

Abbey Capital Daily Futures Fund Limited

**Annual Report and Audited Financial Statements for the year
January 1, 2023 to December 31, 2023**

Abbey Capital Limited is an Alternative Investment Fund Manager, regulated by the Central Bank of Ireland. Abbey Capital Limited is the Commodity Pool Operator of Abbey Capital Daily Futures Fund Limited and operates it as an exempt pool pursuant to sub-section 4.7 of the Regulations issued pursuant to the Commodity Exchange Act, as amended. Abbey Capital Limited is a member of the National Futures Association (“NFA”), and is registered as an Investment Advisor with the Securities Exchange Commission (“SEC”). None of the regulators listed above endorse, indemnify, or guarantee the member’s business practices, selling methods, the class or type of securities offered, or any specific security.

NFA ID: P092694

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A copy of the audited Financial Statements of the ACL Alternative Fund is included with these audited Financial Statements. The ACL Alternative Fund is a segregated account of ACL Alternative Fund SAC Limited, a segregated accounts company incorporated as an open-ended investment company with limited liability under the Segregated Account Companies Act 2000 of Bermuda, as amended.

Affirmation Statement

Abbey Capital Daily Futures Fund Limited
Victoria Place
31 Victoria Street
Hamilton HM 10
Bermuda

Affirmation Required by the Commodity Exchange Act, Regulation §4.7(b)(3)(i)

I, Mick Swift, Director of Abbey Capital Limited (Commodity Pool Operator of Abbey Capital Daily Futures Fund Limited) hereby affirm that, to the best of my knowledge and belief, the information contained in this annual report is accurate and complete.



Mick Swift
Director,
Abbey Capital Limited
Commodity Pool Operator of Abbey Capital Daily Futures Fund Limited
February 28, 2024

Directory

Registered Office: Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda

Directors

Peter Carney
(Non-Executive Director)
Nicholas Hoskins
(Independent Non-Executive Director)
Roderick Forrest
(Independent Non-Executive Director)

Listing Sponsor

Harbour Financial Services Limited
Victoria Place
31 Victoria Street
Hamilton HM 10
Bermuda

Corporate Secretary & Bermuda Registrar

M.Q. Services Limited
Victoria Place
31 Victoria Street
Hamilton HM 10
Bermuda

Legal Adviser

Conyers Dill & Pearman
Clarendon House
2 Church Street
Hamilton
Bermuda

Investment Manager

Abbey Capital Limited
8 St Stephens Green
Dublin 2
Ireland

Auditor

KPMG
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Administrator, Registrar & Transfer Agent*

BNP Paribas Bank & Trust Cayman Limited
Buckingham Square
3rd Floor
720 West Bay Road
Grand Cayman, KY1-1104
Cayman Islands

***Effective February 1, 2024**

BNP Paribas Fund Administration Services
(Ireland) Limited
3 Arkle Road
Sandyford
Dublin 18
Ireland

Depository

BNP Paribas, Dublin Branch
3 Arkle Road
Sandymount
Dublin 18
Ireland

Investment Manager’s Report

Legal Structure

Abbey Capital Daily Futures Fund Limited (the “Fund”) was incorporated in Bermuda on November 29, 2012 as an open-ended investment fund with variable capital and limited liability.

The Fund has created one Share Class, namely the USD Share Class, which is divided into a number of sub-classes, of which three are currently in issue (see table below for details). The Fund offers investors daily dealing and the NAV for the USD A Share Class is listed on the Bermuda Stock Exchange. The Directors have the power to issue further Share Classes in different currencies in the future.

Share Class in Issue	Launch Date	NAV per share as of December 31, 2023
USD A Share Class	March 3, 2014	\$161.17
USD B Share Class	January 2, 2013	\$156.87
USD D Share Class	February 22, 2023	\$91.21
USD E Share Class	January 15, 2014	\$144.12

The Fund is a feeder fund to the ACL Alternative Fund as it invests substantially all of its assets in the ACL Alternative Fund. The ACL Alternative Fund is a segregated account of ACL Alternative Fund SAC Limited. ACL Alternative Fund SAC Limited is a segregated accounts company incorporated as an open-ended investment company with limited liability under the laws of Bermuda.

Investment Objective and Strategy

The investment objective of the Fund is to seek long-term capital appreciation for its shareholders within a rigorous risk management framework. The Fund aims to deliver its investment objective by investing in a range of trading strategies through a direct investment in the ACL Alternative Fund (the private placement memorandum for this fund is available on request). The Investment Manager of the Fund is also the Investment Manager of ACL Alternative Fund and is responsible for choosing the trading advisors for that fund.

Fund Performance to date

The Fund’s USD A Share Class (“ACDFF USD A”) returned -7.63%⁽¹⁾ in 2023. The ACDFF USD A invests solely into the ACL Alternative Fund USD Share Class A. The ACL Alternative Fund USD Share Class A returned -7.47% in 2023. Since inception in December 2000, the ACL Alternative Fund USD Share Class A has returned cumulatively +391.29%, providing an annualised return for the ACL Alternative Fund USD Share Class A of +7.13%⁽²⁾.

⁽¹⁾ Abbey Capital Daily Futures Fund Limited (USD B Share Class) (“ACDFF”) commenced trading in January 2013 and ACDFF USD A Share Class was launched in March 2014. As at December 31, 2023 the 1, 5 & inception to date annualised returns of ACDFF USD A Share Class were -7.63%, 6.94% & 4.97%. Return figures shown are net of fees and include interest. Please note that due to different fee structures within the ACDFF share classes, different share classes will have different returns. Some ACDFF share classes may have generated a lower return than the ACDFF USD A Share Class. Past results are not indicative of future results. Investing in managed futures is not suitable for all investors given its speculative nature and the high level of risk involved including the risk of total loss of initial investment.

⁽²⁾ The ACL Alternative Fund is a segregated account of ACL Alternative Fund SAC Limited. The ACL Alternative Fund (USD Share Class A) commenced as a program in December 2000 and was incorporated as a Fund in January 2002. As at December 31, 2023 the 1, 5 & 10 year annualised returns of ACL Alternative Fund USD Share Class A were -7.47%, 8.13% & 5.82%. Return figures shown are net of fees and include interest (pro forma interest is included from December 2000 – April 2001, actual interest thereafter). Please note that due to different fee structures within the ACL Alternative Fund, different share classes will have different returns. Some ACL Alternative Fund share classes may have generated a lower return than the ACL Alternative Fund USD Share Class A. Past results are not indicative of future results. Investing in managed futures is not suitable for all investors given the level of risk involved, including the risk of total loss of initial investment.

Investment Manager's Report (continued)

Fund Performance to date (continued)

The ACL Alternative Fund's performance was negative in 2023. Following the unprecedented pace of interest rate hikes in 2022 as central banks scrambled to control inflationary pressures, the path of monetary policy remained the central driver of markets during 2023. Across fixed income, foreign exchange, equity and commodity markets, evolving interest rate expectations were a major influence on price moves throughout the year.

Drivers of performance included notable losses in March and November 2023. Fixed income, major currencies and metals saw losses at the sector level. The Long-term Trendfollowing ("Trendfollowing") trading style recorded losses for the year, with each of the non-Trendfollowing trading styles also negative.

A period of uncertainty in fixed income markets at the beginning of the year gave way to growing expectations that central banks would need further interest rate hikes to control inflation. Market expectations for higher rates grew during February and early March, and the ACL Alternative Fund responded to the emergence of these stronger trends by steadily increasing short fixed income exposures.

Sparked by concerns for the health of the US regional banking sector, however, March 2023 saw the collapse of Silicon Valley Bank and Signature Bank, with contagion fears also leading to Credit Suisse's forced acquisition by UBS. These events triggered an enormous repricing of interest rates, with the 2-year US Treasury experiencing its largest one-day yield decline in over 40 years.

Trends to the short side of fixed income again developed during Q3 and early Q4 as investors forecast interest rates would remain higher for longer. Weaker than expected US inflation in November, however, was the catalyst for another significant shift in monetary policy expectations.

The significant corrective moves in March and November went against the ACL Alternative Fund's short fixed income positioning, and drove overall fixed income losses for the year.

These events also played a significant role in driving foreign exchange markets in 2023. The US Dollar weakened during the periods of falling yields in March and November highlighted above, resulting in losses for the ACL Alternative Fund's long positioning. The US Dollar Index traded within a relatively tight range throughout the year, with a lack of directional moves at times resulting in difficult trading conditions against the Euro, Canadian Dollar and British Pound.

Despite the overall performance in major currencies, strong opportunities arose in certain contracts. Against a backdrop of higher interest rates in the US and elsewhere, the Bank of Japan remained a notably dovish outlier amongst global central banks. This divergence in monetary policies pushed the Japanese Yen to a 30-year low against the US Dollar

In emerging market currencies, uptrends in the Mexican Peso from 2022 continued, with the currency hitting its highest level against the US Dollar since 2015. While the ACL Alternative Fund ultimately realised losses in currency markets overall, these pairs were among its strongest performing instruments in 2023.

ACL Alternative Fund performance in equities was generally more favourable. Japanese Yen weakness supported strong uptrends in Japanese equity markets, while a period of improved sentiment helped positive performance from long equity exposures into early Q3. August and September saw a downturn in equity markets and a giveback of the ACL Alternative Fund's gains, with market sentiment shifting with the expectation that interest rates would remain higher for longer.

Investment Manager's Report (continued)

Fund Performance to date (continued)

As this expectation unwound in Q4, equity markets again rallied, with the ACL Alternative Fund realising modest gains with re-established long positions as Q4 progressed.

Echoing the mixed opportunity set in financial markets, the ACL Alternative Fund also experienced varied outcomes from trading in commodity sectors. Performance in metals was difficult. Losses arose as prices traded within tight ranges in response to prevailing conditions in fixed income and currency markets.

Energy markets spent the first half of the year trading within ranges, before strong uptrends emerged in crude oil during Q3. OPEC+ production cuts and shrinking US inventories tightened the global supply picture. Once again, these emerging trends proved transitory, with improving supply conditions and an uncertain outlook for demand leading to sharp reversals in prices during October and November that resulted in losses for the ACL Alternative Fund.

Agricultural markets were by far the largest positive contributor to ACL Alternative Fund performance in 2023, with challenging supply conditions in cocoa and sugar creating strong uptrends.

The ACL Alternative Fund's USD Share Class A has delivered total cumulative returns of +391.29%⁽³⁾ since inception, versus +464.85% for the S&P 500 Total Return Index and +182.17% for the SG CTA Index⁽⁴⁾ over the same time frame.

During the period we added one Trendfollowing manager and removed one Trendfollowing manager from the ACL Alternative Fund.

The ACL Alternative Fund continued to target a risk allocation to Trendfollowing strategies of 50-60% of portfolio risk through the year, with the balance allocated to diversifying non-Trend strategies⁽⁵⁾. We continued to target allocations to managers at 21% annualised volatility.

Since January 2013, the ACDF USD A has delivered total cumulative returns (including pro forma returns) of +51.42%⁽⁶⁾, versus +312.38% for the S&P 500 Total Return Index and +47.41% for the SG CTA Index⁽⁴⁾ over the same time frame.

⁽³⁾ The ACL Alternative Fund is a segregated account of ACL Alternative Fund SAC Limited. The ACL Alternative Fund (USD Share Class A) commenced as a program in December 2000 and was incorporated as a Fund in January 2002. As at December 31, 2023 the 1, 5 & 10 year annualised returns of ACL Alternative Fund USD Share Class A were -7.47%, 8.13% & 5.82%. Return figures shown are net of fees and include interest (pro forma interest is included from December 2000 - April 2001, actual interest thereafter). Please note that due to different fee structures within the ACL Alternative Fund, different share classes will have different returns. Some ACL Alternative Fund share classes may have generated a lower return than the ACL Alternative Fund USD Share Class A. Past results are not indicative of future results. Investing in managed futures is not suitable for all investors given the level of risk involved, including the risk of total loss of initial investment.

⁽⁴⁾ The above is shown for illustrative purposes only. None of the funds managed by Abbey Capital Limited are benchmarked against any index. The SG CTA Index is derived from data which is self-reported by investment managers based on the performance of privately managed funds. In contrast the S&P 500 Total Return Index is an index comprising of publicly traded shares. As a result, these indices may not be directly comparable and the above is shown for illustrative purposes only.

⁽⁵⁾ Diversification does not assure profit, nor does it protect against loss.

⁽⁶⁾ Abbey Capital Daily Futures Fund Limited ("ACDF") (USD B Share Class) commenced trading in January 2013 and ACDF USD A Share Class was launched in March 2014. As at December 31, 2023 the 1, 5 & inception to date annualised returns of ACDF USD A Share Class were -7.63%, 6.94% & 4.97%. Return figures shown are net of fees and include interest. Please note that due to different fee structures within the ACDF share classes, different share classes will have different returns. Some ACDF share classes may have generated a lower return than the ACDF USD A Share Class. Past results are not indicative of future results. Investing in managed futures is not suitable for all investors given its speculative nature and the high level of risk involved including the risk of total loss of initial investment.

Investment Manager's Report (continued)

Abbey Capital Limited – Investment Manager

Market events of 2023 highlighted uncertainty as a persistent feature of the global economy, with portfolio diversification⁽⁷⁾ remaining a key focus for many investors. Despite a difficult trading environment for managed futures during 2023, interest in the strategy's potential to deliver portfolio diversification⁽⁷⁾ has remained strong.

Abbey Capital completed its 23rd year as an investment manager specialising in liquid alternative strategies. During the year, we saw further asset growth across our US mutual fund and customised mandate businesses and continued in our mission to deliver diversification⁽⁷⁾ and liquidity⁽⁸⁾ to our wider investor base.

We continue to invest significantly in the fundamental pillars of our business.

Multi-year projects to enhance our technology and infrastructure platforms that underpin our investment process began to bear fruit during 2023, with further development on track for delivery in 2024. We have also grown the Abbey Capital team, with hires in senior positions in the business, and we continue to focus on investing in our people.

These projects and staff additions are central to our strategic development roadmap, supporting our position as a global leader in alternative investment solutions. They will enable us to grow and scale our business sustainably into the future, enhancing our engagement with and delivery to our key partners, investors and managers.

In reflecting on our many conversations this year, we wish to take the opportunity to thank all our investors, most sincerely, for your ongoing support and conviction in what we do.

Abbey Capital Limited

January 2024

⁽⁷⁾ Diversification does not assure profit, nor does it protect against a loss.

⁽⁸⁾ Liquidity is subject to market conditions.



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Independent Auditors' Report

To the Shareholders of Abbey Capital Daily Futures Fund Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Abbey Capital Daily Futures Fund Limited (“the Fund”), which comprise the statement the Statement of Assets and Liabilities as at the 31 December 2023, the Statement of Operations, the Statement of Changes in Net Assets and the Financial Highlights for the year then ended, and notes, comprising significant accounting policies and other explanatory information. The audited Financial Statements of the ACL Alternative Fund, including the Condensed Schedule of Investments, are attached to the Fund’s Financial Statements, and should be read in conjunction with the Fund’s Financial Statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (US GAAP).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bermuda, together with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Valuation of Investments in ACL Alternative Fund, a segregated account of ACL Alternative Fund SAC Limited US\$174,670,710

Refer to page 15 (accounting policy) and pages 16, 20 and 21 (financial disclosures)

The key audit matter

The Fund has an Investment in ACL Alternative Fund, a segregated account of ACL Alternative Fund SAC Limited, which as at 31 December 2023 made up over 99% of the total assets (by value) of the Fund. We do not consider the investment in ACL Alternative Fund to be at

How the matter was addressed in our audit

Our procedures included, but were limited to:

- obtaining and documenting our understanding of the processes in place to record investment transactions and to value the portfolio.



significant risk of material misstatement, or to be subject to a significant level of judgement because the assets of ACL Alternative Fund comprise exchange traded derivatives, treasury bills, foreign exchange contracts, inflation rate swap and interest rate swap contracts, the valuation of which is not considered to be complex.

However due to the materiality in the context of the financial statements as a whole, the Investment in ACL Alternative Fund is considered of most significance in the audit of the financial statements.

For the reasons outlined above the engagement team determine this matter to be a key audit matter.

- obtaining the financial statements of ACL Alternative Fund and assessing whether the net asset value in the financial statements was an appropriate approximation of fair value.

In assessing the fair value, we take into consideration the underlying securities of ACL Alternative Fund and have noted 100% of the underlying securities are classified as either Level 1 or Level 2 securities. We engaged our valuation specialist to recalculate the fair value of 100% of the ACL Alternative Fund portfolio. This comprises of recalculating the valuation of exchange traded derivatives, treasury bills, foreign exchange contracts, inflation rate swap and interest rate swap contracts held based on third party market information.

No material misstatements were noted as part of our testing.

Other Information

The Directors are responsible for the other information. The other information comprises the Affirmation Statement, the Investment Manager's Report and Unaudited Supplemental Disclosures to the Financial Statements, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion on that information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for, assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to be read as an integral part of our report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Fund's Shareholders, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Fund's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's Shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Maria Flannery.

KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
Ireland
04 March 2024



Appendix to the Independent Auditor's Report

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
- From those matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Abbey Capital Daily Futures Fund Limited

For the year ended
December 31, 2023

Statement of Assets & Liabilities

	December 31, 2023 US\$
Assets	
Investment in ACL Alternative Fund (Note 3)	174,670,710
Cash and cash equivalents (Note 11)	166,455
Equalization credits & depreciation deposits receivable	993,967
Redemption receivable from ACL Alternative Fund	32,498
Other assets	14,106
Total assets	<u>175,877,736</u>
Liabilities	
Redemption payable (Note 2)	32,428
Subscriptions received in advance	150,000
Sundry payables and accrued expenses (Note 7)	52,872
Total liabilities	<u>235,300</u>
Net assets	<u>175,642,436</u>

NAV Information & Shares in Issue

Share Class	NAV per Share	Shares in issue
USD Share Class A	\$161.17	545,980
USD Share Class B	\$156.87	1,000
USD Share Class D	\$91.21	75,000
USD Share Class E	\$144.12	559,599

These Financial Statements were approved by the Board of Directors and signed on their behalf by:

Director

Date: February 28, 2024

Director

The accompanying notes and attached audited financial statements of ACL Alternative Fund are an integral part of these audited financial statements.

Abbey Capital Daily Futures Fund Limited

For the year ended
December 31, 2023

Statement of Operations

	For the year January 1 to December 31, 2023 US\$
Investment Income	
Interest Income	14,657
Fund expenses	
Audit & Tax Fees	(49,567)
Administration Fees (Note 4)	(12,000)
Registrar and Transfer Agent Fees (Note 4)	(25,000)
Legal Fees	(9,000)
Directors' Fees	(8,700)
Corporate and Other Fees	(24,424)
Total expenses	<u>(128,691)</u>
Net investment loss	<u>(114,034)</u>
Net realized gain on	
Investments in ACL Alternative Fund (Note 9)	5,451,961
Net change in unrealized loss on	
Investments in ACL Alternative Fund (Note 9)	(20,516,411)
Net gain from investments in ACL Alternative Fund	<u>(15,064,450)</u>
Net increase in net assets resulting from operations	<u>(15,178,484)</u>

These Financial Statements were approved by the Board of Directors and signed on their behalf by:

Director

Date: February 28, 2024

Director

The accompanying notes and attached audited Financial Statements of ACL Alternative Fund are an integral part of these audited Financial Statements.

Abbey Capital Daily Futures Fund Limited

For the year ended
December 31, 2023

Statement of Changes in Net Assets

	December 31, 2023 US\$
Operations	
Net investment loss for the year	(114,034)
Net realized gain from	
Investments in ACL Alternative Fund (Note 9)	5,451,961
Net change in unrealized loss on	
Investments in ACL Alternative Fund (Note 9)	(20,516,411)
Net decrease in net assets resulting from operations	<u>(15,178,484)</u>
Capital share transactions	
Issuance of shares (Note 6)	42,425,786
Redemption of shares (Note 6)	(17,338,796)
Net increase in net assets resulting from capital share transactions	<u>25,086,990</u>
Net increase in net assets	9,908,506
Net assets:	
Beginning of the year	165,733,930
End of year	<u>175,642,436</u>

The accompanying notes and attached audited Financial Statements of ACL Alternative Fund are an integral part of these audited Financial Statements.

Financial Highlights

The following table includes selected data for the three Sub-classes outstanding throughout the year and other performance information derived from the Financial Statements. The per share amounts which are shown reflect the income and expenses of the Fund.

	USD A Share Class	USD B Share Class	USD D Share Class[^]	USD E Share Class
Net investment loss	(0.10)	(0.10)	(0.07)	(0.10)
Net realized & unrealized loss on investments	(13.23)	(13.26)	(8.72)	(13.28)
Net decrease in net asset value per share*	(13.33)	(13.36)	(8.79)	(13.38)
Net asset value per share:				
Beginning of the year	\$174.50	\$170.23	\$100.00	\$157.50
End of year	\$161.17	\$156.87	\$91.21	\$144.12
Total investment return	(7.64%)	(7.85%)	(8.79%)	(8.50%)
Ratio of expenses to average net assets	(0.07%)	(0.07%)	(0.07%)	(0.07%)
Ratio of net investment loss to average net assets	(0.06%)	(0.06%)	(0.06%)	(0.06%)
Net assets at end of year	87,997,279	156,873	6,840,663	80,647,621

*Calculated based on average shares outstanding during the year.

[^]USD Share Class D relaunched February 22, 2023.

The accompanying notes and attached audited Financial Statements of ACL Alternative Fund are an integral part of these audited Financial Statements.

Notes to the Financial Statements

1. The Fund and its activities

Abbey Capital Daily Futures Fund Limited (the "Fund") was incorporated on November 29, 2012 under the laws of Bermuda as an open-ended investment fund with variable capital and limited liability. The Fund has created one Share Class, namely the USD Share Class, which is divided into a number of sub-classes. The sub-classes are the USD A Share Class, USD B Share Class, USD D Share Class and USD E Share Class; at the year end only these four sub-classes had launched. The USD D Share Class was fully redeemed on December 1, 2019. The USD D Share Class was relaunched on February 22, 2023. All sub-classes offer investors daily dealing. The Directors have the power to issue further Share Classes in different currencies in the future. The Fund is a feeder fund to the ACL Alternative Fund (the "ACL Alternative Fund") as it invests substantially all of its assets into the ACL Alternative Fund. The ACL Alternative Fund is a segregated account of ACL Alternative Fund SAC Limited, a segregated accounts company incorporated as an open-ended investment company with limited liability under the laws of Bermuda. The NAV for the Fund's USD Share Class A is listed on the Bermuda Stock Exchange. As at December 31, 2023 the Fund owns 9.71% of the ACL Alternative Fund.

The audited Financial Statements of the ACL Alternative Fund, including the Condensed Schedule of Investments, are attached to these audited Financial Statements and should be read in conjunction with the Fund's audited Financial Statements.

The investment objective of the Fund is to seek long-term capital appreciation for its Shareholders within a rigorous risk management framework. The Fund aims to achieve this objective through its direct investment in the ACL Alternative Fund.

2. Significant accounting policies

These Financial Statements are presented using US Dollar (US\$) as the functional currency and are prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

The Fund is considered an Investment Company under US GAAP and follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 946, Financial Services – Investment Companies ("ASC 946"). Pursuant to the Statement of Cash Flows Topic of the ASC, the Fund qualifies for an exemption from the requirement to provide a statement of cash flows and has elected not to provide a statement of cash flows. The significant policies adopted by the Fund are as follows:

Estimates and assumptions

The preparation of Financial Statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts and disclosures in the Financial Statements and accompanying notes. Actual amounts could differ from these estimates. The following is a summary of the significant accounting policies:

Investment income and expenses

Investment income and expenses are recognized in the Statement of Operations on an accruals basis.

Valuation of investments

The Fund records its investment in the ACL Alternative Fund at fair value. The fair value of the Fund's investment in the ACL Alternative Fund is the Net Asset Value per share as reported by the Administrator of the ACL Alternative Fund to investors. The valuation of investments held by the ACL Alternative Fund is discussed in the notes to the ACL Alternative Fund audited Financial Statements which are attached to these Financial Statements.

Notes to the Financial Statements (continued)**2. Significant accounting policies (continued)****Foreign currency**

Other assets and liabilities denominated in foreign currencies are translated into USD amounts at the date of valuation. Income and expense items denominated in foreign currencies are translated into USD amounts on the respective dates of such transactions.

Redemptions payable

In accordance with FASB ASC Subtopic 480-10, Distinguishing Liabilities from Equity, a request for redemption of shares by an investor is considered a mandatory redeemable financial investment and shall be classified as a liability. There were no requests for redemptions effective for January 2, 2024 reclassified to redemptions payable on the Statement of Assets and Liabilities. Further redemption amounts dealt in December 2023 totalling US\$32,428 remained payable to investors at the year end. The Fund has sufficient liquid assets available to ensure full payment of these redemption amounts.

3. Fair value measurements

The Fund's financial assets and liabilities carried at fair value have been classified for disclosure purposes, based on a hierarchy defined by FASB ASC 820, Fair Value Measurement.

The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3).

The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1 - Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access;
- Level 2 - Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly; and
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Fund records its investment in the ACL Alternative Fund based on its proportionate share of the net assets of ACL Alternative Fund using NAV as a practical expedient and is therefore not categorized within the fair value hierarchy. Valuation of investments held by ACL Alternative Fund, including but not limited to, the valuation techniques used and categorization within the fair value hierarchy of investments are discussed in the notes to the ACL Alternative Fund.

All investments held by the ACL Alternative Fund as of December 31, 2023 fall within Level 1 or Level 2 of the fair value hierarchy.

Notes to the Financial Statements (continued)**4. Fees and Expenses**

The Fund's USD A Share Class, USD B Share Class, USD D Share Class and USD E Share Class will incur expenses up to a maximum of 0.19% of the Fund's average Net Asset Value per year. Any additional expenses in excess of 0.19% of the Fund's average Net Asset Value will be paid by the Investment Manager. For the year ended December 31, 2023 expenses incurred represented 0.07% of the Fund's average Net Asset Value.

Registrar and Transfer Agent, Administrator and Secretarial Services

The Fund pays US\$1,000 per month to the Administrator for the calculation of the Net Asset Value. The Fund pays US\$2,083 per month to the Registrar and Transfer Agent. These fees accrue daily and are paid monthly in arrears.

The Fund pays the Corporate Secretary and Bermuda Registrar an annual fee of US\$7,500 for corporate administration services.

The Fund is responsible for out of pocket expenses incurred by the Administrator, the Registrar and Transfer Agent, the Corporate Secretary and Bermuda Registrar for the benefit of the Fund.

As a shareholder of ACL Alternative Fund, the Fund is required to pay its pro-rata share of the various fees and expenses of ACL Alternative Fund including brokerage commissions, administrative expenses, audit, legal etc.

Fund Distributors

Each of the Distributors may charge a Placement Fee of up to 3% on all sales of the Shares to a client of that Distributor. The Placement Fee shall be specified on the signature page to the Subscription Agreement or otherwise communicated by the Distributor to a subscriber prior to the subscriber committing to acquiring such Shares. Placement Fees will be paid in addition to the subscription amount and will be debited from the subscriber's account with the relevant Distributor, by and for the benefit of such Distributor.

Investment Manager's Fee

There are no investment management fees or incentive fees at the Fund level, but as a Shareholder of ACL Alternative Fund, the Fund will pay its pro-rata share of the management and incentive fees arising from the Fund's investment in the ACL Alternative Fund. Refer to the Financial Statements of the ACL Alternative Fund for further information on fees and expenses arising at the ACL Alternative Fund level. The Investment Manager will not receive any additional fees for acting as investment manager to the Fund or ACL Alternative Fund.

Depository fees

In accordance with the obligations under the Alternative Investment Fund Managers Directive ("AIFMD"), the Investment Manager and the Directors of the Fund appointed a depository, BNP Paribas Securities Services, Dublin Branch (the "Depository"), to provide the depository services of cash monitoring, safe-keeping and oversight. The Depository is responsible for overseeing the calculation of the value of the Shares of the Fund and ensuring that the value of the Shares of the Fund is calculated in accordance with the Fund's Private Placement Memorandum, the Company's Bye Laws, and Article 19 of AIFMD and is responsible for reporting any breach to the Central Bank of Ireland. There are no Depository fees at the Fund level, but as a Shareholder of ACL Alternative Fund, the Fund will pay its pro-rata share of the Depository fees arising from the Fund's investment in the ACL Alternative Fund.

Notes to the Financial Statements (continued)**5. Taxation**

At the present time, no income, profit or capital gains taxes are levied in Bermuda and, accordingly, no provision for such taxes has been recorded by the Fund. The Fund has applied for, and obtained from, the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gains or appreciation of any tax or nature of estate duty or inheritance tax, such tax shall not until March 31, 2035 be applicable to the Fund or to any persons not ordinarily resident in Bermuda and holding such Shares, debentures or other obligations of the Fund. As an exempted mutual fund company, the Fund is liable to pay in Bermuda an annual government registration fee, at a current rate of US\$2,095 per annum, based upon the Fund's authorized share capital.

6. Share Capital

The capital of the Fund is divided into 100 Founder Shares and such number of classes of Shares as the Directors may from time to time determine with the rights and restrictions contained in the Bye-laws as outlined in the Placement Memorandum.

(a) Voting Rights: On a show of hands every Shareholder who is present in person or by proxy shall have one vote and every Founder Shareholder who is present, in person or by proxy, shall have one vote in respect of all of the Founder Shares. On a poll, every Shareholder present in person or by proxy shall be entitled to one vote in respect of each share held by him, and every Founder Shareholder who is present in person or by proxy, shall be entitled to one vote in respect of all of the Founder Shares.

(b) Dividends: Shareholders shall be entitled to such dividends as the Directors may from time to time declare. The Founder Shareholders shall not be entitled to any dividends in respect of such Founder Shares.

(c) Redemption: Shares may be redeemed by Shareholders on any Dealing Day in accordance with the Bye-laws.

(d) Winding Up: If the Directors decide that it is in the best interests of Shareholders to wind up the Fund, the Secretary shall forthwith at the Directors' request, convene a special general meeting of the Fund to consider a proposal to appoint a liquidator to wind up the Fund. The liquidator, on appointment, shall firstly apply the assets of the Fund in satisfaction of creditors' claims as he or she deems appropriate. The assets of the Fund shall then be distributed amongst the Shareholders. The assets available for distribution amongst the Shareholders shall be applied as per the procedure outlined in the bye-laws.

Notes to the Financial Statements (continued)

6. Share Capital (continued)

The share movements during the year ending December 31, 2023 were as follows:

	USD Share Class A	USD Share Class B	USD Share Class D	USD Share Class E
Shares at December 31, 2022	434,687	1,000	-	569,596
Shares issued	128,084	-	75,000	84,270
Shares redeemed	(16,791)	-	-	(94,267)
Shares at December 31, 2023	545,980	1,000	75,000	559,599

The net asset movements during the year ending December 31, 2023 were as follows:

	USD Share Class A US\$	USD Share Class B US\$	USD Share Class D US\$	USD Share Class E US\$
Net assets at December 31, 2022	75,850,962	170,229	-	89,712,739
Shares issued	21,936,682	-	7,500,000	12,989,104
Shares redeemed	(2,854,161)	-	-	(14,484,635)
Net decrease in net assets resulting from operations	(6,936,204)	(13,356)	(659,337)	(7,569,587)
Net assets at December 31, 2023	87,997,279	156,873	6,840,663	80,647,621

7. Sundry payables and accrued expenses

	December 31, 2023 US\$
Audit and tax fees	38,684
Administration, Registrar and Transfer Agent Fee	3,083
Corporate, Legal and Other	11,105
Total Sundry payables and accrued expenses	52,872

Notes to the Financial Statements (continued)**8. Financial Instruments**

The main risks arising from the Fund's financial instruments are as follows:

Investment in ACL Alternative Fund

The Fund is subject to the risks associated with the ACL Alternative Fund's investments and may also be adversely impacted by the activities of other shareholders in the ACL Alternative Fund. The risks arising from the ACL Alternative Fund's investments are set out in the notes to the ACL Alternative Fund's Financial Statements.

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of the financial instruments. The Fund's exposure to market risk results from its direct investment in the ACL Alternative Fund and is therefore indirectly determined by a number of factors including interest rates, foreign currency exchange and market volatility arising from the ACL Alternative Fund's investments in the Trading Funds. Investments by the ACL Alternative Fund into the Trading Funds may be made in markets located in countries which are exposed to the risks of political change or years of political uncertainty which could adversely affect the market value of the investments held by the ACL Alternative Fund.

The ACL Alternative Fund, through its investments into the Trading Funds, may invest in securities or derivatives which are unlisted or for which there is no active market. For example, the Trading Funds may invest in derivatives with direct or indirect exposure to emerging markets and such investments may be subject to increased political risk or adverse currency movements compared to securities traded in more developed markets. In addition, the Trading Funds may acquire investments which are only traded over-the-counter. Accurately valuing and realizing such investments, or closing out positions in such investments at appropriate prices, may not always be possible.

Operational Risk

Pursuant to Investment Manager's Risk Management Policy, risks throughout the Investment Manager are identified, measured, assessed and monitored in the Risk Register. This system identifies factors that could cause risk, including operational risk, measures to reduce risk and any required solutions. It is reviewed on an ongoing basis by the respective business units and the Risk Management Department. Reviews are completed by staff in consultation with the Risk Management Department.

Leverage

Under AIFMD, the Investment Manager is required to express the level which the Fund's leverage will not exceed, as a ratio between the Fund's total exposure and its Net Asset Value. AIFMD prescribes two methodologies for calculating overall exposure of a fund: the "gross methodology" and the "commitment methodology". These methodologies are briefly summarised below but are set out in full detail in AIFMD.

The commitment methodology takes account of the hedging and netting arrangements employed by a fund at any given time (purchased and sold derivative positions will be netted where both relate strictly to the same underlying asset). By contrast, the gross methodology does not take account of the netting or hedging arrangements employed by a fund.

Based on the methodologies for calculating global exposure outlined above, the Fund's maximum expected level of leverage is one time the Net Asset Value of the Fund using the Gross method. The Fund's maximum expected level of leverage is also one time the Net Asset Value of the Fund using the Commitment method.

Notes to the Financial Statements (continued)

8. Financial Instruments (continued)

Liquidity risk

In order to ensure that cash is available for the Fund to meet redemption requests, the Investment Manager has established and maintains risk management policies and systems which are designed to ensure that the Fund maintains a level of liquidity appropriate to its underlying obligations. The liquidity of the Fund is subject to the risks associated with the ACL Alternative Fund’s investments and may also be adversely impacted by the activities of other shareholders in the ACL Alternative Fund. The liquidity risks arising from the ACL Alternative Fund’s investments and the management of these risks by the Investment Manager are set out in the notes to the ACL Alternative Fund’s audited Financial Statements.

9. Gains and losses from financial instruments

The following table details the gains and losses from financial assets and liabilities:

	For the year ended December 31, 2023 US\$
Realised gain on investments	5,451,961
Net change in unrealised loss on investments	(20,516,411)
Total loss on investments	<u>(15,064,450)</u>

The amounts presented above exclude the Fund’s interest income and interest expense.

10. Related party disclosures

The Fund considers the Investment Manager, its principal owners, members of management, members of their immediate families and entities under common control to be related parties of the Fund. Amounts due from and due to related parties are generally settled in the normal course of business.

The Fund is a feeder fund that invests substantially all of its assets in the ACL Alternative Fund. ACL Alternative Fund is a segregated account of ACL Alternative Fund SAC Limited.

The Directors of the Fund are entitled to remuneration as agreed by the Directors and shall be deemed to accrue from day to day. Total Directors Fees will be no greater than US\$10,000 per annum. Mr. Carney does not receive a Director’s fee. All other related party transactions have been fully disclosed in the Financial Statements, including investment in affiliated funds.

11. Cash and cash equivalents

Amounts held with the Fund’s Depository (BNP Paribas, Dublin Branch) as at December 31, 2023 amounted to US\$166,455. BNP Paribas, Dublin Branch is rated by the following credit agencies: S&P A-1, Moody P-1 and Fitch F1.

Notes to the Financial Statements (continued)

12. Accounting for uncertainty in income taxes

Accounting Standards Codification (“ASC”) 740-10 “*Accounting for Uncertainty in Income Taxes – an interpretation of ASC 740*” clarifies the accounting for uncertainty in income taxes recognized in the Fund’s Financial Statements in conformity with ASC 740 “*Accounting for Income Taxes*”. ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position or expected position to be taken on a tax return. Given the Fund’s domicile, the investment objective of the Fund and the strategy, the Directors of the Fund have determined there are no uncertain tax positions.

In addition, the Fund is not subject to any tax examinations by the tax authorities in its country of domicile or taxing authorities in other jurisdictions.

13. Historic Net Asset Values per share (NAV) and Funds under Management (FUM)

Share Class		Dec 31, 2021	Dec 31, 2022	Dec 31, 2023
USD A Share Class	NAV	\$145.40	\$174.50	\$161.17
USD B Share Class	NAV	\$142.81	\$170.23	\$156.87
USD D Share Class	NAV	-	-	\$91.21
USD E Share Class	NAV	\$133.63	\$157.50	\$144.12
Share Class		Dec 31, 2021	Dec 31, 2022	Dec 31, 2023
USD A Share Class	FUM	\$59,160,218	\$75,850,962	\$87,997,277
USD B Share Class	FUM	\$142,810	\$170,229	\$156,873
USD D Share Class	FUM	-	-	\$6,840,663
USD E Share Class	FUM	\$47,057,960	\$89,712,739	\$80,647,621

14. Subsequent events

Events subsequent to December 31, 2023 have been evaluated up to February 28, 2024 the date these audited Financial Statements were available to be issued.

No material subsequent events have occurred since December 31, 2023 that would require recognition or disclosure in these audited Financial Statements.

15. Approval of audited Financial Statements

These audited Financial Statements were approved by the Board of Directors on February 28, 2024.

Appendix

Unaudited Supplemental Disclosures to the Financial Statements

Remuneration Policy

It is the Investment Manager's policy to maintain an honest, fair and ethical culture that promotes effective risk management. Accordingly, the Investment Manager has established and maintains a Remuneration Policy, which applies to all the Investment Manager employees and officers, and which is designed to ensure that:

- i. The Investment Manager remunerates its staff in a manner that is sufficient to attract and retain professional staff that have the required skills, expertise and experience to carry out their duties effectively and;
- ii. sound and effective risk management is promoted and risk-taking, which is inconsistent with the risk profile and rules of the Investment Manager and the Funds that it manages, is not encouraged or rewarded.

The Investment Manager has formulated its Remuneration Policy with the following objectives:

- To be in line with its business strategy, objectives, values and long-term interests;
- To be consistent with, and promote, sound and effective risk management, without encouraging risk-taking that exceeds the level of tolerated risk of the Investment Manager and the funds that it manages;
- To align the personal objectives of staff with the long term interests of the Investment Manager and the funds that it manages;
- To the extent applicable, to meet the remuneration provisions of AIFMD;
- To ensure our ability to strengthen or maintain a suitable capital base (to meet operational requirements);
- To include measures to avoid conflicts of interest for control staff (risk management or compliance); and
- To be in line with our code of conduct for employees and our compliance culture.

The remuneration policy will be reviewed on an annual basis by the majority shareholders of the Investment Manager.

The Board and senior management of the Investment Manager have assessed all members of staff and have determined that only the voting members of the Investment Manager's Investment Committee that are also members of the board are authorized to take any decision that affects the risk profile of the Investment Manager and the funds managed by the Investment Manager and so are classified by the Investment Manager as Identified Staff.

For performance related remuneration, the total amount is based on a combination of the assessment of the performance of the individual, of the business unit concerned, and of the overall results of the Investment Manager; when assessing individual performance, financial and non-financial criteria are taken into account. The performance of the Investment Manager is dependent on the performance of the funds that it manages, since the Investment Manager generates its revenue from management and incentive fees paid to it by these funds, and, therefore, the interests of all members of staff are aligned with the interests of the shareholders in the funds managed by the Investment Manager.

Appendix (continued)

Unaudited Supplemental Disclosures to the Financial Statements
(continued)

Remuneration Policy (continued)

The following table shows the remuneration made to persons employed by the Investment Manager during the year, analysed by category;

For the Year Ended December 31, 2023	Number of Beneficiaries	Total Remuneration Paid	Fixed Remuneration Paid	Variable Remuneration paid	Carried Interest paid by AIF
		USD	USD	USD	USD
Total remuneration paid by the Investment Manager during the financial year	89	15,204,983	7,668,509	7,536,474	-
Remuneration paid to employees of the Investment Manager who may have a material impact on the risk profile of the Fund					
Senior Management (including executives)*	2	2,863,146			
Identified staff*	2	2,863,146			
Allocation of total remuneration of the employees of the Investment Manager to the Fund**					
Senior Management (including executives)*	2	57,928			
Other risk takers and other identified staff*	2	57,928			

* Members of Senior Management (including executives) who may have a material impact on the risk profile of the Fund are also the employees who the Investment Manager has designated as Identified Staff in accordance with the Investment Manager’s Remuneration Policy.

** Allocation of total remuneration of the employees of the Investment Manager to the Fund is calculated based on the percentage that the Fund represents of total Fund assets under management of the Investment Manager using average NAVs during the financial year.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

**Annual Report and Audited Financial Statements for the year
January 1, 2023 to December 31, 2023**

Abbey Capital Limited is an Alternative Investment Fund Manager, regulated by the Central Bank of Ireland. Abbey Capital Limited is the Commodity Pool Operator of ACL Alternative Fund SAC Limited and operates it as an exempt pool pursuant to sub-section 4.7 of the Regulations issued pursuant to the Commodity Exchange Act, as amended. Abbey Capital Limited is a member of the National Futures Association (“NFA”), and is registered as an Investment Advisor with the Securities Exchange Commission (“SEC”). None of the regulators listed above endorse, indemnify, or guarantee the member’s business practices, selling methods, the class or type of securities offered, or any specific security.

NFA ID: P046201

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

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ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Affirmation Statement

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

Victoria Place

31 Victoria Street

Hamilton HM 10

Bermuda

Affirmation Required by the Commodity Exchange Act, Regulation §4.7(b)(3)(i)

I, Mick Swift, Director of Abbey Capital Limited (Commodity Pool Operator of ACL Alternative Fund and ACL Alternative Fund SAC Limited), hereby affirm that, to the best of my knowledge and belief, the information contained in this annual report is accurate and complete.



Mick Swift

Director

Abbey Capital Limited

Commodity Pool Operator of ACL Alternative Fund and ACL Alternative Fund SAC Limited

February 28, 2024

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Directory

Registered Office of ACL Alternative Fund SAC Limited: Victoria Place, 31 Victoria Street, Hamilton HM 10, Bermuda

Directors

Peter Carney
(Non-Executive Director)
James Keyes
(Independent Non-Executive Director)
Nicholas Hoskins
(Independent Non-Executive Director)

Auditor

KPMG
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Legal Adviser

Conyers Dill & Pearman
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Corporate Secretary & Bermuda Registrar

M.Q. Services Limited
Victoria Place
31 Victoria Street
Hamilton HM 10
Bermuda

Investment Manager

Abbey Capital Limited
8 St. Stephen's Green
Dublin 2
Ireland

Listing Sponsor

McCann FitzGerald Listing Services Limited
Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland

Administrator, Registrar & Transfer Agent*

BNP Paribas Bank & Trust Cayman Limited
Buckingham Square
3rd Floor
720 West Bay Road
Grand Cayman, KY1-1104
Cayman Islands

*Effective February 1, 2024

BNP Paribas Fund Administration Services (Ireland) Limited
3 Arkle Road
Sandyford
Dublin 18
Ireland

Depository

BNP Paribas Dublin Branch
3 Arkle Road
Sandymount
Dublin 18
Ireland

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Investment Manager's Report

Legal Structure

The ACL Alternative Fund (the "Fund") is a segregated account of ACL Alternative Fund SAC Limited (the "Company"). The ACL Alternative Fund (USD Share Class A) commenced as a program in December 2000 and was incorporated as an open-ended investment company in Bermuda on January 4, 2002. The Company registered as a Segregated Accounts Company on May 18, 2009 following its restructure under the Segregated Account Companies Act 2000 of Bermuda, as amended (the "Act").

The Company has created five share classes, namely the USD Share Class, the GBP Hedged Share Class, the EUR Hedged Share Class, the CHF Hedged Share Class and the Yen Hedged Share Class, each of which is subdivided into a number of sub-classes of which thirteen are currently in issue (see table below for details). The Directors have the power to issue further share classes in different currencies in the future.

Share Classes in Issue	Launch Date	NAV per share as of December 31, 2023
USD Share Class A	January 31, 2002	\$410.93
USD Share Class B	July 3, 2006	\$234.90
USD Share Class C	January 2, 2009	\$131.68
USD Share Class D	February 22, 2023	\$91.25
USD Share Class E	January 15, 2014	\$162.57
Euro Hedged Share Class A	July 1, 2004	EUR258.87
Euro Hedged Share Class B	July 1, 2009	EUR141.90
GBP Hedged Share Class A	June 1, 2010	£157.14
GBP Hedged Share Class B	January 30, 2006	£249.65
CHF Hedged Share Class A	January 3, 2023	CHF89.36
CHF Hedged Share Class B	March 1, 2010	CHF130.94
JPY Hedged Share Class B	January 21, 2011	¥12,308
JPY Hedged Share Class D	August 31, 2010	¥12,321

The Fund has four feeder funds. The ACL Global Fund (a sub-fund of ACL Fund SICAV Plc) invests in excess of 40% of its assets in the Fund. Abbey Capital Multi-Manager Fund Limited, the Abbey Capital ACL Alternative Fund (a sub-fund of ACL Fund SICAV Plc), and Abbey Capital Daily Futures Fund Limited, invest the majority of their assets into the Fund.

Investment Objective and Strategy

The investment objective of the Fund is to seek long-term capital appreciation for its shareholders.

The Fund allocates to other segregated accounts of the Company (the "Trading Funds" and the "Cash Management Portfolio"). Each Trading Fund is a separate and distinct segregated account established and maintained by the Company and as of December 31, 2023 the Fund allocated to 21 Trading Funds and the Cash Management Portfolio (the "CMP"). The CMP is a segregated account of the Company which holds cash or cash equivalents and other liquid investments for the segregated accounts of ACL Alternative Fund SAC Limited. The CMP is managed by Abbey Capital Limited as Investment Manager of the Company and Fund.

Through its shareholdings in the Trading Funds, the Fund operates as a multi-manager fund. The trading advisors of the Trading Funds (the "Trading Advisors") are given a power of attorney to trade on behalf of a Trading Fund through managed accounts in the Trading Fund's name held with the Trading Fund's principal brokers.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Investment Manager's Report (continued)

Investment Objective and Strategy (continued)

Diversification is achieved at the Trading Fund, trading style and market sector level⁽¹⁾. The Fund, through its allocation of assets to the Trading Funds, has exposure to a range of trading styles, including Long-term Trendfollowing ("Trendfollowing"), Short-term Systematic ("Short-term"), Value and Global Macro⁽²⁾. Market exposure is broadly diversified with positions in global currency, financial and commodity markets. The Trading Advisors for the Trading Funds are selected on the basis of a variety of quantitative and qualitative criteria, including:

- long-term positive returns on capital invested;
- favorable risk-adjusted performance measures;
- favorable inter-Trading Advisor correlations to provide diversification benefits between Trading Advisors⁽¹⁾; and
- proven track record and risk management capability.

Attention is also paid to the correlation between each Trading Advisor's returns and the returns on equities. Ideally Trading Advisors that have displayed a tendency to have a negative correlation with equities when equities are declining are preferred. This has resulted in the Fund's low long-term correlation with equity markets.

Fund Performance to date

The Fund (USD Share Class A) returned -7.47% in 2023. Since inception in December 2000 the Fund (USD Share Class A) has returned cumulatively +391.29%, providing an annualised return for the USD Share Class A of +7.13%⁽³⁾.

The Fund's performance was negative in 2023. Following the unprecedented pace of interest rate hikes in 2022 as central banks scrambled to control inflationary pressures, the path of monetary policy remained the central driver of markets during 2023. Across fixed income, foreign exchange, equity and commodity markets, evolving interest rate expectations were a major influence on price moves throughout the year.

Drivers of performance included notable losses in March and November 2023. Fixed income, major currencies and metals saw losses at the sector level. The Long-term Trendfollowing trading style recorded losses for the year, with each of the non-Trendfollowing trading styles also negative.

A period of uncertainty in fixed income markets at the beginning of the year gave way to growing expectations that central banks would need further interest rate hikes to control inflation. Market expectations for higher rates grew during February and early March, and the Fund responded to the emergence of these stronger trends by steadily increasing short fixed income exposures.

Sparked by concerns for the health of the US regional banking sector, however, March 2023 saw the collapse of Silicon Valley Bank and Signature Bank, with contagion fears also leading to Credit Suisse's forced acquisition by UBS. These events triggered an enormous repricing of interest rates, with the 2-year US Treasury experiencing its largest one-day yield decline in over 40 years.

⁽¹⁾Diversification does not assure profit, nor does it protect against a loss.

⁽²⁾ACL Alternative Fund's appointed managers have been classified in accordance with the Trading Style that best describes each of their primary trading strategies as determined by Abbey Capital.

⁽³⁾The ACL Alternative Fund is a segregated account of ACL Alternative Fund SAC Limited. The ACL Alternative Fund (USD Share Class A) commenced as a program in December 2000 and was incorporated as a Fund in January 2002. As at December 31, 2023 the 1, 5 & 10 year annualised returns of ACL Alternative Fund USD Share Class A were -7.47%, +8.13% & +5.82%. Return figures shown are net of fees and include interest (pro forma interest is included from December 2000 - April 2001, actual interest thereafter). Please note that due to different fee structures within the ACL Alternative Fund, different share classes will have different returns. Some ACL Alternative Fund share classes may have generated a lower return than the ACL Alternative Fund USD Share Class A. Past results are not indicative of future results. Investing in managed futures is not suitable for all investors given the level of risk involved, including the risk of total loss of initial investment.

Investment Manager's Report (continued)

Fund Performance to date (continued)

Trends to the short side of fixed income again developed during Q3 and early Q4 as investors forecast interest rates would remain higher for longer. Weaker than expected US inflation in November, however, was the catalyst for another significant shift in monetary policy expectations.

The significant corrective moves in March and November went against the Fund's short fixed income positioning, and drove overall fixed income losses for the year.

These events also played a significant role in driving foreign exchange markets in 2023. The US Dollar weakened during the periods of falling yields in March and November highlighted above, resulting in losses for the Fund's long positioning. The US Dollar Index traded within a relatively tight range throughout the year, with a lack of directional moves at times resulting in difficult trading conditions against the Euro, Canadian Dollar and British Pound.

Despite the overall performance in major currencies, strong opportunities arose in certain contracts. Against a backdrop of higher interest rates in the US and elsewhere, the Bank of Japan remained a notably dovish outlier amongst global central banks. This divergence in monetary policies pushed the Japanese Yen to a 30-year low against the US Dollar.

In emerging market currencies, uptrends in the Mexican Peso from 2022 continued, with the currency hitting its highest level against the US Dollar since 2015. While the Fund ultimately realised losses in currency markets overall, these pairs were among its strongest performing instruments in 2023.

Fund performance in equities was generally more favourable. Japanese Yen weakness supported strong uptrends in Japanese equity markets, while a period of improved sentiment helped positive performance from long equity exposures into early Q3. August and September saw a downturn in equity markets and a giveback of the Fund's gains, with market sentiment shifting with the expectation that interest rates would remain higher for longer.

As this expectation unwound in Q4, equity markets again rallied, with the Fund realising modest gains with re-established long positions as Q4 progressed.

Echoing the mixed opportunity set in financial markets, the Fund also experienced varied outcomes from trading in commodity sectors. Performance in metals was difficult. Losses arose as prices traded within tight ranges in response to prevailing conditions in fixed income and currency markets.

Energy markets spent the first half of the year trading within ranges, before strong uptrends emerged in crude oil during Q3. OPEC+ production cuts and shrinking US inventories tightened the global supply picture. Once again, these emerging trends proved transitory, with improving supply conditions and an uncertain outlook for demand leading to sharp reversals in prices during October and November that resulted in losses for the Fund.

Agricultural markets were by far the largest positive contributor to Fund performance in 2023, with challenging supply conditions in cocoa and sugar creating strong uptrends.

During the period we added one Trendfollowing manager and removed one Trendfollowing manager.

The Fund continued to target a risk allocation to Trendfollowing strategies of 50-60% of portfolio risk through the year, with the balance allocated to diversifying non-trend strategies⁽⁴⁾. We continued to target allocations to managers at 21% annualised volatility.

⁽⁴⁾ Diversification does not assure profit, nor does it protect against a loss.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Investment Manager's Report (continued)

Fund Performance to date (continued)

The Fund's USD Share Class A has delivered total cumulative returns of +391.29%⁽⁵⁾ since inception, versus +464.85% for the S&P 500 Total Return Index and +182.17% for the SG CTA Index⁽⁶⁾ over the same time frame.

Abbey Capital Limited – Investment Manager

Market events of 2023 highlighted uncertainty as a persistent feature of the global economy, with portfolio diversification⁽⁷⁾ remaining a key focus for many investors. Despite a difficult trading environment for managed futures during 2023, interest in the strategy's potential to deliver portfolio diversification⁽⁷⁾ has remained strong.

Abbey Capital completed its 23rd year as an investment manager specialising in liquid alternative strategies. During the year, we saw further asset growth across our US mutual fund and customised mandate businesses and continued in our mission to deliver diversification⁽⁷⁾ and liquidity⁽⁸⁾ to our wider investor base.

We continue to invest significantly in the fundamental pillars of our business.

Multi-year projects to enhance our technology and infrastructure platforms that underpin our investment process began to bear fruit during 2023, with further development on track for delivery in 2024. We have also grown the Abbey Capital team, with hires in senior positions in the business, and we continue to focus on investing in our people.

These projects and staff additions are central to our strategic development roadmap, supporting our position as a global leader in alternative investment solutions. They will enable us to grow and scale our business sustainably into the future, enhancing our engagement with and delivery to our key partners, investors and managers.

In reflecting on our many conversations this year, we wish to take the opportunity to thank all our investors, most sincerely, for your ongoing support and conviction in what we do.

Abbey Capital Limited

January 2024

⁽⁵⁾The ACL Alternative Fund is a segregated account of ACL Alternative Fund SAC Limited. The ACL Alternative Fund (USD Share Class A) commenced as a program in December 2000 and was incorporated as a Fund in January 2002. As at December 31, 2023 the 1, 5 & 10 year annualised returns of ACL Alternative Fund USD Share Class A were -7.47%, +8.13% & +5.82%. Return figures shown are net of fees and include interest (pro forma interest is included from December 2000 – April 2001, actual interest thereafter). Please note that due to different fee structures within the ACL Alternative Fund, different share classes will have different returns. Some ACL Alternative Fund share classes may have generated a lower return than the ACL Alternative Fund USD Share Class A. Past results are not indicative of future results. Investing in managed futures is not suitable for all investors given the level of risk involved, including the risk of total loss of initial investment.

⁽⁶⁾ The above is shown for illustrative purposes only. None of the funds managed by Abbey Capital Limited are benchmarked against any index. The SG CTA Index is derived from data which is self-reported by investment managers based on the performance of privately managed funds. In contrast the S&P 500 is an index comprising of publicly traded shares. As a result, these indices may not be directly comparable and the above is shown for illustrative purposes only.

⁽⁷⁾ Diversification does not assure profit, nor does it protect against a loss.

⁽⁸⁾ Liquidity is subject to market conditions.



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Independent Auditors' Report

To the Shareholders of ACL Alternative Fund, a segregated account of ACL Alternative Fund SAC Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ACL Alternative Fund ("the Fund"), which comprise the Statement of Assets and Liabilities and the Condensed Schedule of Investments as at 31 December 2023, the Statement of Operations, the Statement of Changes in Net Assets and the Financial Highlights for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with U.S. generally accepted accounting principles (US GAAP).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Bermuda, together with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Level 2 Derivatives. Assets: US\$27,106,997; Liabilities: US\$37,949,102

Refer to pages 25 to 26 (accounting policy) and pages 27 and 35 to 42 (financial disclosures)

The key audit matter

As a consequence of the Fund's investment strategy, the Fund has a significant exposure to both long and short exchange traded derivatives, interest rate swaps, inflation rate swaps and foreign exchange contracts.

There is a risk that the financial assets are valued incorrectly which could result in a material misstatement in valuation. This could occur through the application of an inappropriate valuation methodology or the use of inappropriate assumptions (price and vendor selection, etc) or data (i.e. exchange price, volume, etc). For the reasons outlined above the engagement team determine this matter to be a key audit matter.

How the matter was addressed in our audit

Our procedures included, but were not limited to:

- obtaining and documenting our understanding of the processes in place to record investment transactions and to value the portfolio.
- engaging our valuation specialist to recalculate the fair value of 100% of interest rate swaps, inflation rate swaps and foreign exchange contracts based on third party market information; and
- considering the adequacy of related disclosures.

No material misstatements were noted as part of our testing.

Accuracy of Level 1 Investments (excluding short term deposits). Assets: US\$149,680,716; Liabilities: US\$88,372,262

Refer to pages 25 to 26 (accounting policy) and pages 27 and 35 to 42 (financial disclosures)

The key audit matter

As a consequence of the Fund's investment strategy, the Fund has a significant exposure to both long and short exchange traded derivatives, as well as investments in treasury bills. We do not consider these investments to be complex.

However due to the materiality in the context of the financial statements as a whole, they are considered to be of significance in the audit of the financial statements.

For the reasons outlined above the engagement team determine this matter to be a key audit matter.

How the matter was addressed in our audit

Our procedures included, but were not limited to:

- obtaining and documenting our understanding of the processes in place to record investment transactions and to value the portfolio.
- engaging our valuation specialist to recalculate the fair value of 100% of the exchange traded derivatives and treasury bills and based on third party market information;
- recalculated the allocation of investments held through the cash management portfolio ('CMP') using the CMP share register independently obtained from the transfer agent;
- tested the operating effectiveness of controls surrounding the allocations of investments made through other segregated accounts of ACL Alternative Fund SAC Limited (the 'Trading Funds'); and
- considered the adequacy of related disclosures.
- No material misstatements were noted as part of our testing.

No material misstatements were noted as part of our testing.



Existence of Short-Term Deposit. Assets: US\$1,133,213,140

Refer to page 25 (accounting policy) and pages 27 and 35 to 42 (financial disclosures)

The key audit matter

As a consequence of the Fund's investment strategy, the Fund has a significant exposure to short term short term of deposits. We do not consider these liquid assets to be subject to high risk of material misstatement.

However due to the materiality in the context of the financial statements as a whole, they are considered to be of significance in the audit of the financial statements.

For the reasons outlined above the engagement team determine this matter to be a key audit matter.

How the matter was addressed in our audit

Our procedures included, but were not limited to:

- obtaining and documenting our understanding of the processes in place to record investment transactions;
- obtaining independent third-party confirmations from brokers for the short term deposits held at 31 December 2023 and agreed the confirmations to the Fund's records; and
- recalculated the allocation of short term deposits held through the cash management portfolio ('CMP') using the CMP share register independently obtained from the transfer agent;

No material misstatements were noted as part of our testing.

Other Information

The Directors are responsible for the other information. The other information comprises the Affirmation Statement, the Investment Manager's Report and Unaudited Supplemental Disclosures to the Financial Statements, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion on that information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Respective responsibilities and restrictions on use

Responsibilities of the Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for, assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Further details relating to our work as auditor is set out in the Scope of Responsibilities Statement contained in the appendix of this report, which is to be read as an integral part of our report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Fund's Shareholders, as a body, in accordance with the terms of our engagement. Our audit work has been undertaken so that we might state to the Fund's Shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund's Shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Maria Flannery.

KPMG
Chartered Accountants, Statutory Audit Firm
1 Harbourmaster Place
IFSC
Dublin 1
Ireland
04 March 2024



Appendix to the Independent Auditor's Report

Further information regarding the scope of our responsibilities as auditor

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.
- From those matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Condensed Schedule of Investments

	Fair Value US\$	% of Net Asset Value	
Short Term Deposits			
Skandinaviska Enskilda Banken, January 2, 2024, 5.50%	131,293,025	7.30%	
Sumitomo Mitsui Trust Bank, January 2, 2024, 5.26%	130,130,070	7.23%	
Mizuho Bank Limited, January 2, 2024, 5.29%	129,833,945	7.22%	
Landesbank Baden-Wuerttemberg, January 2, 2024, 5.29%	129,813,334	7.21%	
National Bank of Canada, January 2, 2024, 5.27%	127,753,318	7.10%	
DNB Bank NA, January 2, 2024, 5.23%	123,326,896	6.85%	
ABN AMRO, January 2, 2024, 4.80%	120,725,632	6.71%	
Rabobank, January 2, 2024, 5.25%	88,511,336	4.92%	
DZ Bank, January 2, 2024, 5.25%	78,904,453	4.39%	
ANZ Bank, January 2, 2024, 5.16%	37,961,840	2.11%	
Bank of Montreal, January 2, 2024, 5.10%	21,516,168	1.20%	
HSBC Bank Plc, January 2, 2024, 5.10%	13,443,123	0.75%	
Total Short Term Deposits (cost: US\$1,132,075,432)	1,133,213,140	62.99%	
U.S. Treasury Bills			
U.S. Treasury Bills, March 21, 2024	988,622	0.05%	
U.S. Treasury Bills, January 4, 2024	37,202,602	2.07%	
Total U.S Treasury Bills (cost: US\$38,056,959)	38,191,224	2.12%	
Purchased Future Option Contracts			
	No. of contracts	Fair Value US\$	% of Net Asset Value
Various Financial Futures Contracts (Jan-Jun24)	696	1,635,196	0.09%
Various Equity Index Futures Contracts (Jan-Jun24)	113	476,141	0.03%
Various Energy Futures Contracts (Jan24)	896	8,961	0.00%
Total Purchased Future Option Contracts (cost: US\$4,720,358)	1,705	2,120,298	0.12%
Sold Future Option Contracts			
	No. of contracts	Fair Value US\$	% of Net Asset Value
Various Equity Index Futures Contracts (Jan-Jun24)	(404)	(419,473)	(0.02%)
Various Financial Futures Contracts (Jan-Jun24)	(202)	(111,186)	(0.01%)
Total Sold Future Option Contracts (cost: (US\$1,792,795))	(606)	(530,659)	(0.03%)

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Condensed Schedule of Investments (continued)

	No. of contracts	Fair Value US\$	% of Net Asset Value
Investments in Long Futures Contracts			
Various Currency Futures Contracts (Jan-Mar24)	11,507	6,730,977	0.37%
Various Energy Futures Contracts (Jan24-Nov25)	3,918	(7,043,962)	(0.39%)
Various Grains Futures Contracts (Jan24-Mar25)	7,597	5,221,158	0.29%
Various Equity Index Futures Contracts (Jan24-Dec27)	16,863	18,570,693	1.03%
Various Interest Rate Futures Contracts (Jan24-Mar28)	12,246	6,087,611	0.34%
Various Financial Futures Contracts (Mar24)	9,688	7,821,624	0.43%
Various Meat Futures Contracts (Feb-Oct24)	450	(190,949)	(0.01%)
Various Metal Futures Contracts (Jan-Dec24)	14,646	22,063,177	1.23%
Various Industrial Futures Contracts (Feb-Mar24)	77	123,740	0.01%
Various Tropical Futures Contracts (Mar-Jul24)	412	232,132	0.01%
Total Long Futures Contracts	77,404	59,616,201	3.31%
Investment in Short Futures Contracts			
	No. of contracts	Fair Value US\$	% of Net Asset Value
Various Currency Futures Contracts (Jan-Mar24)	(4,010)	(6,980,848)	(0.39%)
Various Energy Futures Contracts (Jan24-Dec25)	(5,041)	4,875,430	0.27%
Various Grains Futures Contracts (Jan24-Mar25)	(12,456)	8,701,787	0.48%
Various Equity Index Futures Contracts (Jan-Jun24)	(9,196)	(5,411,070)	(0.30%)
Various Interest Rate Futures Contracts (May24-Mar26)	(1,792)	(1,378,064)	(0.08%)
Various Financial Futures Contracts (Mar24)	(5,928)	(10,706,088)	(0.59%)
Various Meat Futures Contracts (Feb-Aug24)	(1,958)	1,114,972	0.06%
Various Metal Futures Contracts (Jan-Jul24)	(10,792)	(27,988,094)	(1.55%)
Various Industrial Futures Contracts (May-Jun24)	(4)	(1,914)	(0.00%)
Various Tropical Futures Contracts (Mar-May24)	(708)	(314,721)	(0.02%)
Total Short Futures Contracts	(51,885)	(38,088,610)	(2.12%)
Investments in Long Swap Contracts			
		Fair Value US\$	% of Net Asset Value
Various Interest Rate Swap Contracts		4,786,523	0.27%
Various Inflation Rate Swap Contracts		667,526	0.04%
Total Long Swap Contracts		5,454,049	0.31%
Investments in Short Swap Contracts			
		Fair Value US\$	% of Net Asset Value
Various Interest Rate Swap Contracts		(2,613,591)	(0.15%)
Total Short Swap Contracts		(2,613,591)	(0.15%)

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Condensed Schedule of Investments (continued)

Investments in Long Forward Foreign Exchange Contracts	Fair Value US\$	% of Net Asset Value
Various Forward Foreign Exchange Contracts	40,152,343	2.23%
Total Long Forward Foreign Exchange Contracts	40,152,343	2.23%
Investments in Short Forward Foreign Exchange Contracts	Fair Value US\$	% of Net Asset Value
Various Forward Foreign Exchange Contracts	(53,834,906)	(2.99%)
Total Short Forward Foreign Exchange Contracts	(53,834,906)	(2.99%)
Net unrealized gains on Futures, Options, Swap and Forward Contracts	12,275,125	0.68%
Other Net Assets and Liabilities	615,389,441	34.21%
Net assets	1,799,068,930	100.00%

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Statement of Assets and Liabilities

	December 31, 2023
	US\$
Assets	
Fund	
Investments in short term deposits (Note 2,3)	545,326,902
Treasury Bills (Note 2,3)	18,891,327
Derivative & foreign exchange contracts, at fair value (Note 3,7)	867,266
Cash and cash equivalents (Note 2)	9,076,476
Due from broker	4,560,035
Trading Funds	
Investments in short term deposits (Note 2,3)	587,886,238
Treasury Bills (Note 2,3)	19,299,897
Derivative & foreign exchange contracts, at fair value (Note 3,7)	137,729,223
Cash and cash equivalents (Note 2)	93,119,365
Due from broker	520,956,268
Total Assets	<u>1,937,712,997</u>
Liabilities	
Fund	
Depreciation deposits / Equalization credits (Note 4)	5,203,280
Redemptions payable (Note 2)	5,151,091
Trading Funds	
Derivative & foreign exchange contracts, at fair value (Note 3,7)	126,321,364
Fees payable (Note 4)	1,968,332
Total Liabilities	<u>138,644,067</u>
Net Assets	<u>1,799,068,930</u>

The accompanying notes are an integral part of these Financial Statements.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Statement of Assets and Liabilities (continued)

NAV Information & Shares in Issue

Share Class	NAV per Share	Shares in issue*
USD Share Class A	\$410.93	3,254,504
USD Share Class B	\$234.90	1,081,893
USD Share Class C	\$131.68	20,198
USD Share Class D	\$91.25	74,918
USD Share Class E	\$162.57	713,154
Euro Hedged Share Class A	EUR258.87	112,788
Euro Hedged Share Class B	EUR141.90	125,703
GBP Hedged Share Class A	£157.14	1,235
GBP Hedged Share Class B	£249.65	4,118
CHF Hedged Share Class A	CHF89.36	65,239
CHF Hedged Share Class B	CHF130.94	40,292
JPY Hedged Share Class B	¥12,308	114,720
JPY Hedged Share Class D	¥12,321	62,127

*In accordance with ASC Subtopic 480-10.

These Financial Statements were approved by the Board of Directors and signed on their behalf by:

Director

Date: February 28, 2024

Director

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Statement of Operations

	For the year January 1 to December 31, 2023 US\$
Investment income	
Fund	
Interest income	31,971,564
Other income	169,144
Trading Funds	
Interest income	59,325,568
Total Investment income	<u><u>91,466,276</u></u>
Expenses	
Fund	
Legal & other professional fees	(789)
Trading Funds	
Investment manager management fees (Note 4)	(16,620,225)
Investment manager incentive fees (Note 4)	(892)
Trading advisors' management fees (Note 4)	(7,954,519)
Trading advisors' incentive fees (Note 4)	(5,053,950)
Administration fees (Note 4)	(1,558,349)
Depository fees (Note 4)	(317,374)
Audit & Tax fees	(226,506)
Legal & other professional fees	(208,493)
Registrar & transfer agent fees (Note 4)	(150,000)
Directors' fees (Note 4)	(18,500)
Total expenses	<u><u>(32,109,597)</u></u>
Net investment gain	<u><u>59,356,679</u></u>
Net realized gain/(loss) on:	
Investment in Treasury Bills (Note 9)	161,363
Investments in derivative contracts and foreign currency contracts of the Fund (Note 7,9)	(658,371)
Investments in derivative contracts and foreign currency contracts of the Trading Funds (Note 7,9)	(190,431,283)
Net change in unrealized loss on:	
Investment in Treasury Bills (Note 9)	(84,166)
Investments in derivative contracts and foreign currency contracts of the Fund (Note 7,9)	(407,539)
Investments in derivative contracts and foreign currency contracts of the Trading Funds (Note 7,9)	(18,410,057)
Net loss from investments in Treasury Bills, derivative contracts and foreign currency	<u><u>(209,830,053)</u></u>
Net decrease in net assets resulting from operations	<u><u>(150,473,374)</u></u>

The accompanying notes are an integral part of these Financial Statements.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

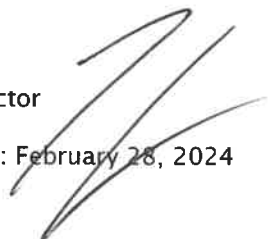
December 31, 2023

Statement of Operations (continued)

These Financial Statements were approved by the Board of Directors and signed on their behalf by

Director

Date: February 28, 2024



Director

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Statement of Changes in Net Assets

	December 31, 2023 US\$
Operations	
Net investment gain for the year	59,356,679
Net realized gain/(loss) from	
Investments in Treasury Bills	161,363
Investments in derivative contracts and foreign exchange	(191,089,654)
Net change in unrealized loss on	
Investments in Treasury Bills	(84,166)
Investments in derivative contracts and foreign exchange	(18,817,596)
Net decrease in net assets resulting from operations	<u>(150,473,374)</u>
Capital share transactions	
Proceeds on issue of shares (Note 6)	191,629,528
Paid on redemption of shares (Note 6)	(223,096,891)
Depreciation deposits applied (Note 4)	803,740
Net decrease in net assets resulting from capital share transactions	<u>(30,663,623)</u>
Net decrease in net assets	<u>(181,136,998)</u>
Net Assets	
Beginning of the year	1,980,205,927
End of year	<u>1,799,068,930</u>

The accompanying notes are an integral part of these Financial Statements.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Financial Highlights

The following tables include selected data for each Share Class outstanding at each month end throughout the year and other performance information derived from the Financial Statements. The per share amounts which are shown reflect the income and expenses of the Fund.

Share Class	USD Share Class A	USD Share Class B	USD Share Class C	USD Share Class D [^]	USD Share Class E
Currency	USD	USD	USD	USD	USD
Net investment gain	13.78	7.27	2.71	2.51	3.77
Net realized & unrealized loss on investments	(46.96)	(26.87)	(15.14)	(11.26)	(18.67)
Net decrease in Net Asset Value per Share*	(33.18)	(19.60)	(12.43)	(8.75)	(14.90)
Net Asset Value per share:					
Beginning of year	444.11	254.50	144.11	100.00	177.47
End of year	410.93	234.90	131.68	91.25	162.57
Total return before incentive fees	(7.21%)	(7.44%)	(8.36%)	(8.47%)	(8.14%)
Investment Manager incentive fees	-	-	-	(0.02%)	-
Trading Advisor incentive fees	(0.26%)	(0.26%)	(0.26%)	(0.26%)	(0.26%)
Total net return	(7.47%)	(7.70%)	(8.62%)	(8.75%)	(8.40%)
Expenses to average net assets before incentive fees	(1.29%)	(1.54%)	(2.54%)	(2.04%)	(2.29%)
Investment Manager incentive fees	-	-	-	(0.02%)	-
Trading Advisor incentive fees	(0.26%)	(0.26%)	(0.26%)	(0.26%)	(0.26%)
Total net expenses**	(1.55%)	(1.80%)	(2.80%)	(2.32%)	(2.55%)
Net investment gain/(loss) before incentive fees	3.46%	3.21%	2.21%	2.71%	2.46%
Investment Manager incentive fees	-	-	-	(0.02%)	-
Trading Advisor incentive fees	(0.26%)	(0.26%)	(0.26%)	(0.26%)	(0.26%)
Total net investment gain	3.20%	2.95%	1.95%	2.43%	2.20%
Net assets, end of year in USD	1,337,376,800	254,135,036	2,659,827	6,836,247	115,939,971

* Calculated based on the average number of shares outstanding during the year.

** As set out in Note 4 to these Financial Statements, the Fund does not pay fees and expenses directly. All fees and expenses of the Fund are distributed to and paid by each Trading Fund based on the Fund's holding in each Trading Fund.

[^] The USD Share Class D was relaunched on February 22, 2023.

The accompanying notes are an integral part of these Financial Statements.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Financial Highlights (continued)

Share Class	GBP Hedged Share Class A	GBP Hedged Share Class B	Euro Hedged Share Class A	Euro Hedged Share Class B
Currency	GBP	GBP	EUR	EUR
Net investment gain	5.34	7.86	10.88	5.47
Net realized & unrealized loss on investments	(18.18)	(29.06)	(37.06)	(20.22)
Net decrease in Net Asset Value per Share*	(12.84)	(21.20)	(26.18)	(14.75)
Net Asset Value per share:				
Beginning of year	169.98	270.85	285.05	156.65
End of year	157.14	249.65	258.87	141.90
Total return before incentive fees	(7.30%)	(7.57%)	(8.93%)	(9.15%)
Investment Manager incentive fees	-	-	-	-
Trading Advisor incentive fees	(0.26%)	(0.26%)	(0.26%)	(0.26%)
Total net return	(7.56%)	(7.83%)	(9.19%)	(9.41%)
Expenses to average net assets before incentive fees	(1.29%)	(1.54%)	(1.29%)	(1.54%)
Investment Manager incentive fees	-	-	-	-
Trading Advisor incentive fees	(0.26%)	(0.26%)	(0.26%)	(0.26%)
Total net expenses**	(1.55%)	(1.80%)	(1.55%)	(1.80%)
Net investment gain/(loss) before incentive fees	3.46%	3.21%	3.46%	3.21%
Investment Manager incentive fees	-	-	-	-
Trading Advisor incentive fees	(0.26%)	(0.26%)	(0.26%)	(0.26%)
Total net investment gain	3.20%	2.95%	3.20%	2.95%
Net assets, end of year in USD	247,291	1,310,634	32,231,766	19,692,036

* Calculated based on the average number of shares outstanding during the year.

** As set out in Note 4 to these Financial Statements, the Fund does not pay fees and expenses directly. All fees and expenses of the Fund are distributed to and paid by each Trading Fund based on the Fund's holding in each Trading Fund.

^ The EUR Hedged Share Class C was fully redeemed on March 28, 2023.

The accompanying notes are an integral part of these Financial Statements.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Financial Highlights (continued)

Share Class	CHF Hedged Share Class A [^]	CHF Hedged Share Class B	JPY Hedged Share Class B	JPY Hedged Share Class D
Currency	CHF	CHF	JPY	JPY
Net investment gain	4.42	5.92	648	527
Net realized & unrealized loss on investments	(15.06)	(21.87)	(2,395)	(2,345)
Net decrease in Net Asset Value per Share*	(10.64)	(15.95)	(1,747)	(1,818)
Net Asset Value per share:				
Beginning of year	100.00	146.89	14,055	14,139
End of year	89.36	130.94	12,308	12,321
Total return before incentive fees	(10.38%)	(10.60%)	(12.17%)	(12.60%)
Investment Manager incentive fees	-	-	-	-
Trading Advisor incentive fees	(0.26%)	(0.26%)	(0.26%)	(0.26%)
Total net return	(10.64%)	(10.86%)	(12.43%)	(12.86%)
Expenses to average net assets before incentive fees	(1.29%)	(1.54%)	(1.54%)	(2.04%)
Investment Manager incentive fees	-	-	-	-
Trading Advisor incentive fees	(0.26%)	(0.26%)	(0.26%)	(0.26%)
Total net expenses**	(1.55%)	(1.80%)	(1.80%)	(2.30%)
Net investment loss before incentive fees	3.46%	3.21%	3.21%	2.71%
Investment Manager incentive fees	-	-	-	-
Trading Advisor incentive fees	(0.26%)	(0.26%)	(0.26%)	(0.26%)
Total net investment gain	3.20%	2.95%	2.95%	2.45%
Net assets, end of year in USD	6,929,074	6,270,543	10,012,166	5,427,539

* Calculated based on the average number of shares outstanding during the year.

** As set out in Note 4 to these Financial Statements, the Fund does not pay fees and expenses directly. All fees and expenses of the Fund are distributed to and paid by each Trading Fund based on the Fund's holding in each Trading Fund.

[^] The CHF Hedged Share Class A was relaunched on January 3, 2023. Financial Highlights have been annualized for USD Share Class D.

The accompanying notes are an integral part of these Financial Statements.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Notes to the Financial Statements

1. The Fund and its activities

The ACL Alternative Fund (the “Fund”) is a segregated account of ACL Alternative Fund SAC Limited (the “Company”). The Company is an open-ended investment fund, located in Bermuda with variable capital and limited liability. The Company was incorporated on January 4, 2002. The Company commenced operating as a Segregated Accounts Company on May 18, 2009 following its restructure under the Segregated Account Companies Act 2000 of Bermuda, as amended (the “Act”). As a result of this restructure, the Company created segregated accounts, including the Fund and the Trading Funds. As segregated accounts, the assets and liabilities of each segregated account are segregated, which means the assets of each segregated account are available to meet the liabilities to creditors in respect of that segregated account only and will be protected from creditors of the Company or the Company’s other segregated accounts.

Investors may invest in the Fund directly or via one of the feeder funds, namely Abbey Capital Multi-Manager Fund Limited, Abbey Capital ACL Alternative Fund, Abbey Capital Daily Futures Fund Limited or ACL Global Fund. The investment objective of the Fund is to achieve long term capital appreciation for its Shareholders. As at December 31, 2023 the Fund allocates in excess of 65% of its assets to 21 Trading Funds, each Trading Fund being a segregated account of the Company. Appointed Trading Advisors are given a power of attorney to trade on behalf of a Trading Fund through a managed account in the Trading Fund’s name held with one of the Trading Fund’s principal brokers. Through its allocation of assets to the Trading Funds, the Fund operates as a multi-advisor fund. As at December 31, 2023, the ACL Alternative Fund allocated to 21 underlying managers.

For cash management purposes, the Fund and Trading Funds allocate to the Cash Management Portfolio which is a segregated account of the Company which holds cash or cash equivalents and other liquid investments for the segregated accounts of ACL Alternative Fund SAC Limited.

The Fund is one of five segregated accounts which are open to investors and which invest in the Trading Funds.

The Fund has created five Share Classes, a USD Share Class, a GBP Hedged Share Class, a Euro Hedged Share Class, a CHF Hedged Share Class and a Yen Hedged Share Class each of which is subdivided into a number of sub-classes of which thirteen are currently in issue; a USD Share Class A, a USD Share Class B, a USD Share Class C, a USD Share Class D, a USD Share Class E, a Euro Hedged Share Class A, a Euro Hedged Share Class B, a GBP Hedged Share Class A, a GBP Hedged Share Class B, a CHF Hedged Share Class A, a CHF Hedged Share Class B, a JPY Hedged Share Class B and a JPY Hedged Share Class D. The USD Share Class A, Euro Hedged Share Class A and GBP Hedged Share Class A are listed on the Euronext Dublin Stock Exchange. The functional currency is the United States Dollar.

Abbey Capital Limited has been appointed to act as Investment Manager of the Company and the Fund pursuant to the Investment Manager Agreement. Subject to the overall supervision of the Directors and to the Fund’s investment objectives, policies and restrictions, the Investment Manager will have discretion to manage the investment and re-investment of the Fund’s assets.

2. Significant accounting policies

These financial statements are presented using the United States Dollar (US\$) as the functional currency and are prepared in conformity with accounting principles generally accepted in the United States of America (“US GAAP”). The Fund is considered an Investment Company under US GAAP and follows the accounting and reporting guidance applicable to investment companies in the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 946, Financial Services – Investment Companies (“ASC 946”). Pursuant to the Statement of Cash Flows Topic of the ASC, the Fund qualifies for an exemption from the

Notes to the Financial Statements (continued)**2. Significant accounting policies (continued)**

requirement to provide a statement of cash flows and has elected not to provide a statement of cash flows. The significant policies adopted by the Fund are as follows:

Estimates and assumptions

The preparation of Financial Statements in conformity with US GAAP requires management to make estimates and assumptions that affect the amounts and disclosures in the Financial Statements and accompanying notes. Actual amounts could differ from these estimates.

Investments through Trading Funds

The Fund's allocated share of the underlying investments of each Trading Fund are measured at fair value. The allocated share of the realised and change in unrealised gain/(loss) and expenses are included in the Statement of Operations.

Investments through Cash Management Portfolio

The Fund and Trading Fund's allocated share of the underlying cash and cash equivalents in the Cash Management Portfolio are measured in accordance with the accounting policies shown below for Short-term deposits, Treasury Bills and Cash and cash equivalents.

As at December 31, 2023 the Fund held \$545,326,902 in short term deposits, \$17,902,704 in treasury bills and \$1,146,299 in cash and cash equivalents through its allocation to the Cash Management Portfolio. As at December 31, 2023 the Trading Funds held \$587,886,238 in short term deposits, \$19,299,897 in treasury bills and \$1,235,760 in cash and cash equivalents through its allocation to the Cash Management Portfolio.

Recognition of income

Interest income is accounted for on an accrual basis and recognized in the Statement of Operations.

Valuation of investments

The value of any security traded on a stock exchange is valued at the last reported trade quoted on such exchange or, if not available, at the mean between the exchange quoted bid and ask prices at the close of business. This equates to fair value as it represents the amount at which the security could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Derivative instruments dealt on a market will be valued at the settlement price as of the date of valuation for such instruments on such markets as this equates to fair value.

In the event of no ready market value or counterparty quote being available, or if such valuation is not representative of the asset's fair market value, the Administrator is entitled to use other generally recognized valuation principles in order to reach a proper valuation of that specific asset. These valuation techniques may involve some level of management estimation and judgment which becomes significant with increasingly complex instruments or pricing models. Where appropriate, adjustments are included to reflect the risk inherent in a particular methodology, model or input used.

Investment transactions are accounted for on a trade date basis. Realized gains and losses on investments are determined on a first-in first-out basis, except for futures where opening trades undertaken on the same day are netted prior to the application of first-in, first-out.

Treasury Bills

The Fund values U.S. Treasury Bills at fair value using quoted prices in an active market, being the last reported trade quoted on an exchange or, if not available, at the mean between the exchange quoted bid and ask price at the close of business.

Notes to the Financial Statements (continued)**2. Significant accounting policies (continued)****Short-term deposits**

Short-term deposits are stated at amortized cost, which approximates fair value.

Cash and cash equivalents

Cash, including cash denominated in foreign currencies, represents cash deposits held at financial institutions. Cash equivalents include short-term highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original investments of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value.

Cash equivalents are held for meeting short-term liquidity requirements, rather than for investment purposes. Cash and cash equivalents are held at major financial institutions and are subject to counterparty risk as described in note 7.

Amounts due from broker

Amounts due from broker represent margin deposited with the broker to fund derivative trading.

Foreign currency

Investment securities and other assets and liabilities denominated in foreign currencies are translated into U.S. Dollar amounts at the date of valuation. Purchases and sales of investment securities and income and expense items denominated in foreign currencies are translated into U.S. Dollar amounts on the respective dates of such transactions. The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gain or loss from investments.

Options purchased

When an option is purchased, an amount equal to the premium paid is recorded as an investment and is subsequently adjusted to the current market value of the option purchased. Premiums paid for the purchase of options which expire unexercised are treated by the Fund on the expiration date as realized losses. If a purchased call option is exercised, the premium increases the cost basis of the security or foreign currency purchased by the Fund.

Options sold

When an option is sold, an amount equal to the premium received is recorded as an investment and is subsequently adjusted to the current market value of the option sold. Premiums received for the sale of options which expire unexercised are treated by the Fund on the expiration date as realized gains. If a sold call option is exercised, the premium received increases the Fund's effective sales price of the security or foreign currency sold.

Forward currency contracts

The unrealized gain or loss on open forward currency contracts is calculated by reference to the difference between the contracted rate and the rate to close out the contract. Realized gains or losses include amounts on contracts which have been settled or offset by other contracts with the same counterparty.

The unrealized gains and losses as a result of marking these contracts to market at December 31, 2023 are included in the Statement of Assets and Liabilities. The change in market value of forward exchange contracts is included in the Statement of Operations within the line "Net change in unrealized gain/(loss) on investments in derivative contracts and foreign currency".

Notes to the Financial Statements (continued)**2. Significant accounting policies (continued)****Futures contracts**

Initial margin deposits are made upon entering into futures contracts and are generally made in cash. During the period the futures contract is open, changes in the value of the contract are recognized as unrealized gains or losses by "marking-to-market" on a daily basis to reflect the market value of the contract at the end of each day's trading.

Unrealized gains and losses are disclosed on the Statement of Assets and Liabilities. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract.

Swap contracts

The Fund values swap contracts using a discounted cash flow model based on the terms of the contract (including the notional amount and contract maturity) and multiple inputs including where applicable, yield curves, prepayment rates, currency exchange rates and inflation rates.

Brokerage commissions

Brokerage commissions, including other trading expenses, are charged to realized and unrealized gains and losses as they are incurred to open a position, and an amount accrued for the close out of the position.

Redemptions payable

In accordance with FASB ASC Subtopic 480-10, Distinguishing Liabilities from Equity, a request for a redemption of shares by an investor is considered a mandatory redeemable financial instrument and shall be classified as a liability. Accordingly, requests for redemptions amounting to US\$2,816,403 effective for January 2, 2024 have been reclassified to redemptions payable on the Statement of Assets and Liabilities. Further redemption amounts dealt in December 2023 totaling US\$2,334,688 remained payable to investors at year end.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Notes to the Financial Statements (continued)

3. Fair value measurements

The Fund's financial assets and liabilities carried at fair value have been classified for disclosure purposes, based on a hierarchy defined by FASB ASC 820, Fair Value Measurement.

The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820 are described below:

- Level 1—Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access.
- Level 2—Valuations based on inputs, other than quoted prices included in Level 1, that are observable either directly or indirectly.
- Level 3—Valuations based on inputs that are unobservable and significant to the overall fair value measurement

As required by ASC 820, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The table below shows information about the Fund's assets and liabilities measured at fair value as of December 31, 2023.

				Balance as at December 31, 2023
Assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Investments in short term deposits	1,133,213,140	-	-	1,133,213,140
Investments in Treasury Bills	38,191,224	-	-	38,191,224
Investments in derivative contracts	111,489,492	5,633,341	-	117,122,833
Investments in foreign exchange contracts	-	21,473,656	-	21,473,656
Total Assets	1,282,893,856	27,106,997	-	1,310,000,853

				Balance as at December 31, 2023
Liabilities	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Investments in derivative contracts	(88,372,262)	(2,792,883)	-	(91,165,145)
Investments in foreign exchange contracts	-	(35,156,219)	-	(35,156,219)
Total Liabilities	(88,372,262)	(37,949,102)	-	(126,321,364)
Total	1,194,521,594	(10,842,105)	-	1,183,679,489

There were no significant transfers between any of the levels of the fair value hierarchy during the year ended December 31, 2023. In addition, there were no Level 3 Assets or Liabilities held by the Fund as at December 31, 2023 or at any time during the year then ended.

Notes to the Financial Statements (continued)**4. Fees and expenses (continued)**

There are no class specific expenses except where in the interests of seeking the optimal protection of a shareholder's investment, the Fund may engage in foreign exchange hedging transactions for the Euro Hedged Share Class A, the Euro Hedged Share Class B, the GBP Hedged Share Class A, the GBP Hedged Share Class B, the CHF Hedged Share Class A, the CHF Hedged Share Class B, the JPY Hedged Share Class B or the JPY Hedged Share Class D (where profits, gains and losses, costs, income and expenditure consequent upon such hedging transactions are allocated to that class).

Management and incentive fees

The Fund does not pay management or incentive fees directly to the Investment Manager. Management Fees are calculated at the Fund level and then allocated to and paid by each Trading Fund based on the Fund holdings in the Trading Funds at month end.

The Management Fees paid to the Investment Manager are charged at the following annual rates based on the Net Asset Value of the Fund on each Dealing Day of each month, payable weekly or monthly in arrears at a rate of 0.75% ("A" Sub Classes), 1.00% ("B" Sub Classes), 2.00% ("C" Sub Classes), 1.50% ("D" Sub Classes) and 1.75% ("E" Sub Classes) per annum of the Net Asset Value of the Fund. Investment Manager management fees for the year to December 31, 2023 were US\$16,620,225 of which US\$1,300,518 was payable at year end.

The Investment Manager is also entitled to an incentive fee for each calendar quarter equal to 7.5% ("A" Sub Classes), 10% ("B" Sub Classes), 10% ("C" Sub Classes), 10% ("D" Sub Classes) and 10% ("E" Sub Classes) of the Net New Investment Profit (as defined below) for the quarter. "Net New Investment Profit" means, the increase in the Fund's Net Asset Value of the applicable share class outstanding in respect of each calendar quarter, prior to the deduction of the Investment Manager's incentive fee, and subject to a high water mark. Investment Manager incentive fees for the year to December 31, 2023 were US\$892 of which US\$Nil was payable at year end.

Investment manager and trading advisor equalization

The incentive fee will be accrued and taken into account in the calculation of the Net Asset Value per Share on each Valuation Day. The incentive fee calculation in respect of the Fund is computed by operating an equalization accounting system so that each Share is charged an incentive fee that is based upon that Share's performance. This structure is intended to reduce the impact on existing Shareholders of incentive fees attributable to capital contributed or withdrawn during a performance year, and allows that all Shares within the same Share class have the same Net Asset Value per Share.

Where an investor subscribes for Shares at a time when the Net Asset Value per Share is less than the high water mark then an adjustment is required to reduce inequalities that may otherwise result to the respective subscriber, to the other Shareholders of the Fund, or to the Investment Manager or Trading Advisor. The high water mark is the greater of (i) the highest Net Asset Value per Share on the last day of any calendar quarter and (ii) the initial issue price for the Shares, both adjusted to take into account any distributions made in the interim.

Where Shares are subscribed at a time when the Net Asset Value per Share is less than the high water mark, no incentive fee will be accrued for existing Shareholders until the high water mark has been recovered. New Shareholders will however, in effect, be required to pay an incentive fee with respect to any subsequent appreciation in the Net Asset Value per Share of those Shares until the high water mark has been achieved (the "Depreciation Deposit"). The Depreciation Deposit is payable if the Net Asset Value per Share increases up to the high water mark. The Depreciation Deposit is recorded on the Statement of Assets and Liabilities as a liability. This liability is reduced when the related incentive fee is paid to the Investment Manager and Trading Advisors.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Notes to the Financial Statements (continued)

4. Fees and expenses (continued)

Investment manager and trading advisor equalization (continued)

During the year ended December 31, 2023, amounts of US\$1,228,427 were crystallized from the Depreciation Deposit account of which US\$803,740 was paid to the fund and US\$424,687 was paid to the Investment Manager. As at December 31, 2023, the total amount of depreciation deposits payable to investors amounted to US\$5,199,305.

Where Shares ("Premium Shares") are purchased at a time when the Net Asset Value per Share is greater than the high water mark, the prospective investor is required to pay an additional sum equal to the accrual then in place per Share in respect of the incentive fee (an "equalization credit"). The equalization credit is designed to ensure that all Shareholders have the same amount of capital at risk per Share.

The equalization credit may be returned to the investor in the form of shares providing the Net Asset Value per share remains above the high watermark at the end of a subsequent performance quarter.

To the extent that the Net Asset Value per share declines below the offer price, so the proportionate reduction in the equalization credit is returned to the investor. The equalization credit is recorded on the Statement of Assets and Liabilities as a liability. This liability is reduced when shares are returned to the investor. As at December 31, 2023 the equalization credits payable to investors amounted to US\$3,975.

The Trading Funds will pay to the external Trading Advisors of the Company's other Segregated Accounts/Trading Funds an annual management fee based on the Trading Fund Equity before management fees and incentive fees payable monthly in arrears. Trading Advisor management fees for the period to December 31, 2023 were US\$7,954,519 of which US\$640,616 was payable at year end.

The Company may increase/decrease the amount of Trading Funds and allocations thereto at its discretion and without Shareholder approval. Fees will range among the Trading Advisors from a minimum of 0% to a maximum of 2% per annum of each Trading Advisor's allocated assets.

The Trading Funds will also pay to the Trading Advisors an incentive fee for each calendar month or quarter. Incentive Fees will range from 0% to a maximum of 25% of Net New Trading Advisor Profit (as defined below) for the month or quarter (the "Incentive Fee"). Trading Advisor incentive fees for the period to December 31, 2023 were US\$5,053,950 of which US\$Nil was payable at year end.

"Net New Trading Advisor Profit" means, with respect to any calendar month or quarter, any net profits (or losses) realized on all transactions closed out in the Trading Fund during the month or quarter (after deduction of brokerage commissions, exchange fees, NFA fees and give-up fees), but prior to the deduction of any fees charged by the Investment Manager, Administrator or Depositary for services to the Fund, plus:

(A) the change in net unrealized profits (or losses) on open positions in the Trading Fund as of the end of the quarter or preceding relevant calendar month versus the amount of such unrealized profits (or losses) on open positions in the Trading Fund as of the end of the preceding quarter or preceding relevant calendar month, minus

(B) the Management Fees for the calendar quarter or relevant calendar month (but not including any Incentive Fee) and minus

(C) any cumulative net realized and unrealized trading losses (including expenses) incurred in the Trading Fund since the last preceding calendar quarter or last preceding calendar month for which an Incentive Fee was payable. Trading Advisor management and incentive fees are not paid at the Fund level but by the individual Trading Funds.

Notes to the Financial Statements (continued)

4. Fees and expenses (continued)

Administration, registrar fees and transfer agency fees

The aggregate fees payable by the Fund to the Administrator, Registrar and Transfer Agent are calculated based on the Fund's pro rata share of the Investment Managers' total assets under administration with the Administrator on each Valuation day.

The effective fee rate is calculated as 14bp p.a. of the Net Asset Value of up to US\$250 million, 12bp p.a. on the next US\$250 million, 10bp p.a. on the next US\$500 million, 8bp p.a. on the next US\$500 million, 6bp p.a. on the next US\$1.5 billion and 4bp p.a. thereafter. In addition, BNP Paribas Bank & Trust Cayman Limited receives US\$13,500 per month in relation to administration, registrar & transfer agency services.

These fees will accrue daily and will be paid monthly in arrears, by the Trading Funds. All of the fees specified in the foregoing paragraph above for administration, registrar and transfer agency services will be paid in aggregate by each Trading Fund from the account it maintains.

Depositary fees

In accordance with the obligations under the Alternative Investment Fund Managers Directive, ("AIFMD"), the Investment Manager and the Directors of the Fund have appointed BNP Paribas Securities Services, Dublin branch ("Depositary") as Depositary. The Depositary is responsible for overseeing the calculation of the value of the Shares of the Fund and ensuring that the value of the Shares of the Fund is calculated in accordance with the Fund's Placement Memorandum, the Company's Bye Laws, and Article 19 of AIFMD and is responsible for reporting any breach to the Central Bank of Ireland.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Notes to the Financial Statements (continued)

4. Fees and expenses (continued)

Depository fees (continued)

The fees payable by each Trading Fund to the Depository in relation to Depository services provided to the fund will be calculated as 1.75 bp p.a. of the Net Asset Value of the Fund, up to USD5.5 billion and 1.5 bp p.a. thereafter. These fees will accrue daily and will be paid monthly in arrears, by the Trading Funds. Depository fees for the year were US\$317,374. As at December 31, 2023, the total Depository fees payable were US\$26,328.

Director's fees

The Trading Funds shall pay the Directors their pro-rata share of such annual remuneration for acting as Directors of the Company as the Directors may from time to time agree, provided however that the annual remuneration of the Directors shall not, in the aggregate, exceed US\$30,000. Mr. Carney does not receive any Directors' fee.

5. Taxation

At the present time, no income, profit or capital gains taxes are levied in Bermuda and, accordingly, no provision for such taxes has been recorded by the Fund. The Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, the Company shall be exempt from all such taxes until March 31, 2035.

As an exempted mutual fund Company, the Company is liable to pay in Bermuda an annual government registration fee, at a current rate of US\$4,275 per annum, based upon the Company's authorized share capital.

6. Share Capital

Shares	<p>Authorized and issued: 100 Founder Shares of US\$0.01 each, having been issued for the purposes of incorporation or the Company.</p> <p>Authorized and unissued: 100,000,000 redeemable shares of US\$0.001 par value, which are available for issue in classes, each with a designated currency of issue.</p> <p>In ACL Alternative Fund, Five Share Classes were authorized as at December 31, 2023 each of which is subdivided into a number of Sub-classes namely: a USD Share Class A, a USD Share Class B, a USD Share Class C, a USD Share Class D, a USD Share Class E, a Euro Hedged Share Class A, a Euro Hedged Share Class B, a Euro Hedged Share Class C, a Euro Hedged Share Class D, a GBP Hedged Share Class A, a GBP Hedged Share Class B, a GBP Hedged Share Class C, a GBP Hedged Share Class D, a JPY Hedged Share Class A, a JPY Hedged Share Class B, a JPY Hedged Share Class C, a JPY Hedged Share Class D, a CHF Hedged Share Class A, a CHF Hedged Share Class B, a CHF Hedged Share Class C and a CHF Hedged Share Class D.</p> <p>As at December 31, 2023, shares have been issued in thirteen sub classes, namely the USD Share Class A, USD Share Class B, USD Share Class C, USD Share Class D, USD Share Class E, Euro Hedged Share Class A, Euro Hedged Share Class B, GBP Hedged Share Class A, GBP Hedged Share Class B, CHF Hedged Share Class A, CHF Hedged Share Class B, JPY Hedged Share Class B and the JPY Hedged Share Class D.</p>
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ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Notes to the Financial Statements (continued)

6. Share Capital (continued)

Redeemable shares are offered on each business day. Applications are subject to a sales charge of up to 3% (payable to the Fund and/or its placement agents). Fractional shares may be issued.

Applications and redemptions received by 5.00 pm Irish time (12.00 pm EST or 6.00 pm CET) are processed the following business day. The right to redeem will be temporarily suspended during any period when the calculation of the Net Asset Value is suspended.

Income, expenses, realized and unrealized gains are allocated between Classes based on their relative net assets (with the exception of Class specific income and expenses, in particular the gains or losses arising on the Euro Hedged Share Class A, Euro Hedged Share Class B, GBP Hedged Share Class A, GBP Hedged Share Class B, CHF Hedged Share Class A, CHF Hedged Share Class B, JPY Hedged Share Class B and the JPY Hedged Share Class D currency hedging transactions).

Each share shall be entitled to such dividends as the Directors may from time to time declare. Founder shares shall not be entitled to any dividends.

If the Directors decide that it is in the best interests of Shareholders to wind up the Company, the Secretary shall forthwith at the Director's request, convene a special general meeting of the Company to consider a proposal to appoint a liquidator to wind up the Company. The liquidator on appointment will firstly apply the assets of each Fund in satisfaction of creditors' claims of that Trading Fund as he deems appropriate. The assets of the Fund will then be distributed amongst the Shareholders of the Fund.

The share movements during the year ending December 31, 2023 were as follows:

	USD Share Class A	USD Share Class B	USD Share Class C	USD Share Class D	USD Share Class E
Shares at December 31, 2022	3,195,287	1,178,858	19,405	-	758,349
Shares issued	280,238	90,796	3,385	74,918	112,967
Shares redeemed	(216,874)	(186,326)	(2,592)	-	(158,162)
Shares at December 31, 2023	3,258,651	1,083,328	20,198	74,918	713,154
Shares to redeem (Jan 2, 2024)	(4,147)	(1,435)	-	-	-
Shares at December 31, 2023*	3,254,504	1,081,893	20,198	74,918	713,154
	GBP Hedged Share Class A	GBP Hedged Share Class B	Euro Hedged Share Class A	Euro Hedged Share Class B	Euro Hedged Share Class C
Shares at December 31, 2022	1,235	4,527	242,570	106,252	478
Shares issued	-	17	17,570	42,206	-
Shares redeemed	-	(426)	(144,639)	(22,755)	(478)
Shares at December 31, 2023	1,235	4,118	115,501	125,703	-
Shares to redeem (Jan 2, 2024)	-	-	(2,713)	-	-
Shares at December 31, 2023*	1,235	4,118	112,788	125,703	-

*In accordance with ASC Subtopic 480-10.

ACL Alternative Fund

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December 31, 2023

Notes to the Financial Statements (continued)

6. Share Capital (continued)

	CHF Hedged Share Class A	CHF Hedged Share Class B	JPY Hedged Share Class B	JPY Hedged Share Class D
Shares at December 31, 2022	-	69,902	114,720	62,127
Shares issued	72,810	3,431	-	-
Shares redeemed	(7,571)	(33,041)	-	-
Shares at December 31, 2023	65,239	40,292	114,720	62,127
Shares to redeem (Jan 2, 2024)	-	-	-	-
Shares at December 31, 2023*	65,239	40,292	114,720	62,127

The net asset movements during the year ending December 31, 2023 were as follows:

	USD Share Class A US\$	USD Share Class B US\$	USD Share Class C US\$
Net assets at December 31, 2022	1,419,060,470	300,020,412	2,796,469
Shares issued	121,086,999	22,825,847	484,823
Shares redeemed	(93,641,075)	(46,476,777)	(352,926)
Depreciation deposits applied	603,542	83,147	756
Net decrease in net assets resulting from operations	(108,029,079)	(21,980,593)	(269,295)
Net assets at December 31, 2023	1,339,080,857	254,472,036	2,659,827
Shares to redeem (Jan 2, 2024)	(1,704,057)	(337,000)	-
Net assets at December 31, 2023*	1,337,376,800	254,135,036	2,659,827

	USD Share Class D US\$	USD Share Class E US\$	GBP Hedged Share Class A US\$
Net assets at December 31, 2022	-	134,587,544	253,244
Shares issued	7,491,750	19,507,747	-
Shares redeemed	-	(26,825,840)	-
Depreciation deposits applied	-	72,926	-
Net decrease in net assets resulting from operations	(655,503)	(11,402,406)	(5,953)
Net assets at December 31, 2023	6,836,247	115,939,971	247,291
Shares to redeem (Jan 2, 2024)	-	-	-
Net assets at December 31, 2023*	6,836,247	115,939,971	247,291

*In accordance with ASC Subtopic 480-10.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

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Notes to the Financial Statements (continued)

6. Share Capital (continued)

	GBP Hedged Share Class B US\$	Euro Hedged Share Class A US\$	Euro Hedged Share Class B US\$
Net assets at December 31, 2022	1,479,534	73,995,121	17,812,321
Shares issued	5,472	4,916,055	6,912,077
Shares redeemed	(134,666)	(43,234,309)	(3,594,593)
Depreciation deposits applied	-	32,176	-
Net decrease in net assets resulting from operations	(39,706)	(2,701,931)	(1,437,769)
Net assets at December 31, 2023	1,310,634	33,007,112	19,692,036
Shares to redeem (Jan 2, 2024)	-	(775,346)	-
Net assets at December 31, 2023*	1,310,634	32,231,766	19,692,036
	Euro Hedged Share Class C US\$	CHF Hedged Share Class A US\$	CHF Hedged Share Class B US\$
Net assets at December 31, 2022	71,706	-	11,110,163
Shares issued	-	7,850,836	547,922
Shares redeemed	(66,357)	(804,409)	(5,149,536)
Depreciation deposits applied	-	11,193	-
Net decrease in net assets resulting from operations	(5,349)	(128,546)	(238,006)
Net assets at December 31, 2023	-	6,929,074	6,270,543
Shares to redeem (Jan 2, 2024)	-	-	-
Net assets at December 31, 2023*	-	6,929,074	6,270,543
	JPY Hedged Share Class B US\$	JPY Hedged Share Class D US\$	
Net assets at December 31, 2022	12,311,608	6,707,335	
Shares issued	-	-	
Shares redeemed	-	-	
Depreciation deposits applied	-	-	
Net decrease in net assets resulting from operations	(2,299,442)	(1,279,796)	
Net assets at December 31, 2023	10,012,166	5,427,539	
Shares to redeem (Jan 2, 2024)	-	-	
Net assets at December 31, 2023*	10,012,166	5,427,539	

*In accordance with ASC Subtopic 480-10.

As at December 31, 2023, 5.57% of the USD Share Class A Shares were held by ACL Global Fund, 11.68% of the USD Share Class A Shares were held by Abbey Capital Multi-Manager Fund Limited, 20.66% of the USD Share Class B Shares were held by Abbey Capital Multi-Manager Fund Limited, 6.54% of the USD Share Class A Shares were held by Abbey Capital Daily Futures Fund Limited, 0.06% of the USD Share Class B Shares were held by Abbey Capital Daily Futures Fund Limited, 100% of the USD Share Class D Shares were held by Abbey Capital Daily Futures Fund Limited, and 69.18% of the USD Share Class E Shares were held by Abbey Capital Daily Futures Fund Limited.

Notes to the Financial Statements (continued)

6. Share Capital (continued)

The Abbey Capital ACL Alternative Fund held the following holdings in the Fund as at December 31, 2023; 6.78% of the USD Share Class A, 0.13% of the USD Share Class B, 0.93% of the Euro Hedged Share Class A, 5.43% of the EUR Hedged Share Class B, and 10.71% of the CHF Hedged Share Class B.

7. Financial instruments

Asset allocation is determined by the Investment Manager who manages the distribution of assets to achieve the investment objectives. Divergence from target asset allocations and the composition of the portfolio is monitored by the Investment Manager. In instances where the portfolio has diverged from target asset allocations, the Investment Manager will rebalance to fall in line with the target asset allocations. The Investment Manager has developed a tiered investment risk management system incorporating both quantitative and qualitative risk measures to monitor and control the Fund's exposure and whether the Fund's investments are consistent with the Fund's investment objectives, policies and limits as set out in the Fund's constitutional documents and prospectus. This is achieved through the collation of information from the administrator and brokers on all trading, cash movements and subscriptions/redemptions, along with the risk limits and flags created by the Investment Committee, into the Investment Manager's proprietary risk system.

The risk systems produce the required information to enable the Investment Committee to manage risk exposures, make timely and informed decisions, and enable the Risk Management department to monitor the performance of the Fund. A range of daily reports are produced and these are monitored on a daily basis.

The Red Flag framework is a tiered warning system in which colour coded flags are raised when a variety of metrics (described below) move within 75%, 90%, or 100% of previous highs/lows or pre-set levels.

Margin & FX Exposure Limits are monitored daily and the general rule is that the relationship with a Trading Advisor would be terminated immediately if these limits were breached. Margin & FX Exposure Limits for each Trading Advisor are outlined in the relevant Trading Advisor Agreement for each Trading Advisor. This system is monitored on a daily basis and the Investment Committee are immediately notified by the Risk Management department if any of the limits outlined in the Fund's constitutional and offering documents are breached, or other limits are breached.

Drawdown (a reduction in value relative to the previous highest valuation) is monitored daily and a relationship with a Trading Advisor would be immediately terminated if their Risk-Adjusted Drawdown Limit was breached.

Volatility for the Fund and for each Trading Advisor is monitored daily. Each Trading Advisor is assigned a target volatility by the Investment Committee. All changes in Trading Advisors' target volatility are at the discretion of the Investment Committee and can be based on both quantitative and qualitative analysis.

The main risks arising from the Trading Fund's financial instruments are as follows:

Market risk

Market risk represents the potential loss that can be caused by a change in the market value of the financial instruments. The Trading Funds' exposure to market risk is determined by a number of factors including interest rates, foreign currency exchange and market volatility. Investments may be made in markets located in countries which are exposed to the risks of political change or years of political uncertainty which could adversely affect the market value.

Notes to the Financial Statements (continued)**7. Financial instruments (continued)****Counterparty risk**

There is a risk that counterparties may not perform their obligations and that settlement of transactions may not occur. The U.S. Commodity Exchange Act, as amended (the "CEA"), requires a clearing broker to segregate all funds received from such broker's customers in respect of futures (but not forwards) transactions from such broker's proprietary funds. If any of the Trading Fund's commodity brokers were not to do so to the full extent required by law, or in the event of a substantial default by one or more of such broker's other customers, the assets of the Trading Fund might not be fully protected in the event of the bankruptcy of such broker. Furthermore, in the event of such a bankruptcy, the Trading Funds would be limited to recovering only a pro rata share of all available funds segregated on behalf of the affected commodity broker's combined customer accounts, even though certain property specifically traceable to the Trading Funds (for example, United States Treasury bills or cash deposited by the Trading Funds with such broker) was held by such broker. Commodity broker bankruptcies have occurred in which customers were not able to recover from the broker's estate the full amount of their assets held at such broker and owing to them.

ACL Alternative Fund

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December 31, 2023

Notes to the Financial Statements (continued)

7. Financial instruments (continued)

Counterparty risk (continued)

The below table shows the short term credit rating of the Fund's counterparties as at December 31, 2023:

Counterparty	S&P	Moody	Fitch
Deposit Banks			
Bank of Montreal	A-1	P-1	F1
Mizuho Bank Limited	A-1	P-1	NA
DZ Bank AG	A-1	P-1	F1
National Bank of Canada	A-1	P-1	F1
Sumitomo Mitsui Trust Bank Ltd	A-1	P-1	NA
ABN AMRO	A-1	P-1	F1
Rabobank, N.A.	A-1	P-1	F1
Landesbank Baden-Wurttemberg	NA	P-1	F1
DNB Bank NA	A-1	P-1	NA
ANZ Bank	A-1	P-1	F1
HSBC Bank Plc.	A-1	P-1	F1
Skandinaviska Enskilda Banken	A-1	P-1	F1
FCM and Prime Broker			
Deutsche Bank	A-1	P-1	F2
JPMorgan Securities Limited	A-1	P-1	NA
SG Americas Securities, LLC	A-1	P-1	F1
Societe Generale International Limited	A-1	P-1	F1
Societe Generale, SA	A-1	P-1	F1
Bank of America Corporation	A-2	P-1	F1
UBS A.G.	A-1	P-1	F1
Depository and Custodian			
BNP Paribas Dublin Branch	A-1	P-1	F1
Bank of New York Mellon	A-1	P-1	F1

As at December 31, 2023, cash required to be held as margin with the brokers amounted to US\$358,647,021. The remaining cash held with the brokers is excess margin.

Commodity broker bankruptcies are not insured by any governmental agency, and investors would not have the benefit of any protection such as that afforded customers of bankrupt securities broker-dealers by the U.S. Securities Investors Protection Corporation. In respect of its forward trading, the Trading Funds will be subject to the risk of the inability or refusal to perform with respect to such contracts on the part of the principals or agents with or through which the Trading Funds trade. Any failure or refusal to discharge their contractual obligations by the counterparties with which the Trading Funds deal on the forward markets, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses.

The Trading Funds will not be excused from performance under any forward contracts into which it has entered due to defaults under other forward contracts which in the Investment Manager's strategy were to have substantially "covered" the former.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

December 31, 2023

Notes to the Financial Statements (continued)

7. Financial instruments (continued)

Counterparty risk (continued)

The Trading Funds deal in the forward markets only with major financial institution counterparties which the Investment Manager considers to be creditworthy. However, defaults have occurred in the forward markets, and the risk of such defaults cannot be eliminated from the Trading Funds' trading markets, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses.

The Company, on behalf of the Trading Funds, enters into forward contracts with counterparties. Forward contracts are traded in unregulated markets between principals, and consequently the Trading Funds assume a credit risk on these contracts.

An off balance sheet market risk exists when the maximum potential loss on a particular investment is greater than the value of such investment, as reflected on the Trading Funds' Statement of Assets and Liabilities. Off balance sheet risk exists, among other situations, when the collateral received by the Trading Funds from counterparties to an agreement with the Company on behalf of the Trading Funds proves to be insufficient to cover the Trading Funds' losses resulting from default by the counterparties of its obligation to perform under the agreement. Futures contracts and forward contracts expose the Trading Funds to a market risk equal to the value of the contracts purchased.

As at December 31, 2023, the volume of the Fund's derivative activities based on their notional amounts and number of contracts are as follows:

Off balance sheet risk/derivative risk

Primary underlying risk	Long exposure		Short exposure	
	Notional amount US\$'000	No. of contracts	Notional amount US\$'000	No. of contracts
Foreign Exchange Price				
Forward contracts	552,887	268	729,735	268
Futures contracts	837,870	11,507	377,101	4,010
Commodity price				
Futures contracts	1,904,169	27,100	1,647,043	30,959
Option contracts*	-	896		
Bond price				
Futures contracts	1,425,898	9,688	739,204	5,928
Interest/Inflation rate price				
Futures contracts	3,850,782	12,246	494,807	1,792
Swap contracts	443,841	327	142,727	327
Equity price				
Futures contracts	1,802,696	16,863	325,663	9,196
Option contracts*	-	809	-	606

*The Fund's exposure to option contracts is stated based on a 0.5 Delta. The actual position will vary over time and a stated position may overestimate or underestimate the true Delta. For this reason, only the number of option contracts held has been provided.

ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

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Notes to the Financial Statements (continued)

7. Financial instruments (continued)

Off balance sheet risk/derivative risk (continued)

The fair value of derivative contracts at December 31, 2023, categorized by primary underlying risk and the impact on the Statement of Changes for the year ended December 31, 2023, is as follows:

Primary underlying risk	Asset Derivatives Fair Value US\$	Liability Derivatives Fair Value US\$	Realized Gain / (Loss) US\$	Change in Unrealized Gain / (Loss) US\$
Foreign exchange price				
Forward contracts	21,473,656	(35,156,219)	(15,156,154)	(10,987,849)
Futures contracts	7,472,933	(7,722,805)	(31,633,265)	5,177,431
Commodity price				
Futures contracts	65,721,045	(58,928,289)	(52,294,854)	(5,484,612)
Options contracts	8,961	-	(1,342)	(494,843)
Bond price				
Futures contracts	9,321,760	(12,206,223)	(54,211,187)	(24,204,552)
Options contracts	-	-	(544,948)	-
Interest rate price				
Futures contracts	6,110,665	(1,401,118)	(9,149,151)	(3,507,947)
Swap contracts	5,633,341	(2,792,883)	(14,485,480)	(1,130,866)
Equity price				
Futures contracts	20,742,791	(7,583,168)	(5,407,764)	22,680,081
Options contracts	2,111,337	(530,659)	(8,205,509)	(864,439)
Total	138,596,489	(126,321,364)	(191,089,654)	(18,817,596)

Leverage

The Fund enters into derivative contracts on the basis of initial margin deposits or premiums which are equal to a small percentage of the full market value of those contracts. Therefore, the notional values of the contracts traded by the Fund significantly exceed the margin or premium paid for those contracts by the Fund and, as a result of investing in such margin-traded instruments, leverage is inherent to the Fund's investment strategy.

Under AIFMD, the Investment Manager is required to express the level which the Fund's leverage will not exceed, as a ratio between the Fund's total exposure and its Net Asset Value. AIFMD prescribes two methodologies for calculating overall exposure of a fund: the "gross methodology" and the "commitment methodology". These methodologies are briefly summarised below but are set out in full detail in AIFMD.

The commitment methodology takes account of the hedging and netting arrangements employed by a fund at any given time (purchased and sold derivative positions will be netted where both relate strictly to the same underlying asset). By contrast, the gross methodology does not take account of the netting or hedging arrangements employed by a fund.

Based on the methodologies for calculating global exposure outlined above, the Company's maximum expected level of leverage is 250 times the Net Asset Value of the Fund using the Gross method. The Company's maximum expected level of leverage is 150 times the Net Asset Value of the Fund using the Commitment method.

Notes to the Financial Statements (continued)**7. Financial instruments (continued)****Leverage (continued)**

The diversification and risk adjustment of the components within the Fund are designed to create a diversified balance of risk within the portfolio across a number of dimensions. One of those dimensions is market sector – equities, long-term interest rates, short-term interest rates, foreign exchange and commodities. The balance of risk is managed by reference to volatility measurements and the relationship of volatility to leverage on a Gross or Commitment basis is a complex one.

For instance, one of the market sectors is short term interest rate futures. These have short duration, typically 3 months, which makes them significantly less sensitive to interest rate changes than longer term interest rate futures, ranging from 2 years to in excess of 30 years. In order to ensure that the Investment Strategy remains diversified and balanced, and that the short term interest rate positions have the possibility of making a meaningful contribution to performance, the notional amounts of the short term interest rate futures will be significantly larger on average, both relative to the notionals of any longer term interest rate positions, and in absolute terms. Therefore, the high leverage of the Fund on a Gross and Commitment basis is a function of the use of short term interest rate futures within the portfolio.

The Investment Strategy's approach is to construct the Fund's portfolio in a diversified manner. The Investment Manager assesses exposure within the Fund by using a variety of measures including margin-to-equity. The Fund has a maximum margin-to-equity limit of 40%.

The risk utilization in the program changes dynamically over time depending on what positions are taken by the Trading Advisors. The Investment Strategy adopts the principle of risk spreading through diversification because holding positions in a wide-range of markets reduces concentration risk and has been shown, over time, to decrease portfolio volatility versus a single contract strategy.

Operational risk

Pursuant to the Investment Manager's Risk Management Policy, risks throughout the Investment Manager are identified, measured, assessed and monitored in the Risk Register. This system identifies factors that could cause risk, including operational risk, measures to reduce risk and any required solutions. It is reviewed on an ongoing basis by the respective business units and the Risk Management Department. Reviews are completed by staff in consultation with the Risk Management Department.

Notes to the Financial Statements (continued)**7. Financial instruments (continued)****Futures and options risk**

The Investment Manager may engage in various portfolio strategies on behalf of the Trading Funds through the use of futures and options. Due to the nature of futures, cash to meet margin monies will be held by a broker in an omnibus client account segregated from the Clearing Brokers' own property, with whom the Trading Funds have an open position. The Fund may grant a security interest to a Clearing Broker over any cash placed with that Clearing Broker in order to secure its obligations to the Clearing Broker. The Fund may transfer ownership of the cash to the Clearing Broker where the Clearing Broker is required to transfer ownership of the cash to other third parties, such as banks, brokers exchanges or central clearing parties, in order to comply with client money rules or to effect a transaction for the Fund. Where ownership of the cash is passed by the Clearing Broker to a third party, the Fund will have no proprietary right to the cash and in the event of insolvency of that third party, the Clearing Broker would only have an unsecured claim on the Fund's behalf to an amount equal to the value of the cash placed with that third party. In these circumstances the Fund is exposed to the risk that any amount received by the Clearing Broker will not be sufficient to satisfy the Fund's claim. Whether ownership of the cash has been transferred or whether cash is held in an omnibus client account, in the event of insolvency or bankruptcy of the futures exchange, or large losses sustained in the broker's segregated accounts, there can be no guarantee that such monies will be returned to the Trading Funds. On execution of an option a Trading Fund may pay a premium to a counterparty.

In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealized gains where the contract is in the money. The risks inherent in the use of the above instruments include adverse changes in the value of such instruments, imperfect correlation between the price of the instruments and movements in the price of the underlying security, index or futures contract and the possible absence of a liquid secondary market for any particular instrument at any time.

Liquidity and valuation of investments

In order to ensure that cash is available for the Fund to meet redemption requests, the Investment Manager has established and maintains risk management policies and systems which are designed to ensure that (i) the Fund maintains a level of liquidity appropriate to its underlying obligations; (ii) the Investment Manager monitors the liquidity profile of the Fund's portfolio of assets; (iii) the Investment Manager implements and maintains appropriate liquidity management systems, to assess the quantitative and qualitative risks of positions and of intended investments; (iv) the Investment Manager conducts periodic stress tests, under both normal and exceptional liquidity conditions, to assess and monitor the liquidity risk of the Fund. Therefore, the Investment Manager's risk management policies and systems are designed to ensure that the liquidity risk of the Fund is monitored and managed and that the liquidity profile of the investments of the Fund complies with the Fund's liquidity obligations.

The Trading Funds may invest in securities or derivatives which are unlisted or for which there is no active market. For example, a Trading Fund may invest in derivatives with direct or indirect exposure to emerging markets and such investments may be subject to increased political risk or adverse currency movements compared to securities traded in more developed markets. In addition, a Trading Fund may acquire investments which are only traded over-the-counter. Accurately valuing and realizing such investments, or closing out positions in such investments at appropriate prices, may not always be possible.

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Notes to the Financial Statements (continued)

7. Financial instruments (continued)

Foreign currency risk

The Net Asset Value per Share will be computed in the Functional Currency, whereas the investments of Trading Funds, to which the Fund allocates its assets, may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible.

It may not be possible or practicable to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk. The Investment Manager may enter into cross currency hedging transactions. As at December 31, 2023 US\$21,233,277 of cash was held in foreign currency with the Depository / Brokers.

ASC 815-10, "Disclosures about Derivative Instruments and Hedging Activities" amends and expands the disclosure requirements of ASC 815 with the intent to provide users of financial statements with an enhanced understanding of how and why an entity uses derivative instruments. The fair value of open derivative instruments held by the Fund as at December 31, 2023 is disclosed on the face of the Statement of Assets and Liabilities.

As noted in Note 4, the Fund may enter into foreign exchange hedging transactions in the EURO, GBP, CHF and JPY Hedged Share Classes. As a result, the Fund has recognized realized and unrealized gains/losses on foreign exchange hedging transactions (comprising futures and forward foreign exchange contracts) during the year. The total realized loss on foreign exchange hedging transactions amounted to (US\$658,371) and is included in the Statement of Operations within the balance "Net realized loss on investments in derivative contracts and foreign currency". The total change in unrealized loss on foreign exchange hedging transactions amounting to (US\$407,539) is included in the Statement of Operations within the balance "Net change in unrealized loss on investments in derivative contracts and foreign currency". These amounts contribute to off-setting the gains and losses arising on the conversion of ACL Alternative Fund net assets to local currency for the EURO, GBP, CHF and JPY Hedged Share Classes.

As at December 31, 2023, the Fund had the following open futures positions for share class hedging purposes:

	No. of contracts	Contract size	Notional Value	Unrealized gain / (loss) in US\$
GBP FX Future Mar 24	20	62,500	1,593,875	6,188
EURO FX Future Mar 24	383	125,000	53,021,563	470,099
JPY FX Future Mar 24	175	12,500,000	15,697,500	211
CHF FX Future Mar 24	89	125,000	13,327,750	390,768
Net unrealized gain				867,266

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December 31, 2023

Notes to the Financial Statements (continued)

8. Offsetting assets and liabilities

The Fund is required to disclose the impact of offsetting assets and liabilities represented in the Statement of Assets and Liabilities to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognized assets and liabilities. These recognized assets and liabilities are financial instruments and derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of setoff criteria: the amounts owed by the Fund to another party are determinable, the Fund has the right to set off the amounts owed with the amounts owed by the other party, the Fund intends to set off, and the Fund's right of setoff is enforceable at law.

As of December 31, 2023, the Fund holds financial instruments and derivative instruments that are eligible for offset in the Statement of Assets and Liabilities and Statement of Operations and are subject to a master netting arrangement. The master netting arrangement allows the counterparty to net any collateral held on behalf of the Fund or liabilities or payment obligations of the counterparty against any liabilities or payment obligations of the Fund to the counterparty.

The following table provides disclosure regarding the potential effect of offsetting of recognized assets presented in the Statement of Assets and Liabilities:

	Gross Amount of Recognized Assets	Gross Offset in the Statement of Assets and Liabilities	Net Amounts of Recognized Assets Presented in the Statement of Assets and Liabilities	
	US\$	US\$	US\$	
Derivative and foreign exchange contracts	138,596,489	-	138,596,489	
Total	138,596,489	-	138,596,489	
	Net Amounts of Assets presented in the Statement of Assets and Liabilities	Gross Amounts Not Offset in the Statement of Assets and Liabilities		
	US\$	Financial Instruments US\$	Cash Collateral received US\$	Net Amount US\$
Bank of America N.A.	42,727,317	(38,264,237)	-	4,463,080
Deutsche Bank	2,421,924	(2,421,924)	-	-
JP Morgan Securities Limited	21,288,806	(14,787,689)	-	6,501,117
UBS A.G.	17,269,274	(10,865,643)	-	6,403,631
Societe Generale	54,889,168	(36,985,816)	-	17,903,352
Total	138,596,489	(103,325,309)	-	35,271,180

ACL Alternative Fund

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Notes to the Financial Statements (continued)

8. Offsetting assets and liabilities (continued)

The following table provides disclosure regarding the potential effect of offsetting of recognized liabilities presented in the Statement of Assets and Liabilities:

	Gross Amount of Recognized Liabilities	Gross Offset in the Statement of Assets and Liabilities	Net Amounts of Recognized Liabilities Presented in the Statement of Assets and Liabilities	
	US\$	US\$	US\$	
Derivative and foreign exchange contracts	(126,321,364)	-	(126,321,364)	
Total	(126,321,364)	-	(126,321,364)	

	Net Amounts of Liabilities presented in the Statement of Assets and Liabilities	Gross Amounts Not Offset in the Statement of Assets and Liabilities Financial Instruments	Cash Collateral pledged	Net Amount
	US\$	US\$	US\$	US\$
Bank of America N.A.	(50,777,220)	38,264,237	11,728,146	(784,837)
Deutsche Bank AG	(5,081,043)	2,421,924	2,659,119	-
JP Morgan Securities Limited	(17,509,638)	14,787,689	2,721,949	-
UBS A.G.	(11,009,809)	10,865,643	59,454	(84,712)
Societe Generale	(41,943,654)	36,985,816	4,957,838	-
Total	(126,321,364)	103,325,309	22,126,506	(869,549)

9. Gains and losses from financial instruments

The following table details the gains and losses from financial assets and liabilities:

	December 31, 2023 US\$
Realized gains on investments in derivative contracts and foreign currency	1,216,070,000
Net change in unrealized gains on investments in derivative contracts, foreign currency	189,581,964
Total realized and change in unrealized gains on investments in derivative contracts, foreign currency and Treasury Bills	1,405,651,965

	December 31, 2023 US\$
Realized losses on investments in derivative contracts and foreign currency	(1,407,159,654)
Net change in unrealized losses on investments in derivative contracts and foreign currency	(208,399,560)
Total realized and change in unrealized losses on investments in derivative contracts and foreign currency	(1,615,559,214)

Gains and losses presented above exclude interest income.

ACL Alternative Fund

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December 31, 2023

Notes to the Financial Statements (continued)

10. Related party disclosures

The Fund considers the Investment Manager, its principal owners, members of management, members of their immediate families and entities under common control to be related parties to the Fund. Amounts due from and due to related parties are generally settled in the normal course of business. Please see note 4 for details of transactions with the Investment Manager.

ACL Alternative Fund is a master fund which investors may invest in, either directly, or through one of the feeder funds, namely Abbey Capital Multi-Manager Fund Limited, Abbey Capital ACL Alternative Fund, Abbey Capital Daily Futures Fund Limited or ACL Global Fund. Details of interests held by the feeder funds are included in note 6.

The Director fees are not paid directly by the Fund, but are distributed and paid by each of the Trading Funds based on the Fund holdings at month end. All other related party transactions have been fully disclosed in the financial statements. None of the Directors hold any investments in the Fund or Trading Funds.

11. Brokerage commissions

Brokerage commissions of US\$12,626,678 were paid by the Fund and the Trading Funds to which it allocates its assets for the year from January 1 to December 31, 2023. This amount is included within the realized and unrealized gain or loss on investments in derivative contracts and foreign exchange.

12. Commitments and contingencies

In accordance with the FASB subtopic ASC 460-10, the Fund is required to disclose information about commitments and contingencies. In the normal course of business the Fund and Trading Funds of the Company enter into contracts that contain a variety of warranties and indemnifications. The Fund's and the Trading Funds' maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund and Trading Funds that have not yet occurred. However, based on experience, the Fund and the respective Trading Funds expect the risk of loss to be remote.

13. Accounting for uncertainty in income taxes

Accounting Standards Codification ("ASC") 740-10 "Accounting for Uncertainty in Income Taxes - an interpretation of ASC 740" clarifies the accounting for uncertainty in income taxes recognized in the Fund's financial statements in conformity with ASC 740 "Accounting for Income Taxes". ASC 740-10 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position or expected position to be taken on a tax return. Given the Fund's domicile, the investment objective of the Fund and the trading strategies and instruments traded by the Trading Funds, the Directors of the Company have determined there are no uncertain tax positions. In addition, neither the Company nor the Fund is subject to any tax examinations by the tax authorities in their country of domicile or taxing authorities in other jurisdictions.

ACL Alternative Fund

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Notes to the Financial Statements (continued)

14. Historic Net Asset Values per share (NAV) and Funds under Management (FUM)

Share Class		Dec 31, 2021	Dec 31, 2022	Dec 31, 2023
USD Share Class A	NAV	\$369.55	\$444.11	\$410.93
USD Share Class B	NAV	\$213.75	\$254.50	\$234.90
USD Share Class C	NAV	\$122.48	\$144.11	\$131.68
USD Share Class D*	NAV	-	-	\$91.25
USD Share Class E	NAV	\$150.36	\$177.47	\$162.57
Euro Hedged Share Class A	NAV	EUR238.93	EUR285.05	EUR258.87
Euro Hedged Share Class B	NAV	EUR132.36	EUR156.65	EUR141.90
Euro Hedged Share Class C**	NAV	EUR118.81	EUR140.30	-
GBP Hedged Share Class A	NAV	£140.08	£169.98	£157.14
GBP Hedged Share Class B	NAV	£225.29	£270.85	£249.65
CHF Hedged Share Class A***	NAV	CHF101.11	-	CHF89.36
CHF Hedged Share Class B	NAV	CHF124.36	CHF146.89	CHF130.94
JPY Hedged Share Class B	NAV	¥11,785	¥14,055	¥12,308
JPY Hedged Share Class D	NAV	¥11,873	¥14,139	¥12,321

Share Class		Dec 31, 2020	Dec 31, 2022	Dec 31, 2023
USD Share Class A	FUM	\$1,147,817,390	\$1,419,060,470	\$1,337,376,834
USD Share Class B	FUM	\$238,993,588	\$300,020,412	\$254,135,036
USD Share Class C	FUM	\$2,891,830	\$2,796,469	\$2,659,827
USD Share Class D*	FUM	-	-	\$6,836,247
USD Share Class E	FUM	\$71,190,901	\$134,587,544	\$115,939,971
Euro Hedged Share Class A	FUM	\$77,176,546	\$73,995,121	\$32,231,766
Euro Hedged Share Class B	FUM	\$12,553,606	\$17,812,321	\$19,692,036
Euro Hedged Share Class C**	FUM	\$142,108	\$71,706	-
GBP Hedged Share Class A	FUM	\$234,071	\$253,244	\$247,291
GBP Hedged Share Class B	FUM	\$1,380,339	\$1,479,534	\$1,310,634
CHF Hedged Share Class A***	FUM	\$93,973	-	\$6,929,074
CHF Hedged Share Class B	FUM	\$6,818,896	\$11,110,163	\$6,270,543
JPY Hedged Share Class B	FUM	\$18,645,210	\$12,311,608	\$10,012,166
JPY Hedged Share Class D	FUM	\$6,409,379	\$6,707,335	\$5,427,539

*The USD Share Class D was relaunched on February 22, 2023.

**The Euro hedged Share Class C was fully redeemed on March 28, 2023.

***The CHF Hedged Share Class A was fully redeemed on April 18, 2022 and relaunched on January 3, 2023.

15. Subsequent events

Events subsequent to December 31, 2023 have been evaluated up to February 28, 2024, the date these Financial Statements were available to be issued.

No material subsequent events have occurred since December 31, 2023 that would require recognition or disclosure in these Financial Statements.

16. Approval of the audited Financial Statements

These audited Financial Statements were approved by the Board of Directors on February 28, 2024.

Appendix

Unaudited Supplemental Disclosures to the Financial Statements

1. Remuneration Policy

It is the Investment Manager's policy to maintain an honest, fair and ethical culture that promotes effective risk management. Accordingly, the Investment Manager has established and maintains a Remuneration Policy, which applies to all the Investment Manager employees and officers, and which is designed to ensure that:

- (i) The Investment Manager remunerates its staff in a manner that is sufficient to attract and retain professional staff that have the required skills, expertise and experience to carry out their duties effectively and;
- (ii) sound and effective risk management is promoted and risk-taking, which is inconsistent with the risk profile and rules of the Investment Manager and the Funds that it manages, is not encouraged or rewarded.

The Investment Manager has formulated its Remuneration Policy with the following objectives:

- To be in line with its business strategy, objectives, values and long-term interests;
- To be consistent with, and promote, sound and effective risk management, without encouraging risk-taking that exceeds the level of tolerated risk of the Investment Manager and the funds that it manages;
- To align the personal objectives of staff with the long term interests of the Investment Manager and the funds that it manages;
- To the extent applicable, to meet the remuneration provisions of AIFMD;
- To ensure our ability to strengthen or maintain a suitable capital base (to meet operational requirements);
- To include measures to avoid conflicts of interest for control staff (risk management or compliance); and
- To be in line with our code of conduct for employees and our compliance culture.

The remuneration policy will be reviewed on an annual basis by the majority shareholders of the Investment Manager.

The Board and senior management of the Investment Manager have assessed all members of staff and have determined that only the voting members of the Investment Manager's Investment Committee that are also members of the board are authorized to take any decision that affects the risk profile of the Investment Manager and the funds managed by the Investment Manager and so are classified by the Investment Manager as Identified Staff.

For performance related remuneration, the total amount is based on a combination of the assessment of the performance of the individual, of the business unit concerned, and of the overall results of the Investment Manager; when assessing individual performance, financial and non-financial criteria are taken into account. The performance of the Investment Manager is dependent on the performance of the funds that it manages, since the Investment Manager generates its revenue from management and incentive fees paid to it by these funds, and, therefore, the interests of all members of staff are aligned with the interests of the shareholders in the funds managed by the Investment Manager.

ACL Alternative Fund

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Appendix (continued)

Unaudited Supplemental Disclosures to the Financial Statements (continued)

1. Remuneration Policy (continued)

The following table shows the remuneration made to persons employed by the Investment Manager during the year, analyzed by category;

For the Year Ended December 31, 2023	Number of Beneficiaries	Total Remuneration Paid USD	Fixed Remuneration Paid USD	Variable Remuneration paid USD	Carried Interest paid by AIF USD
Total remuneration paid by the Investment Manager during the financial year	89	15,204,983	7,668,509	7,536,474	-
Remuneration paid to employees of the Investment Manager who may have a material impact on the risk profile of the Fund					
Senior Management (including executives)*	2	2,863,146			
Identified staff*	2	2,863,146			
Allocation of total remuneration of the employees of the Investment Manager to the Fund**					
Senior Management (including executives)*	2	723,469			
Identified staff*	2	723,469			

* Members of Senior Management (including executives) who may have a material impact on the risk profile of the Fund are also the employees who the Investment Manager has designated as Identified Staff in accordance with the Investment Manager's Remuneration Policy.

** Allocation of total remuneration of the employees of the Investment Manager to the Fund is calculated based on the percentage that the Fund represents of total Fund assets under management of the Investment Manager using average NAVs during the financial year.

Appendix (continued)**Unaudited Supplemental Disclosures to the Financial Statements
(continued)****2. Additional information for qualified investors in Switzerland**

The Fund* is compliant with Swiss law for offering to all qualified investors in Switzerland. The Confidential Private Placement Memorandum, the Bye-Laws, the annual and semi-annual reports as well as the statement of purchases and sales are available free of charge from the Swiss Representative of the Company: REYL & Cie Ltd., 4, rue du Rhône, 1204 Geneva, Switzerland. The Swiss Paying Agent of the Company is Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva, Switzerland. This document may only be issued, circulated or distributed so as not to constitute an offering to the general public in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser, or the Swiss representative. The past performance is no indication of current or future performance and the performance data does not take account of the commissions and costs incurred on the issue and redemption of shares.

*Only the ACL Alternative Fund is compliant with Swiss law for offering to all qualified investors in Switzerland.