder.

On 16 March 2023, the Board announced its intention to make a further compulsory partial redemption of ordinary shares of £ 2,712,912.

On 16 March 2023, the Board announced its intention to make a payment to previous shareholders who elected to exit the Company of £1,845,029.

## Notes to the Financial Statements (continued)

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### **14. EVENTS AFTER THE REPORTING PERIOD (continued)**

Effective 13 February 2023, the registered address of the Company changed from Sarnia House, Le Truchot, St Peter Port, Guernsey, GY1 1GR to 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL.

There have been no other significant events since the period end which would require revision of the figures or disclosures in these Financial Statements.

# Schedule of Investments

## Unaudited Schedule of Investments as at 31 December 2022

	Nominal holdings	Valuation source currency	Valuation £	Total net assets %
Income distribution receivable			46,129	1.61%
Cash and cash equivalents			1,823,874	63.80%
Financial Liability - Highbridge Multi-Strategy Fund Corporation			(1,721,387)	(60.21%)
<b>Net Highbridge Multi-Strategy Fund Corporation</b>			<b>148,616</b>	<b>5.20%</b>
AlIBlue Limited Sterling Share (i)	11,114	£2,662,226	2,662,226	93.13%
AlIBlue Limited US Dollar Shares (i)	809	US\$195,068	161,440	5.65%
AlIBlue Leveraged Feeder Limited Sterling Shares (i)	2,040	£599,261	599,261	20.96%
			<u>3,422,927</u>	<u>119.74%</u>
Financial Liability - AlIBlue Limited and Leveraged (i)			(3,179,829)	(111.24%)
<b>Net AlIBlue and Leverage Fund (i)</b>			<b>243,098</b>	<b>8.50%</b>
			<b>391,714</b>	<b>13.70%</b>

(i) Based on July 2018 audited financial statements

## Glossary (continued)

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

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

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

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

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

**'Company'** means Highbridge Tactical Credit Fund Limited.

**'Credit Fund'** The Tactical Credit Fund is a multi-strategy credit fund that seeks to generate returns from relative value and idiosyncratic opportunities. The Tactical Credit Fund, which launched in November 2013, currently invests in six credit focused sub-strategies: (i) mid-cap convertible credit; (ii) European convertible credit; (iii) capital structure arbitrage; (iv) event credit; (v) income investments and (vi) distressed credit and reorganised equities.

**'GFSC Code'** means the Guernsey Financial Services Commission Financial Sector Code of Corporate Governance.

**'Highbridge'** means Highbridge Capital Management, LLC (the "Investment Manager").

**'HMS Master Fund'** means Highbridge Multi-Strategy Master Fund, L.P. (formerly: 1992 Multi-Strategy Master Fund, L.P.), the multi-strategy fund managed by Highbridge into which the Company holds, via its investment in Class F shares of Highbridge Multi-Strategy Fund Corporation (formerly: 1992 Multi-Strategy Fund Corporation).

**'MSF Corp'** means Highbridge Multi-Strategy Fund Corporation (formerly: 1992 Multi-Strategy Fund Corporation), an exempted company incorporated with limited liability in the Cayman Islands.

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

The **'Secretary'** or the **'Administrator'** means Sanne Funds Services (Guernsey) Limited.

**'Law'** means the Companies (Guernsey) Law 2008 (as amended).

**'Shares'** means the sterling Shares of the Company in issue.

**'SPACs'** – ('Special Purpose Acquisition Companies'). These are stock exchange listed companies that raise capital to acquire private companies which are not typically identified in advance. They are more commonly known as shell companies in the UK.

**'TCF Feeder'** means Highbridge Tactical Credit Fund, Ltd. (formerly: 1992 Tactical Credit Fund, Ltd), an exempted company incorporated with limited liability in the Cayman Islands.

**'Underlying Fund'** means Highbridge Tactical Credit Master Fund, L.P. (formerly: 1992 Tactical Credit Master Fund, L.P.), the tactical credit fund managed by Highbridge into which the Company invests substantially all of its assets, via its investment in Class F shares of Highbridge Tactical Credit Fund, Ltd (formerly: 1992 Tactical Credit Fund Corporation).

**'Website'** means the Company's website <https://am.jpmorgan.com/gb/en/asset-management/institutional/products/highbridge-tactical-credit-fund-limited-gg00bnncf17>



# Directors and Service Providers

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## **Directors**

Vic Holmes  
Steve Le Page  
Paul Le Page

## **Administrator and Secretary**

Sanne Fund Services (Guernsey) Limited  
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## **Auditor**

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## **Investor and Public Relations**

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## **Solicitors to the Company as to English Law**

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## **Advocates to the Company as to Guernsey Law**

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## **Registered Office of the Company**

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## **Registrar, Paying Agent and Transfer Agent**

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Guernsey GY1 4EU

## **Investment Manager and AIFM**

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