

**BlueCrest AllBlue Fund Limited (LSE: BABS, BABU, BABE) is pleased to
announce its unaudited Financial Report for the six months ended
30 June 2014**

BLUECREST ALLBLUE FUND LIMITED (THE “COMPANY”)

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GLOSSARY

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

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

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

“AllBlue Leveraged” means AllBlue Leveraged Feeder Limited.

“AllBlue” means AllBlue Limited.

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

The “Company” means BlueCrest AllBlue Fund Limited.

“BlueCrest LLP” means BlueCrest Capital Management LLP.

“BlueCrest Limited” means BlueCrest Capital Management Limited.

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

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

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

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

“IFRS” means the International Financial Reporting Standards as adopted by the European Union and applicable Guernsey law.

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

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

“Period” means the period from 1 January 2014 to 30 June 2014.

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

“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 BlueMatrix Limited (together, including the master funds into which such funds invest).

“UKLA” means United Kingdom Listing Authority.

“VaR” means Value at Risk.

COMPANY & INVESTMENT OVERVIEW

The Company is a Guernsey investment company listed and traded on the Premium Segment of the London Stock Exchange with assets of approximately £831m*. Its objective is to invest substantially all of its assets in AllBlue Limited.

AllBlue is a multi-strategy fund of hedge funds investing in BlueCrest funds across its two core specialisations: discretionary and systematic trading. These two complementary strategies are blended using 7 underlying BlueCrest funds.

Using robust risk management, AllBlue blends these 7 non-correlated funds to produce attractive returns with low volatility. AllBlue has full transparency into the 7 funds aiding the sterling share class return of 8.93%** 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 the 7 underlying funds are managed by BlueCrest Capital Management, 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 \$27.9bn*** 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 both discretionary and systematic 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.

The Company has three share classes, Sterling, Dollar and Euro 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** as the shares in the Company can be bought and sold whenever the London Stock Exchange is open for business

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

*As at 31 July 2014.

**Net performance of AllBlue Limited (Class A GBP) to 30 June 2014.

*** As at 1 July 2014.

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.

BlueMatrix

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.

HALF YEAR TO 30 JUNE 2014 IN NUMBERS

<p>+4.7% Sterling Share price increase</p>	<p>+4.5% NAV per share increase (Sterling Class)</p>	<p>+7.1% NAV per share increase 12 months to 30 June 2014</p>
<p>2.6% 12 month volatility (Sterling NAV)</p>	<p>ZERO Number of rolling 12 month periods of negative NAV (since inception)</p>	<p>£831m Net Asset Value 30 June 2014</p>
<p>£42.6m Cost of Shares repurchased during period</p>	<p>-3.9% Share price discount to NAV at 30 June 2014 (Sterling Shares)</p>	<p>0.56p Uplift to NAV per Sterling Share from buybacks in the period</p>

CHAIRMAN'S STATEMENT

I am pleased to be able to report a period of good performance for the Company during the first half of 2014. The net asset value per Share rose by 4.5% (Sterling Class) with all of the underlying funds contributing positively. This is a very encouraging performance given what were, periodically, difficult market conditions; conditions which saw a number of the Company's peers struggle to maintain capital values. For reference, the Sterling Class NAV has risen by 7.1% over the past 12 months.

The share price performed largely in line with the net asset value, with a total shareholder return of 4.7% for the six months (Sterling Shares). Just as importantly, the volatility of AllBlue Limited ("AllBlue") has remained low and the volatility of the share price has also been lower than in prior periods.

Before turning to a more detailed analysis of the period, I believe that it is worth dwelling on a long term perspective. Since launch in the spring of 2006, the Sterling Class has delivered a return of 8.6% per annum, a return well in excess of that available from equities or bonds during the same period. More importantly, perhaps, it has done so with very low volatility and without being beholden to the direction of asset markets to generate these returns. Many of our shareholders tell us that they hold the Company as much for its diversification benefits in their portfolios as for its attractive long term returns. On occasions, of course, returns will be tempered over short periods by the restriction of opportunities available. This happened in early 2013, although AllBlue has always maintained its record of generating positive performance over all rolling 12 month periods. However, even in times of more muted performance the diversification benefits have prevailed and the patient shareholder has seen excellent long term returns without ever having short term worries. Assisted by the Company's good daily liquidity on the London Stock Exchange and, I would like to think, robust governance and oversight from your board, the Company has earned its place in a wide range of investors' portfolios. The benefits of potential performance, diversification and liquidity are arguably as compelling and relevant today as at the Company's launch over eight years ago.

The Company's long term performance is shown in the chart below:

BlueCrest AllBlue Fund Performance

[Not available through RNS]

PORTFOLIO MANAGEMENT

Turning to the events of the first half of the year, markets tended to be dominated by central bank policy moves and geo-political events. BlueCrest Capital Management Limited ("BlueCrest Limited") provides a detailed analysis in their report later in these financial statements but, in summary, there was notable divergence in the policy coming from different global central banks. After months of speculation, the European Central Bank finally cut interest rates and introduced measures to stimulate bank lending whereas the US Federal Reserve continued with its measured withdrawal of stimulus with the result that speculation began to mount over the likely timing of the first interest rate increase. Yet it is the Bank of England which appears likely to be the first central bank to act to tighten policy, perhaps as early as the beginning of next year. The current buoyancy of the UK economy is in stark contrast to its apparently dismal prospects 12 months ago.

These events, alongside geo-political worries such as the Ukraine and the Middle East together with uncertainty over the robustness of emerging market economies, China in

particular, made for a difficult market backdrop for investors. Equities were occasionally volatile yet have continued in a generally positive vein but it is the fixed income markets that have surprised most investors. Despite widespread predictions for rising yields, the bond markets performed strongly and consistently with 10 year US Treasury yields falling by around 50 b.p. and German 10 year yields recently touching a record low of below 1%. Investors were almost universally wrong-footed by these moves and markets proved too challenging for many to be able to make money, let alone match market index performances.

For AllBlue, all the underlying funds generated positive returns during the first half with BlueTrend, BlueCrest Emerging Markets and BlueCrest Multi Strategy Credit being the most notable performers. It has been encouraging to see a return to strong performance for BlueTrend after a protracted period of difficult conditions. BlueTrend was the major contributor to second quarter performance as it gained over 10% in the three month period.

BlueCrest Emerging Markets performed well despite difficult conditions across most emerging markets, especially in the first quarter. To generate gains whilst emerging markets' bonds, equities and currencies all fell sharply was a notable achievement and is testament to the strength of the risk management processes within BlueCrest LLP. The gains from BlueCrest Multi Strategy Credit, up over 8% during the first half, came not from the ongoing strength of credit markets but from opportunistic trading both long and short. It therefore achieved returns with great consistency. We are encouraged that BlueCrest Limited continues to see a rich opportunity set for credit without the need for directional positioning.

At the start of June, AllBlue made an allocation to a new fund, BlueCrest Equity Strategies Fund. BlueCrest Equity Strategies Fund is a discretionary, equity long/short fund and was launched in July 2013, since when it has generated strong returns, despite occasionally difficult equity market conditions. It operates a multi-manager, multi-strategy approach, covering global equity markets, and is led by Christian Dalban and Jonathan Larkin. Christian and Jonathan, based in BlueCrest Limited's London and New York offices respectively, both have extensive experience gained at J.P. Morgan, Millennium and Nomura. Since joining BlueCrest Limited they have built a broad, strong team of specialists, typically having an industry or geographical focus, who collectively produce a diversified portfolio for the fund.

The largest element of the strategy is long/short equity trading, primarily from a fundamental perspective, with this being complemented by event driven and equity derivative strategies. The fund runs a gross exposure that is typically around 500%, with the flexibility to vary this

level according to opportunity set, but net exposure is typically within +/-20%. The target volatility of the fund is 4-7% with target returns of 10-15% per annum. The fund implements the same risk framework used by BlueCrest Limited's other discretionary funds, including the two stage stop loss process (in this case the applicable levels are 4.5% and 4.5%). In addition, further portfolio and risk constraints are applied at both the individual portfolio manager and aggregate fund level.

BlueCrest Equity Strategies Fund is very different to BlueMatrix, the systematic equity market neutral fund already included in AllBlue, and demonstrates very different return characteristics. The addition of BlueCrest Equity Strategies Fund is highly complementary to the existing 6 funds and BlueCrest Limited believe that it should be return enhancing without notably changing the risk profile of the portfolio or raising correlation to equity markets.

The allocation to BlueCrest Equity Strategies Fund was increased to 9% of AllBlue on 1 July 2014 and BlueCrest Limited was active in shifting the allocations within AllBlue during the first half based both on its inclusion and other changes to opportunities in the markets. The charts below show the position throughout the period.

AllBlue Allocation for the period

[Not available through RNS]

*Capital allocations are for AllBlue Limited. All figures rounded to the nearest whole number.
Information is for BlueCrest AllBlue Fund Limited as at 30 June 2014.*

DISCOUNT MANAGEMENT

As I noted in my report to you in April, the Board is very aware of the impact upon shareholders of any variability in the share price against the net asset value. As a result, we have continued to be active when necessary in repurchasing shares at a discount to net

asset value, although this activity subsided in more recent months as underlying investor demand for shares has increased.

During the first six months of 2014, the Company repurchased £44,929,822 worth of Shares at an average discount of 5.0%, bringing the amount purchased since the inception of the buy-back program in May 2012 to over £120m. In prior periods, these purchases were undertaken solely in the Sterling Shares but, more recently, purchases have also taken place in the US Dollar Shares. These purchases of US Dollar Shares have been made when conditions have been appropriate and they have traded at a wider discount than the Sterling Shares. In so doing, the Board aims to reinforce the convergence between the currency classes that previously had been effected solely through the monthly conversion facility. As in prior periods, the effect of the share repurchases at a discount was an increase in the net asset value per share.

We are pleased that the discount has improved and we expect to continue to be pro-active when necessary.

PROPOSED RETURN OF CAPITAL TO EURO SHARE CLASS HOLDERS

Since the launch of the Company in 2006, there has been a Euro Share class which has always been the smallest Class by some margin. Given its small size and very limited liquidity, in late June the Board proposed to provide Euro shareholders with a final opportunity to convert into Sterling or US Dollar Shares or redeem at net asset value less costs with the Euro Class being closed thereafter. Euro Class shareholders voted to approve these proposals at an Extraordinary General Meeting held on 27 August 2014. There will be no impact on Sterling or US Dollar Class shareholders.

APPOINTMENT OF STEVE LE PAGE AS A DIRECTOR

As I reported to you in April, Jonathan Hooley resigned as a Director of the Company and as Chairman of the Audit Committee at the end of April 2014. Since that time the Nominations Committee has undertaken a wide-ranging and thorough search using objective and robust selection criteria, cognisant of the Company's policies on diversity. I am pleased to report that as a result of this process we have been fortunate to be able to appoint Steve le Page as a Director and Chairman of the Audit Committee with effect from 3 June 2014. Steve (aged 58) brings a deep knowledge and wealth of practical experience of financial and governance reporting, auditing, internal control and investment fund structures combined with a strong awareness of tax and regulatory issues.

He retired from partnership with PwC in the Channel Islands in September 2013. His career there spanned thirty three 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 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. I would like formally to welcome Steve to the Company, where he has already had a meaningful impact, and I hope that I may get the chance to introduce him personally to many of you in due course.

REGULATION & GOVERNANCE

The most notable enhancement in the recent period has been the formation of a Risk Committee, chaired by Paul Meader, and the approval of its constitution, composition and framework. As some of you will know, Paul is a very experienced investment manager and is bringing that experience to bear with additional focus as Chairman of the Risk Committee. The Risk Committee exists to complement and broaden the work already undertaken by the Audit Committee and we look forward to being able to report in some detail on the work of the Risk Committee in the annual report early next year.

SHAREHOLDER COMMUNICATION

I am pleased to be able to report that the Company has recently appointed an independent third party, Broker Profile, to assist with and build upon the enhancements to shareholder communication of the last two years. Broker Profile will be known to many of you and has an excellent reputation with both investment companies and investors alike.

It is excellent to have Broker Profile working alongside BlueCrest Limited, Paul Meader and I to continue to widen the scope of our engagement with shareholders and, I believe, to improve further the quality, breadth and timeliness of material that we provide to you.

As always, the Board welcome feedback from shareholders and are always delighted to hold meetings with you. Please feel free to contact me or my colleagues at info@bluecrestallblue.com. In addition, if you would like to receive regular updates from the Company by email, please send a request to the same address.

LOOKING FORWARD

The outlook for markets is rarely obvious and, if it appears so, it is usually misleading. So it is no surprise that the global economy and investment markets continue to face uncertainty. While self sustaining economic growth seems to be appearing in some regions of the world,

the consequent potential withdrawal of monetary stimulus introduces the risk of material volatility. After all, we continue to live through one of the greatest monetary and fiscal experiments in the history of finance; and experiments sometimes have a tendency of blowing up. We all need to be prepared.

In such an environment the characteristics of good performance and good diversification evidenced by AllBlue are as valuable as ever. I look forward to reporting to you again in the spring of 2015.

Yours faithfully

Richard Crowder
Chairman

ABOUT THE COMPANY

The Company is a self-managed closed-ended investment company incorporated with an unlimited life on 21 April 2006 in Guernsey with registered number 44704. The Company has three classes of share in issue, being Sterling Shares, Euro Shares and US Dollar Shares (together the “**Shares**”).

All Shares in issue have been admitted to the Official List of the United Kingdom Listing Authority and to trading on the London Stock Exchange’s main market for listed securities.

As at 21 August 2014, the last practicable date prior to the publication of this report, the Company’s total issued share capital consisted of 453,393,578 Ordinary Shares, of which 404,516,639 were designated as Sterling Shares (excluding 44,899,127 Sterling Shares and 632,000 US Dollar Shares which were held in treasury), 8,094,527 as Euro Shares and 40,782,412 as US Dollar Shares. As at 31 July 2013, the latest confirmed monthly NAV prior to the publication of this report, the confirmed unaudited aggregate net assets of the Company (in Sterling terms) were approximately £830,945,355 with an unaudited NAV per Sterling Share of £1.9152, per Euro Share of €1.8461 and per US Dollar Share of US\$1.8294.

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.

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 30 June 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 BlueMatrix Limited (together, including the master funds into which such funds invest, the “**Underlying Funds**”), all of which are managed by BlueCrest Limited. AllBlue may in the future exclude any or all of these funds or from time to time include any other investment fund established by BlueCrest Limited or by managers with close links to BlueCrest Limited.

BlueCrest Limited is the appointed investment manager of AllBlue. BlueCrest Limited has appointed on behalf of AllBlue, acting as its agent, certain members of its 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 BlueCrest Limited. 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.

AllBlue Leveraged Feeder Limited

On 26 March 2012 the Company announced that on 1 April 2012, the Company redeemed a portion of its investment in AllBlue in order to generate 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 AllBlue, the Company invested an appropriate amount of the redemption proceeds 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 50 per cent. of its net asset value, giving investment exposure which is approximately 1.5 times 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 remains 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 a substantially similar economic 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 borrowing would only be for the purpose of managing day-to-day cash flow, for meeting expenses of the Company and 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 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 50 per cent. of AllBlue Leveraged net asset value, but may vary from time to time.

None of the Underlying Funds is 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.

BlueCrest Capital Management Limited (“BlueCrest Limited”)

On 1 July 2014, BlueCrest Capital Management LLP novated its investment management rights and obligations, as originally agreed with the Company, to BlueCrest Limited (acting in its capacity as general partner of BlueCrest Capital Management LP).

BlueCrest Limited (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. BlueCrest Limited 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. BlueCrest Limited has appointed on behalf of AllBlue, acting as its agent, certain members of its group (the “**AllBlue Sub-Investment Managers**”) as sub-investment managers to manage the assets of AllBlue, as agents of AllBlue. BlueCrest Limited has a similar power in respect of AllBlue Leveraged and each of the Underlying Funds.

BlueCrest Limited is a limited liability company registered in Guernsey under company number 58114 and having its registered office at BlueCrest House, Gategny Esplanade, St Peter Port, Guernsey, GY1 1WR (tel +44 (0) 1481 733800).

BlueCrest Limited is licensed and regulated by the Guernsey Financial Services Commission (no. 1036021) 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 pool operator and is a member of the National Futures Association in such capacity.

Currency Risk Management

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

Further Issue of Shares

Subject to the terms of the Companies Laws, 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 or to raise additional capital for investment, the Company may seek to issue additional Shares either through the issue of shares held in treasury or the issue of new shares. Further issues of such 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 above the net asset value of the shares unless 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 dis-applied in relation to up to 45 million New Shares for a period concluding on 31 December 2015, unless such resolutions previously extended, renewed or revoked by the Company's Shareholders in 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).

Conversion Facility

The Company offers a conversion facility as at the first business day of each calendar month ("**Conversion Day**"). The Directors have discretion not to operate the conversion facility with respect to any 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 another currency class as at the Conversion Day. The Board procures 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 Proposed 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

seeking shareholder offering Euro Class shareholders the opportunity to convert into US Dollar or Sterling Shares and then seeking consent to cancel the listing on the London Stock Exchange 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 will be redeemed on 1 October 2014 and the Euro Class shares will be cancelled from the London Stock Exchange effective 2 October 2014. The Euro Class shareholders will receive the redemption proceeds in the week commencing 17 November 2014.

Discount Management Provisions

At all previous annual general meetings the Directors 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 (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 the Directors believe such a purchase will enhance shareholder value. Shares which are purchased may be held in treasury or cancelled.

As announced on 28 May 2012, the Company engaged a buy-back agent to effect share buy-backs on behalf of the Company, this appointment was extended on 30 June 2014 and will continue until 26 November 2014.

As at 21 August 2014 the Company had bought back £123.47 million through on market share repurchases of 71,743,336 Sterling Shares at an average discount to the prevailing NAV of 5 per cent and \$1.11 million through on market share repurchases of 632,000 US Dollar Shares at an average discount to the prevailing NAV of 4.7 per cent. The Company currently holds 44,899,127 Sterling Shares and 632,000 US Dollar Shares in treasury which are available for re-sale at prices above the then prevailing NAV per share.

BlueCrest AllBlue Fund Limited Share Class	Share Price Discount as at 31 December 2013*	Share Price Discount as at 30 June 2014*
Sterling Class	-3.41%	-3.87%
Euro Class	-4.86%	-4.04%
US Dollar Class	-4.89%	-5.84%

*Source: Bloomberg

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, 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 NAV announcement is made for each NAV Calculation Date over the period) at a discount in excess of 5 per cent. to the average NAV per Share of that class (calculated by averaging the NAV per 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, 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.

Portfolio Summary

The Company's investments (excluding cash, cash equivalents, receivables and prepayments) as at 30 June 2014 were:

Investment	Number of Shares	Valuation in Local Currency*	Valuation £	Total Net Assets %
Sterling Class				
AllBlue Limited Sterling Shares	3,072,862	£626,521,903	£626,521,903	75.38
AllBlue Leveraged Feeder Limited Sterling Shares	488,780	£124,311,642	£124,311,642	14.96
Institutional Sterling Government Liquidity Fund – Core (Acc) Shares	11,654	£1,173,482	£1,173,482	0.14
Euro Class				
AllBlue Limited Euro Shares	73,517	€14,852,144	£11,852,144	1.43
US Dollar Class				
AllBlue Limited US\$ Shares	370,340	\$75,324,691	£44,034,076	5.30

The investment portfolio of AllBlue was allocated on the following basis amongst the Underlying Funds:

Underlying Fund	Allocation % as at 1 January 2014 *	Allocation % as at 30 June 2014 *
BlueCrest Capital International Limited	19	15
BlueCrest Emerging Markets Fund Limited	18	12
BlueCrest Multi-Strategy Credit Fund Limited	21	25
BlueCrest Mercantile Fund Limited	9	9
BlueCrest Equity Strategies Fund Limited	-	9
BlueTrend Fund Limited	15	8
BlueMatrix Limited	18	22

*Source BlueCrest Capital Management Limited, figures to nearest 1%.

Net Asset Value per Share for Financial Statements Purposes

As at 30 June 2014, the net asset values of the Shares were:

	Sterling Share Class £	Euro Share Class €	US Dollar Share Class \$
Net asset value at 1 January 2014	1.8260	1.7618	1.7465
Net movement in unrealised appreciation on investments	0.0796	0.0768	0.0700
Operating expenses	(0.0009)	(0.0009)	(0.0009)
Effect of share issues and conversions	0.0033	0.0016	0.0071
Net asset value as at 30 June 2014	1.9080	1.8393	1.8227

REPORT BY THE MANAGER OF ALLBLUE LIMITED

On the invitation of the Directors of the Company, this commentary has been provided by BlueCrest Limited 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 Limited 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.

AllBlue H1 2014 Investment Manager Report

Investors entered 2014 with a sense of optimism, although mixed economic data, unfolding geopolitical events and weakness in select emerging markets moderated the strength in market performance during the first quarter. Concerns on mounting issues with Russia and Ukraine, and tensions in the Middle East, were among the triggers for risk aversion, but as the situation stabilised and major central banks continued to promise support, equity market performance improved in the second quarter. Bond markets were also stronger, as rate hike expectations were delayed and investor demand remained high. Commodities and currencies were mixed performers over the period but the GSCI index appreciated modestly over the first half of the year whereas the US dollar index ended June broadly flat to the start of the year.

Global economic data varied through the first half of the year, demonstrating the continuing divergence between major economies. The US saw weak Q1 numbers for employment and industrial production, but these were considered exceptional, caused by extremely poor winter weather and, subsequently, second quarter data generally painted a more positive picture. Europe remained weak with persistently low inflation and high unemployment rates, driving the ECB to make a further rate cut in June. Conversely, the UK continued to show improving data with falling unemployment and consistent GDP growth figures, resulting in earlier expectations of rate hikes from the Bank of England. The Bank of Japan continued its massive stimulus through the asset purchase program, whilst implementing structural reforms including an increase in the sales tax to aim to improve the country's fiscal position.

During the first half of the year AllBlue Limited (Class A, USD) delivered a net return of +4.06%. All seven of the underlying funds delivered a positive contribution to AllBlue, with BlueCrest Multi Strategy Credit providing the largest contribution. Further details on the drivers of performance for each strategy are covered below.

In June, AllBlue made a new allocation to BlueCrest Equity Strategies, a discretionary equity long/short fund that operates a multi-portfolio manager, multi-strategy approach. The fund, which launched in July 2013, is expected to be highly complementary to the existing strategies and BlueCrest Limited believes it should enhance both returns and the risk profile of the portfolio, without raising correlation to equity markets.

Over the course of the first half of the year the allocations to BlueTrend, BlueCrest Emerging Markets and BlueCrest Capital International were decreased by approximately 7.1%, 5.9% and 1.5% respectively. The allocation to BlueCrest Mercantile remained unchanged over the period. BlueMatrix and BlueCrest Multi Strategy Credit saw their allocations increase by 5.5% and 4.0% respectively. BlueCrest Equity Strategies was introduced with an initial allocation of 5.0%.

AllBlue's VaR (95% confidence, 1 day VaR based on 3 year historical simulation) stood at 0.31% of assets at the end of June, having been 0.38% at the end of 2013. The most notable changes were the reduction in VaR contributed by BlueTrend, and increases coming from BlueMatrix and BlueCrest Multi Strategy Credit (reflective of the allocation changes detailed above). The volatility of the strategy, measured on a rolling 12 month basis, has remained low with the fund delivering an annualised volatility of 2.5%.

Strategy Review by Fund

BlueCrest Capital International was up 0.72% (Class F, USD) for the first half of 2014. By region, North America made the greatest contribution to returns followed by Europe and Asia. North American profits were generated by tactical rates trading and from relative value mortgage strategies. European gains were generated from a long bias to European bonds as prices rose and from UK yield curve strategies, although long volatility positions in GBP rates detracted as volatility declined over the first half of the year. Asian profits were made predominantly from relative value strategies in rates and currencies.

BlueCrest Emerging Markets was up 5.27% (Class A, USD) for the first half of 2014. Performance was modest in the first quarter, with the portfolio proving to be resilient to the deterioration in sentiment caused by growing geopolitical tensions, before the second quarter delivered stronger gains as trading conditions improved. CEMEA strategies outperformed other regions, as increased support from the ECB benefitted peripheral markets where the fund held a long bias in rates and in credit. Asia was also profitable, mainly from relative value currency strategies and long biased credit positions. Latin America delivered more modest performance, as gains from rates and credit were largely offset by losses from currencies.

BlueCrest Multi Strategy Credit was up 8.62% (Class A, USD) for the first half of 2014. Performance was consistently positive every month with all strategies delivering gains over the period. The most successful strategy was Long/Short Credit trading, with more modest gains made by High Yield, ABS, Volatility and Convertible Arbitrage trading strategies. Long/Short Credit gained from issuer selection in a number of industries as corporate actions resulted in profits from long positions and gains were made from short positions in deteriorating single names as well as index hedges which were traded actively. ABS strategies in Europe also performed well as expectations of ECB purchases lifted the asset class, benefitting the portfolio's positions.

BlueCrest Mercantile was up 2.17% (Class A, USD) for the first half of 2014. All three sub-strategies made a positive contribution over the period. The Bank Basel III strategies benefitted from positive carry, although hedges added to protect against the increased volatility in Russia did detract partially, as after initial weakness Russian credit staged a relief rally as the situation moderated. Trade Credit Opportunities also generated a positive return from trading strategies including positions in Indonesia and Kazakhstan. Commodities Finance also gained from appreciation in equity positions that benefitted from higher gold prices.

BlueCrest Equity Strategies was up 0.88% (Class B, USD) for June 2014 (when the fund was added to the AllBlue portfolio). Both the Event Driven and Long /Short strategies contributed positively to returns, with Event Driven the outperformer. The strategy benefitted as announcements of corporate actions and quarter end flows led to significant opportunities in technical trading strategies. Within the Long/Short strategies, trading profits were

predominantly driven by the US portfolios with more modest results delivered by the European portfolios.

BlueTrend was up 6.16% (Class B, USD) for the first half of 2014. The strongest performance was generated from the bond sector, as a long bias benefitted when fixed income markets rallied, and gains were also made in the short interest rate sector. The equity sector also provided a positive contribution, as many markets started to trend higher after a nervous start to the year, benefitting the net long bias held by the fund. The FX and commodity sectors detracted from returns over the period. The contribution from commodity markets was mixed, as crop positions performed well although energy and metals were among the detractors.

BlueMatrix was up 3.01% (Class A, USD) for the first half of 2014. The first quarter saw steady performance, although the second quarter's equity market environment proved to be more technically driven, leading to a partial reduction in the year to date return. The North American and European portfolios were the main contributors over the period, with slightly negative performance delivered by the Asia and Emerging Markets portfolio. All signal families were positive, led by Traditional signals and gains were also made by the Alternative and Proprietary families. Within the Traditional signal family, the analyst revisions signal was among the better performers, although returns incurred some volatility through the period.

AIIBlue Allocation History

[Not available through RNS]

AllBlue Performance and Attribution of Underlying Funds

	H1 2014 Performance*	H1 2014 Attribution**
BlueCrest Capital International	0.72%	0.14%
BlueCrest Emerging Markets	5.27%	0.72%
BlueCrest Multi Strategy Credit	8.62%	1.96%
BlueCrest Mercantile	2.17%	0.19%
BlueCrest Equity Strategies***	0.88%	0.04%
BlueTrend	6.16%	0.45%
BlueMatrix	3.01%	0.61%
AllBlue	4.06%	-

*The figures shown are for the Class A USD share classes for each fund excluding BlueCrest Capital International which is for Class F USD, BlueCrest Equity Strategies which is for Class B USD and BlueTrend which is for Class B USD.

**Attribution is for AllBlue Limited (Class A, USD) net of manager's fees and expenses.

***BlueCrest Equity Strategies Fund performance and attribution is for June 2014 only.

AllBlue 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

A multi-manager, multi-strategy approach covering global equity markets. The largest element of the strategy is long/short equity trading, primarily from a fundamental perspective, with this being complemented by event driven and equity derivative strategies.

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.

BlueMatrix

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.

For BlueCrest Capital Management Limited, Investment Manager to AllBlue Limited.

INTERIM MANAGEMENT REPORT FOR THE PERIOD FROM 1 JANUARY TO 30 JUNE 2014

A description of important events that have occurred during the first six months of 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 for the remaining six months of the annual financial year is given in the Chairman's Statement above, and the notes to the financial statements below and are incorporated here by reference.

There were no material related party transactions which took place in the first six months of the financial year, other than those disclosed at note 6 to the financial statements.

This half-yearly financial report has not been audited or reviewed by auditors pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

Going Concern

The performance of the investments held by the Company over the reporting period are described in the Statement of Operations and the outlook for the future is described in the Chairman's Statement. The Company's financial position, its cash flows and liquidity position are set out in the financial statements and the Company's financial risk management objectives and policies, details of its financial instruments and its exposures to price risk, credit risk, liquidity risk, interest rate risk and the risk of leverage by 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 in note 10 to the financial statements .

As at 15 August 2014, being the latest practicable date prior to the publication of this document, the Sterling Shares were trading at a discount of 3.83% to their net asset value, the Euro Shares at a discount of 1.41% to their net asset value and the US Dollar Shares at a discount of 4.10% to their net asset value.

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 interim financial report.

Responsibility Statements for the period from 1 January 2014 to 30 June 2014

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with International Accounting Standards 34 Interim Financial Reporting;
- the interim management report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the Board of directors on 27 August 2014

Richard Crowder
Chairman

Steve Le Page
Chairman of the Audit Committee

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2014

	Notes	Ordinary Shares			Total £
		Sterling Share Class £	Euro Share Class €	US\$ Share Class \$	
Net gain on non current financial assets at fair value through profit or loss	7	32,343,945	621,851	2,899,125	34,391,546
Net gain on current financial assets at fair value through profit or loss	7	995	-	-	995
Net gain on purchase of own shares	12	2,281,424	-	-	2,281,424
Bank interest received		43,151	806	4,101	46,270
Operating expenses	3	(415,861)	(7,765)	(39,524)	(445,917)
Other Comprehensive Income that will be reclassified to profit or loss in future periods					
Currency aggregation adjustment	1(h)	-	-	-	(1,724,603)
Increase in net assets attributable to shareholders after other comprehensive income		<u>34,253,654</u>	<u>614,892</u>	<u>2,863,702</u>	<u>32,549,715</u>
Gain per Share for the period		Pence (£)	Cent (€)	Cents (\$)	
- Basic and Diluted	5	8.18	7.07	7.06	

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

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

The notes below form an integral part of these financial statements.

STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2013 (restated)

	Notes	Sterling Share Class £	Ordinary Shares Euro Share Class €	US\$ Share Class \$	Total £
Net gain on non current financial assets at fair value through profit or loss		(4,775,364)	(104,514)	(2,167,876)	(5,571,096)
Net gain on current financial assets at fair value through profit or loss		1,079	-	-	1,079
Net gain on purchase of own shares	12	1,142,737	-	-	1,142,737
Bank interest received		17,510	333	4,559	20,747
Operating expenses	3	(401,090)	(5,320)	(117,146)	(481,513)
Other Comprehensive Income that will be reclassified to profit or loss in future periods					
Currency aggregation adjustment	1(h)	-	-	-	5,879,451
Decrease in net assets attributable to shareholders		<u>(4,015,128)</u>	<u>(109,501)</u>	<u>(2,280,463)</u>	<u>991,404</u>
Loss per share for the period		Pence (£)	Cent (€)	Cents (\$)	
- Basic and Diluted	5	(0.87)	(1.18)	(2.11)	

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

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

The notes below form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 30 June 2014

	Notes	Sterling Share Class £	Ordinary Shares Euro Share Class €	US\$ Share Class \$	Total £
NON CURRENT ASSETS					
Unquoted financial assets designated as at fair value through profit or loss	7	<u>750,833,545</u>	<u>-</u>	<u>75,324,691</u>	<u>794,867,621</u>
CURRENT ASSETS					
Quoted financial assets designated as at fair value through profit or loss	7	1,175,482	-	-	1,175,482
Unquoted financial assets designated as at fair value through profit or loss	7	-	14,852,143	-	11,890,275
Cash and cash equivalents		23,183,625	33,971	150,306	23,298,688
Receivables & prepayments	8	<u>57,734</u>	<u>4,329</u>	<u>23,061</u>	<u>61,907</u>
		<u>24,416,841</u>	<u>14,890,443</u>	<u>173,367</u>	<u>36,426,352</u>
CURRENT LIABILITIES					
Payables & accrued liabilities	9	<u>125,880</u>	<u>2,166</u>	<u>11,016</u>	<u>121,280</u>
		125,880	2,166	11,016	121,280
NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS					
		<u>775,124,506</u>	<u>14,888,277</u>	<u>75,487,042</u>	<u>831,172,693</u>
Due within one year		<u>-</u>	<u>14,888,277</u>	<u>-</u>	<u>11,919,203</u>
Due after more than one year		<u>775,124,506</u>	<u>-</u>	<u>75,487,042</u>	<u>819,253,490</u>

The notes below form an integral part of these financial statements.

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

	Notes	Sterling Share Class £	Ordinary Shares Euro Share Class €	US\$ Share Class \$	Total £
Represented by:					
CAPITAL AND RESERVES					
Share capital	10	-	-	-	-
Share premium	11	-	-	-	-
Treasury shares	12	(79,949,483)	-	-	(79,949,483)
Distributable reserves	13	855,073,989	14,888,277	75,487,042	911,122,176
		<u>775,124,506</u>	<u>14,888,277</u>	<u>75,487,042</u>	<u>831,172,693</u>
SHARES IN ISSUE	10	406,241,849	8,094,527	41,414,369	
NAV PER SHARE		£1.9080	€1.8393	\$1.8227	

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 30 to 62 were approved and authorised for issue by the Board of Directors on 27 August 2014 and are signed on its behalf by:

Richard Crowder
Chairman

Steve Le Page
Chairman of the Audit Committee

The notes below form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2013 (restated)

	Notes	Ordinary Shares			Total £
		Sterling Share Class £	Euro Share Class €	US\$ Share Class \$	
NON CURRENT ASSETS					
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	27,899,641
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 within one year		-	-	-	-
Due after more than one year		787,993,496	15,454,948	67,411,438	841,552,800

The notes below form an integral part of these financial statements.

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").

31 December 2013 (restated)		Ordinary Shares			
	Notes	Sterling Share Class £	Euro Share Class €	US\$ Share Class \$	Total £
Represented by:					
CAPITAL AND RESERVES					
Share capital	10	-	-	-	-
Share premium	11	-	-	-	-
Treasury Shares	12	(82,314,408)	-	(7,364,937)	(86,762,640)
Distributable reserves	13	870,307,904	15,454,948	74,776,376	928,315,440
		<u>787,993,496</u>	<u>15,454,948</u>	<u>67,411,438</u>	<u>841,552,800</u>
SHARES IN ISSUE	10	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 below form an integral part of these financial statements.

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS
for the period ended 30 June 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		143,067	(25,487)	(205,674)	-
Accretive gain transfer between share classes		(353,880)	79,103	464,394	-
Increase in net assets attributable to shareholders after other comprehensive income		34,253,654	614,892	2,863,702	34,549,723
On market purchases of Ordinary Shares	12	(44,929,822)	-	-	(44,929,822)
Share conversions	7	<u>(1,982,010)</u>	<u>(1,235,179)</u>	<u>4,953,182</u>	<u>-</u>
Closing balance		<u>775,124,506</u>	<u>14,888,277</u>	<u>75,487,042</u>	<u>831,172,693</u>

The notes below form an integral part of these financial statements.

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

	Notes	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	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		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	<u>(36,490,145)</u>	<u>(2,642,579)</u>	<u>58,973,129</u>	<u>-</u>
Closing balance		<u>787,993,496</u>	<u>15,454,948</u>	<u>67,411,438</u>	<u>841,552,800</u>

The notes below form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the period ended 30 June 2014

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
Operating activities				
Increase in net assets attributable to shareholders after other comprehensive income	34,253,654	614,892	2,863,702	34,549,715
Increase in unrealised appreciation on financial assets at fair value through profit or loss	(23,149,109)	(339,386)	(2,764,952)	(24,892,139)
Realised gains on sales of financial assets	(8,138,674)	-	-	(8,138,674)
Gain on purchase of own shares	(2,281,424)	-	-	(2,281,424)
Interest income	(43,151)	(806)	(4,101)	(46,270)
Interest expense	28,800	538	2,737	30,882
Currency aggregation adjustment	-	-	-	1,724,603
Adjustment to allocation of reserves brought forward	143,067	(25,487)	(205,674)	-
Accretive gain transfer between share classes	(353,880)	79,103	464,394	-
(Decrease) / increase in payables	(211,270)	41	1,738	14,519
(Increase) / Decrease in receivables	(10,509)	31,796	310,889	(11,472)
Net cashflow from operating activities	<u>237,505</u>	<u>360,691</u>	<u>668,733</u>	<u>949,740</u>
Investing activities				
Interest received	43,151	806	4,101	46,270
Realised gains on conversions	(1,057,157)	(282,465)	(134,173)	(1,361,728)
Purchase of financial assets	-	(50,000)	(440,000)	(297,249)
Proceeds from sale of financial assets	40,000,000	-	-	40,000,000
Net cashflow from investing activities	<u>38,985,994</u>	<u>(331,659)</u>	<u>(570,072)</u>	<u>38,387,293</u>

The notes below form an integral part of these financial statements.

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
Financing activities				
Purchase of own shares	(42,648,398)	-	-	(42,648,398)
Interest paid	(28,800)	(538)	(2,737)	(30,882)
	<u>(42,677,198)</u>	<u>(538)</u>	<u>(2,737)</u>	<u>(42,679,280)</u>
Net cashflow from financing activities				
	<u>(42,677,198)</u>	<u>(538)</u>	<u>(2,737)</u>	<u>(42,679,280)</u>
Cash and cash equivalents at beginning of period	26,637,325	5,477	54,382	26,674,719
Currency aggregation adjustment (Decrease) / Increase in cash and cash equivalents	-	-	-	(33,784)
	<u>(3,453,699)</u>	<u>28,494</u>	<u>95,924</u>	<u>(3,342,247)</u>
Cash and cash equivalents at end of period	<u>23,183,625</u>	<u>33,971</u>	<u>150,306</u>	<u>23,298,688</u>

The notes below form an integral part of these financial statements.

STATEMENT OF CASH FLOWS
for the period ended 30 June 2013 (restated)

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
Operating activities				
Decrease in net assets attributable to shareholders	(4,015,128)	(109,501)	(2,280,463)	991,404
Decrease in unrealised appreciation on financial assets at fair value through profit or loss	41,190,819	665,802	3,787,084	43,531,054
Realised gains on sales of financial assets	(23,789,965)	(73,406)	(644,138)	(24,276,201)
Interest income	(17,510)	(333)	(4,559)	20,747
Gain on purchase of own shares	(1,142,737)	-	-	(1,142,737)
Interest expense	42,535	808	11,074	50,398
Currency aggregation adjustment	-	-	-	(5,879,451)
Adjustment to allocation of reserves brought forward	(177,023)	(546)	262,715	-
Accretive gain transfer between share classes	(132,426)	17,673	183,440	-
Increase / (decrease) in payables	63,134	(11,319)	(98,377)	(44,957)
Decrease in receivables	59,147	539,232	4,270,513	3,156,484
Net cashflow from operating activities	<u>12,080,847</u>	<u>1,028,410</u>	<u>5,487,289</u>	<u>16,365,246</u>
Investing activities				
Interest received	17,510	333	4,559	20,747
Realised gains on conversions	(12,626,569)	(487,882)	(975,070)	(13,684,837)
Purchase of financial assets	(71,140,944)	(1,808,018)	(14,534,971)	(82,242,523)
Proceeds from sale of financial assets	110,186,148	1,272,058	10,121,418	117,927,884
Net cashflow from investing activities	<u>26,436,145</u>	<u>(1,023,509)</u>	<u>(5,384,064)</u>	<u>22,021,271</u>

The notes below form an integral part of these financial statements.

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
Financing activities				
Purchase of own shares	(20,671,002)	-	-	(20,671,002)
Interest paid	(42,535)	(808)	(11,074)	(50,398)
	<u>(20,713,537)</u>	<u>(808)</u>	<u>(11,074)</u>	<u>(20,721,400)</u>
Net cashflow from financing activities				
	<u>(20,713,537)</u>	<u>(808)</u>	<u>(11,074)</u>	<u>(20,721,400)</u>
Cash and cash equivalents at beginning of period	1,018,915	1,782	20,591	1,033,040
Currency aggregation adjustment	-	-	-	203,353
Increase in cash and cash equivalents	17,803,455	4,093	92,151	17,665,118
	<u>17,803,455</u>	<u>4,093</u>	<u>92,151</u>	<u>17,665,118</u>
Cash and cash equivalents at end of period	18,822,370	5,874	112,742	18,901,511
	<u>18,822,370</u>	<u>5,874</u>	<u>112,742</u>	<u>18,901,511</u>

The notes below form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 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 unquoted and quoted 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.

Changes in accounting policy and disclosures:

The following Standards or Interpretations have been adopted in the current period. 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 for annual periods beginning on or after 1 January 2014.

The following Standards or Interpretations that are expected to affect the Company have been issued but not yet adopted by the Company and are shown below. Other Standards or Interpretations issued by the IASB and IFRIC are not expected to affect the Company. The Board has not yet assessed the impact of the standards below on the Company and will do so prior to the earliest period of adoption.

IFRS 7 Financial Instruments: Disclosures – amendments requiring disclosures about the initial application of IFRS 9 effective for annual periods beginning on or after 1 January 2017 (or otherwise when IFRS 9 is first applied).

IFRS 9 Financial Instruments – original issue (classification and measurement of financial assets) effective for annual periods beginning on or after 1 January 2017.

IFRS 13 Fair Value Measurement – amendments resulting from Annual improvements for annual periods beginning on or after 1 July 2014.

IFRS 39 Financial Instruments – original issue (classification and measurement of financial assets) effective for annual periods beginning on or after 1 January 2017.

No formal analysis has been completed on the impact of the adoption of any of the above standards or interpretations on the Financial Statements in the period of initial application.

(b) Going concern

As described in Note 10, should the average 12 month discount at which the shares of any class trade to their net asset value exceed 5% of NAV per share, the Company is obliged to offer a continuation vote to class shareholders.

The Company has adequate financial resources and as a consequence, the Directors believe the Company is well placed to manage its business risks successfully. After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. 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 NAVs.

(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) Investments

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 of investments from prior periods 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 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, the Directors are satisfied that the reported NAV is a fair estimation of fair value of the Company's current holdings.

The Company redeemed a portion of its investment in each share class of AllBlue (on a pro-rata basis) on 1 April 2012 in order to generate 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 the Company's shares.

During the period, part of the Cash Reserve was placed in funds of the Institutional Cash Series plc ("ICS Funds") (an umbrella investment company with variable capital and having segregated liability between its funds) namely the Institutional Sterling Government Liquidity Fund – Core (Acc). This asset is classified as current as it is expected to be used for funding the purchase of the Company's own shares.

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 the ICS Funds.

(h) 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.

(i) 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.

(j) 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. In prior periods, the Company did not recognise any gain on the purchase of its own shares 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 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.

2 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Critical judgements in applying the Company's accounting policies

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

Valuation of 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 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 being produced by different parties.

3 OPERATING EXPENSES

1 Jan 2014 to 30 Jun 2014	Ordinary Shares			Total £
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class \$	
Administration fees	85,553	1,597	8,131	91,736
Directors' remuneration	72,892	1,361	6,928	78,160
Registration fees	38,930	727	3,700	41,744
Directors and Officers insurance	23,158	432	2,201	24,831
Broker fees	23,231	434	2,208	24,910
Audit fees	11,979	224	1,139	12,845
Annual and Regulatory fees	36,584	683	3,477	39,228
Legal and Professional fees	88,540	1,653	8,415	94,939
Printing of reports	8,402	157	799	9,010
Bank interest on loan facility	-	-	-	-
Bank facility fee and charges	28,800	538	2,737	30,882
(Profit) / Loss on exchange	(10,294)	(192)	(979)	(11,038)
Other operating expenses	8,086	151	768	8,670
Total expenses for the period	415,861	7,765	39,524	445,917

1 Jan 2013 to 30 Jun 2013	Ordinary Shares			Total £
	Sterling Share Class £	Euro Share Class €	US Dollar Share Class \$	
Administration fees	80,829	1,536	21,045	95,771
Directors' remuneration	70,568	1,341	18,373	83,612
Registration fees	42,398	806	11,039	50,236
Directors and Officers insurance	16,091	306	4,189	19,065
Broker fees	10,599	201	2,760	12,558
Audit fees	8,788	167	2,288	10,412
Annual and Regulatory fees	39,149	744	10,193	46,386
Legal and Professional fees	65,205	1,239	16,977	77,258
Printing of reports	5,090	96	1,326	6,031
Bank interest on loan facility	42,535	808	11,074	50,398
Bank facility fee and charges	16,639	54	649	17,105
(Profit) / loss on exchange	(7,504)	(2,181)	14,446	-
Other operating expenses	10,703	203	2,787	12,681
Total expenses for the period	401,090	5,320	117,146	481,513

4 DIRECTORS REMUNERATION

	Annual fee 2014 £	Annual fee 2013 £
Richard Crowder, Chairman	60,000	50,000
Steve Le Page, Chairman Audit Committee	50,000	40,000
Paul Meader, Senior Independent Director	48,000	40,000
John Le Prevost	42,000	35,000
Andrew Dodd	Waived	Waived
	<hr/> 200,000	<hr/> 165,000

The above annual fees for the calendar year 2014 were approved by a meeting of the Board of Directors held on 18 August 2014.

During the period, Paul Meader undertook additional duties involving liaison with the Company's principal individual shareholders, drafting a report on the Alternative Investment Fund Managers Directive ("AIFMD") and drafting a Treasury Policy. Mr Meader received an additional fee of £11,120 (30 June 2013: £23,320) for these duties which is included within Legal and Professional fees.

5 EARNINGS PER SHARE

The earnings per each class of shares is based on the net gain for the period of £34,253,654 (June 2013: loss of £4,015,128) and 418,374,365 (June 2013: 457,705,509) shares in the Sterling Ordinary share class, €614,892 (June 2013: loss of €109,501) and 8,686,543 (June 2013: 9,202,989) shares in the Euro Ordinary share class, \$2,863,702 (June 2013: loss of \$2,280,463) and 40,523,598 (June 2013: 107,940,646) shares in the US\$ Ordinary share class, being the weighted average number of shares in issue during the period.

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 and paying agent. John R Le Prevost is a director and controller of Anson Registrars Limited. £41,744 (June 2013: £50,236) of costs were incurred by the Company with this related party in the period, of which £6,800 (Dec 2013: £0) was payable at 30 June 2014.

John R Le Prevost is a director and controller of Anson Custody Limited. Anson Custody Limited acts 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).

7 INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

As at 30 June 2014

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
UNQUOTED FINANCIAL ASSETS				
Portfolio cost brought forward	611,184,594	13,635,470	62,297,403	660,134,815
Unrealised appreciation on valuation brought forward	<u>149,287,016</u>	<u>1,780,001</u>	<u>4,734,981</u>	<u>153,625,105</u>
Valuation brought forward	760,471,610	15,415,471	67,032,384	813,759,920
Movements in the period:				
Gross share conversions in the period	(1,982,010)	(1,235,179)	4,953,182	-
Adjustment for realised gain on share conversions	1,057,157	282,465	134,173	1,361,728
Purchases at fair value	-	50,000	440,000	297,249
Sales	(31,861,326)	-	-	(31,861,326)
Exchange losses on currency balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,690,819)</u>
Portfolio cost carried forward	578,398,415	12,732,756	67,824,758	628,241,647
Unrealised appreciation on valuation carried forward	<u>172,435,130</u>	<u>2,119,387</u>	<u>7,499,933</u>	<u>178,516,249</u>
Valuation carried forward	<u>750,833,545</u>	<u>14,852,143</u>	<u>75,324,691</u>	<u>806,757,896</u>
Realised gains on sales	9,195,831	282,465	134,173	9,500,402
Increase in unrealised appreciation	<u>23,148,114</u>	<u>339,386</u>	<u>2,764,952</u>	<u>24,891,144</u>
Net gain on financial assets at fair value through profit or loss	<u>32,343,945</u>	<u>621,851</u>	<u>2,899,125</u>	<u>34,391,546</u>

As at 31 December 2013

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
UNQUOTED FINANCIAL ASSETS				
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	52,120,798	603,707	9,470,268	58,341,971
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	13,909,270	223,242	(673,819)	13,558,130

As at 30 June 2014

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
QUOTED FINANCIAL ASSETS				
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	4,601	-	-	4,601
Valuation carried forward	1,175,482	-	-	1,175,482
Realised gains on sales	-	-	-	-
Increase in unrealised appreciation	995	-	-	995
Net gains on financial assets at fair value through profit or loss	995	-	-	995

As at 31 December 2013

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
QUOTED FINANCIAL ASSETS				
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 gains on sales	1,271	-	-	1,271
Increase in unrealised appreciation	935	-	-	935
Net gains on financial assets at fair value through profit or loss	2,206	-	-	2,206

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 investments held by the Company are based on the published NAV of the underlying investments in AllBlue Limited, AllBlue Leveraged Feeder Limited and the ICS Funds. 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.

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 report date:

Financial assets at fair value through profit or loss	Fair Value as at 30 June 2014 GBP	Fair Value as at 31 December 2013 GBP
Level 1	-	1,174,487
Level 2	<u>807,933,378</u>	<u>813,759,921</u>

The ICS Fund investments have been transferred to Level 2 of the fair value hierarchy during the period, as the Directors noted they are capable of redemption in a primary market with the issuer and so believe that since the investments are NAV based funds their fair value should be based on inputs other than the quoted prices that are observable directly.

8 RECEIVABLES

30 June 2014

	Ordinary Shares				
	Sterling Share Class	Euro Share Class	US Dollar Share Class	Elimination	Total
	£	€	\$	£	£
Prepayments	57,734	1,106	5,623	-	61,907
Inter class loan accounts	-	3,223	17,438	(12,774)	-
	<u>57,734</u>	<u>4,329</u>	<u>23,061</u>	<u>(12,774)</u>	<u>61,907</u>

31 December 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)	-
	<u>47,225</u>	<u>36,125</u>	<u>333,950</u>	<u>(228,489)</u>	<u>50,435</u>

9 PAYABLES (AMOUNTS FALLING DUE WITHIN ONE YEAR)

30 June 2014

	Ordinary Shares			Elimination	Total
	Sterling Share Class	Euro Share Class	US Dollar Share Class		
	£	€	\$	£	£
Accrued administration fees	15,456	296	1,505	-	16,573
Accrued broker fees	12,958	248	1,262	-	13,894
Accrued registration fees	6,342	121	618	-	6,800
Accrued audit fees	11,792	226	1,148	-	12,644
Accrued printing costs	9,216	177	898	-	9,883
Inter class loan accounts	12,774	-	-	(12,774)	-
Other sundry accruals	57,342	1,098	5,585	-	61,486
	<u>125,880</u>	<u>2,166</u>	<u>11,016</u>	<u>(12,774)</u>	<u>121,280</u>

31 December 2013

	Ordinary Shares			Elimination	Total
	Sterling Share Class	Euro Share Class	US Dollar Share Class		
	£	€	\$	£	£
Accrued administration fees	16,116	310	1,360	-	17,195
Accrued broker fees	17,809	349	1,524	-	19,019
Accrued registration fees	8,679	170	743	-	-
Accrued audit fees	23,753	466	2,032	-	25,367
Accrued printing costs	10,364	203	887	-	11,068
Inter class loan accounts	228,489	-	-	(228,489)	-
Other sundry accruals	31,940	627	2,733	-	34,111
	<u>337,150</u>	<u>2,125</u>	<u>9,279</u>	<u>(228,489)</u>	<u>106,761</u>

10 SHARE CAPITAL

Authorised

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

Issued	Ordinary Shares			Total
	Sterling Share Class	Euro Share Class	US Dollar Share Class	
Number of shares in issue at 30 June 2014	<u>406,241,849</u>	<u>8,094,527</u>	<u>41,414,369</u>	<u>455,750,745</u>
The movement in shares took place as follows:	Number of Sterling Share Class	Ordinary Shares Number of Euro Share Class	Number of US \$ Share Class	
Date of movement				
Sub-total brought forward as at 1 January 2013	479,354,793	10,304,993	80,041,527	
Conversion 1 January 2013	(664,956)	(1,148,538)	2,661,147	
Conversion 1 February 2013	(14,935)	194,925	(242,450)	
Conversion 1 March 2013	(21,239,294)	(129,625)	33,910,998	
Purchase / cancellation of treasury shares in the quarter ended 31 March 2013	(10,023,943)	-	-	
Conversion 1 April 2013	(3,480,521)	153,631	5,339,216	
Conversion 1 May 2013	(1,407,608)	36,710	2,238,869	
Conversion 1 June 2013	3,616,627	(724,570)	(4,797,613)	
Purchase of treasury shares in the quarter ended 30 June 2013	(2,041,925)	-	-	
Conversion 1 July 2013	2,067,906	-	1,200,508	
Redemption 1 July 2013	-	-	(75,413,387)	
Conversion 1 August 2013	103,378	(90,000)	(43,767)	
Conversion 1 September 2013	983,478	(1,028)	(1,769,650)	
Purchase / cancellation of treasury shares in the quarter ended 30 September 2013	(3,725,000)	-	(4,489,504)	
Conversion 1 October 2013	8,473	-	(15,944)	
Conversion 1 November 2013	(271,115)	215,380	159,556	
Conversion 1 December 2013	243,143	(39,814)	(361,448)	
Purchase / cancellation of treasury shares in the quarter ended 31 December 2013	<u>(11,981,539)</u>	<u>-</u>	<u>178,559</u>	
As at 31 December 2013	<u>431,526,962</u>	<u>8,772,064</u>	<u>38,596,617</u>	

The movement in shares took place as follows:	Ordinary Shares		
Date of movement	Number of Sterling Share Class	Number of Euro Share Class	Number of US Dollar Share Class
Sub-total brought forward as at 1 January 2014	431,526,962	8,772,064	38,596,617
Conversion 1 January 2014	(96,737)	262,271	(196,248)
Conversion 1 February 2014	(888,267)	(7,207)	1,536,886
Conversion 1 March 2014	(178,470)	(91,260)	439,933
Purchase / cancellation of treasury shares in the quarter ended 31 March 2014	(11,366,000)	-	-
Conversion 1 April 2014	(338,491)	(399,570)	1,145,489
Conversion 1 May 2014	43,769	(55,246)	-
Conversion 1 June 2014	365,067	(386,525)	(108,308)
Purchase / cancellation of treasury of shares in the quarter ended 30 June 2014	(12,825,984)	-	-
As at 30 June 2014	<u>406,241,849</u>	<u>8,094,527</u>	<u>41,414,369</u>

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.

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 NAV per Ordinary Share of that class (calculated by averaging the NAV per Ordinary Share of that class as at the NAV Calculation Date at the end of each month during the period).

In the event that a vote to continue 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.

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 of such redemption).

11 SHARE PREMIUM

In April 2006 the Shareholders of the company passed a resolution to cancel the amount standing to the credit of the Company's share premium account (less any formation expenses set off against the share premium account) and the Directors obtained from the Court in Guernsey an order confirming such cancellation of the share premium account in accordance with the Companies (Guernsey) Law, 1994 (as amended) (the "1994 Law"). The reserve created was thereafter available as distributable profits to be used for all purposes permitted by the 1994 Law, including the buy back of shares and the payment of dividends.

On 1 July 2008, the 1994 Law was replaced by The Companies (Guernsey) Law, 2008 (as amended) (the "2008 Law"). The 2008 Law does not require share premium to be held in a separate account and any premium at which shares are issued can be used for all purposes, including the buy back of Shares and the payment of dividends, provided that the Company would after any distribution still meet the statutory Solvency Test as such is defined in the 2008 Law. Accordingly, upon the issue of C Shares in August 2008, December 2009 and June 2010 the entire amount of share premium received on the issue of such C Shares was immediately transferred to distributable reserves.

12 TREASURY SHARES

30 June 2014

	Sterling Share Class £	Ordinary Shares 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 the period	44,929,822	-	-	44,929,822
Cancelled during the period	<u>(47,294,746)</u>	<u>-</u>	<u>(7,364,937)</u>	<u>(51,742,978)</u>
Balance as at 30 June 2014	<u>79,949,483</u>	<u>-</u>	<u>-</u>	<u>79,949,483</u>

31 Dec 2013 (restated)

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

The treasury shares reserve represents 45,090,789 (2013: 46,276,336) Sterling Shares and nil (2013: 4,310,945) Dollar Shares purchased in the market at various prices per share ranging from £1.752 to £1.8277 for Sterling Shares and held by the Company in treasury. Cancellation of 25,377,547 (2013: nil) Sterling Shares and 4,310,945 Dollar Shares (2013: 183,422) took place in the period.

During the period, the Company bought back 24,192,000 (2013: 27,772,407) Sterling Shares with an average price of £1.7899 (2013: £1.7231) and discount of 5.0% (2013: 5.6%) to NAV. During the period, the Company did not buy back any Dollar Shares (2013: 4,494,367 Shares at an average price of \$1.7035 and discount of 0.29% to NAV).

13 DISTRIBUTABLE RESERVES

30 Jun 2014

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
Balance as at 1 January 2014	870,307,904	15,454,948	74,776,375	928,315,440
Increase in net assets attributable to shareholders after other comprehensive income	34,253,654	614,892	2,863,702	34,549,715
Adjustment to allocation of reserves brought forward	143,067	(25,487)	(205,674)	-
Treasury shares cancelled during the period	(47,294,746)	-	(7,364,937)	(51,742,978)
Accretive gain transfer between share classes	(353,880)	79,103	464,394	-
Share conversions	(1,982,009)	(1,235,179)	4,953,182	-
Balance as at 30 June 2014	<u>855,073,989</u>	<u>14,888,277</u>	<u>75,487,042</u>	<u>911,122,176</u>

31 Dec 2013 (restated)

	Sterling Share Class £	Ordinary Shares Euro Share Class €	US Dollar Share Class \$	Total £
Balance as at 1 January 2013	891,800,439	17,825,583	137,112,821	990,649,916
Increase / (decrease) in net assets attributable to shareholders after other comprehensive income	15,398,037	210,499	(732,517)	10,821,434
Adjustment to allocation of reserves brought forward	(195,986)	24,122	274,722	-
Treasury shares cancelled during the period	-	-	(313,689)	(189,460)
Accretive gain transfer between share classes	(204,440)	37,323	272,459	-
Partial redemption of share class	-	-	(120,810,551)	(72,966,450)
Share conversions	(36,490,145)	(2,642,579)	58,973,129	-
Balance as at 31 December 2013	<u>870,307,904</u>	<u>15,454,948</u>	<u>74,776,376</u>	<u>928,615,440</u>

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

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 and the risks attaching to those shares which are market price risk, credit risk, liquidity risk, interest rate risk and 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 and AllBlue Leveraged 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 buybacks and ongoing expenses of the Company. For this purpose the Board have created the Cash Reserve (explained in 1(g)) to provide funds to enable the Company to settle share buy backs and meet its expenses in the ordinary course of 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 Funds 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 Objectives and Policy are given above.

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 30 June 2014, (31 December 2013 for comparative) 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/decreased as stated below, arising due to the increase in the fair value of financial assets at fair value through profit or loss.

	Increase in net assets attributable to shareholders		Decrease in net assets attributable to shareholders	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
Sterling Shareholders	75,200,903	76,164,709	(75,200,903)	(76,164,709)
Euro Shareholders	1,485,214	1,541,547	(1,485,214)	(1,541,547)
US Dollar Shareholders	7,532,469	6,703,238	(7,532,469)	(6,703,238)
Total	<u>84,218,586</u>	<u>84,409,495</u>	<u>(84,218,586)</u>	<u>(84,409,495)</u>

The sensitivity is higher in 2014 than in 2013 because of the increase in the net financial assets and liabilities at fair value through profit or loss at the reporting date.

(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, 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 and 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. The maximum credit risk to which the Company was exposed at the period end was £819,341,799 (Dec 2013: £841,609,127). The main concentration of risk for the Company relates to the investments in AllBlue, AllBlue Leveraged and ICS.

(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 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 and 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 the NAV and the NAV per share in AllBlue. This in turn would limit the ability of

the Directors to realise the Company's investments in AllBlue and AllBlue Leveraged 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.

The Company's shares in issue are traded on the London Stock Exchange's Main Market for Listed Securities (the "LSE"). However, in certain circumstances there may be a limited market for the shares and it may not be possible for investors to achieve a liquidation of their holding within a short time period or for the investor to realise the full anticipated value of the Shares.

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

	As at 30 June 2014	3-6	Over 1 year	Total
	months	Months		
	£	£	£	£
Net assets at the end of the period attributable to shareholders	-	11,919,203	819,253,498	831,172,701
Accrued expenses	121,280	-	-	121,280
Total	121,280	11,919,203	819,253,498	831,293,981

	As at 31 December 2013	1-3	3-6	Over 1 year	Total
		months	Months		
		£	£	£	£
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 may have an economic interest operate with a substantial degree of leverage and are not limited in the extent to which they either may borrow or engage in margin transactions. The positions maintained by such Underlying Funds may in aggregate value be in excess of the NAV of AllBlue and AllBlue Leveraged. This leverage presents the potential for a higher rate of total return but will also increase the volatility of AllBlue, AllBlue Leveraged and, as a consequence, the Company, including the risk of a total loss of the amount invested.

(f) Leverage by AllBlue Leveraged

AllBlue Leveraged operates with a substantial degree of leverage for the purposes of making investments and is not limited in the extent to which they either may borrow or engage in margin transactions (although it is expected to be an amount equal to approximately 50 per cent 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.

As the Company's Ordinary Shares are traded on the LSE, the Ordinary Shares may trade at a discount to their NAV per share. However, in structuring the Company, the Directors have given detailed consideration to the discount risk and how this may be managed.

At the last Annual General Meeting held pursuant to section 199 of 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.

Following approval of the Court in Guernsey, the Company resolved to cancel the amount standing to the credit of its share premium account following Admission. The amount released on cancellation has been credited as a distributable reserve in the books of account and may be used by the Company for the purpose of funding purchases of its Ordinary Shares as described above and the payment of dividends.

On 1 July 2008 The Companies (Guernsey) Law, 1994 (as amended) was replaced by the 2008 Law. The 2008 Law does not require share premium to be held in a separate account and any premium at which shares are issued can be used for all purposes, including the buy back of Shares and the payment of dividends, provided that the Company would after any distribution still meet the statutory Solvency Test as such is defined in the 2008 Law. Accordingly, upon the issue of C Shares in August 2008, December 2009 and June 2010 the entire amount of share premium received on the issue of such C Shares was immediately transferred to distributable reserves.

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. There are, however, pre-emption rights contained in the Articles, but the Directors have been granted the power to issue 45 million further Shares on a non pre-emptive basis for a period concluding on 31 December 2015 unless such power is 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 subsequent 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.

The Company monitors capital on the basis of the carrying amount of reserves as presented on the face of the Statement of Financial Position. Capital for the reporting periods under review is summarised as follows:

	30 Jun 2014 GBP	31 Dec 2013 GBP (restated)
Purchase of own shares	(79,949,483)	(86,762,640)
Distributable reserves	<u>911,122,184</u>	<u>928,315,440</u>
Total	<u>831,172,701</u>	<u>841,552,800</u>

16 SUBSEQUENT EVENTS

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 will be redeemed on 1 October 2014 and the Euro Class shares will be cancelled from the official list of the UK Listing Authority and the London Stock Exchange effective 2 October 2014. The Euro Class shareholders will receive the redemption proceeds in the week commencing 17 November 2014.

SCHEDULE OF INVESTMENTS

30 June 2014

SECURITIES PORTFOLIO	NOMINAL HOLDINGS	VALUATION SOURCE CURRENCY	VALUATION GBP	TOTAL NET ASSETS %
AllBlue Limited Sterling Shares	3,072,862	£626,521,903	£626,521,903	75.38%
AllBlue Leveraged Feeder Limited Sterling Shares	488,780	£124,311,642	£124,311,642	14.96%
Institutional Sterling Government Liquidity Fund – Core (Acc) Shares	11,654	£1,175,482	£1,175,482	0.14%
AllBlue Limited Euro Shares	73,517	€14,852,144	£11,890,275	1.43%
AllBlue Limited US Dollar Shares	370,340	\$75,324,691	£44,034,076	5.30%
			<u>£807,933,378</u>	<u>97.21%</u>

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 – Core (Acc) Shares	11,654	£1,174,486	£1,174,487	0.14%
AllBlue Limited Euro Shares	79,426	€15,415,470	£12,802,484	1.52%
AllBlue Limited US Dollar Shares	342,943	\$67,032,383	£40,485,828	4.81%
			<u>£814,934,408</u>	<u>96.84%</u>

SHAREHOLDER INFORMATION

The Company's Sterling Shares, Euro Shares and US Dollar Shares are capable of being traded on the London Stock Exchange's main market for listed securities. 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.

Approximately 20 business days after the end of each month the confirmed net asset value for each class of Share is announced, together with information on the Company's investments and performance report, to a regulatory information service provider of the London Stock Exchange. In addition, on a weekly basis the Company announces in the same manner the estimated net asset value for each class of Share.

The ISIN, SEDOL and the London Stock Exchange mnemonic of each share class is:

	ISIN	SEDOL	LSE mnemonic
Sterling share class	GB00B13YVW48	B13YVW4	BABS
Euro share class	GB00B13YXC81	B13YXC8	BABE
US Dollar share class	GB00B13YXH37	B13YXH3	BABU

Conversion between Share Classes

The Company currently offers a monthly conversion between share classes. Conversion forms can be found on the Company's website at www.bluecrestallblue.com.

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 email at registrars@anson-group.com or by telephone on (44) 01481 711301.

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

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END OF ANNOUNCEMENT

E&OE - in transmission.