

# Abbey Capital Daily Futures Fund Limited

**Audited Financial Statements for the year  
January 1, 2015 to December 31, 2015**

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 subsection 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.

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A copy of the Audited Financial Statements of the ACL Alternative Fund is included with these 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, Anthony Gannon, 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.



Anthony Gannon  
Director,  
Abbey Capital Limited  
February 25, 2016

**Directory**

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

**Directors**

Anthony Gannon  
(Non-Executive Director)  
*Resigned on: April 22, 2015*

Peter Carney  
(Non-Executive Director)  
*Appointed: April 22, 2015*

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

**Investment Manager**

Abbey Capital Limited  
1-2 Cavendish Row  
Dublin 1  
Ireland

**Auditor**

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

**Listing Sponsor**

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

**Administrator, Registrar & Transfer Agent**

BNY Mellon Alternative Investment Services Ltd  
48 Par-la-ville-Road  
Suite 464  
Hamilton HM 11  
Bermuda

*Resigned on: September 30, 2015*

**Corporate Secretary & Bermuda Registrar**

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

BNP Paribas Fund Administration Services  
(Cayman) Limited

Grand Pavilion Commercial Center  
802 West Bay Road  
Grand Cayman, KY1-1104

*Cayman Islands*

*Appointed: October 1, 2015*

**Legal Adviser**

Conyers Dill & Pearman  
Clarendon House  
2 Church Street  
Hamilton  
Bermuda

**Depositary**

BNY Mellon Trust Company (Ireland) Limited  
Guild House  
Guild Street  
Dublin 1  
Ireland

*Resigned on: September 30, 2015*

BNP Paribas Securities Services, Dublin Branch

Trinity Point  
10-11 Leinster Street South  
Dublin 2  
Ireland

*Appointed: October 1, 2015*

## 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 five Share Classes, of which three are currently in issue (see table below for details). The Fund offers investors daily dealing. 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, 2015
USD Share Class A	March 3, 2014	\$128.57
USD Share Class B	January 2, 2013	\$121.21
USD Share Class E	January 15, 2014	\$125.27

The Fund is a feeder fund to the ACL Alternative Fund (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 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

Abbey Capital Daily Futures Fund USD Share Class A ("ACDFF USD A") finished 2015 with a loss of 0.57%<sup>(1)</sup>. The ACDFF USD A has produced an annualised return of +6.50% since January 2013. The ACDFF USD A is a fund that invests solely into the ACL Alternative Fund USD Share Class A.

The ACL Alternative Fund USD Share Class A finished 2015 with a loss of 0.13%<sup>(2)</sup>.

Concerns about global growth, and central bank policies in response to those concerns, were the dominant drivers of markets through 2015. The year began with a strong period of performance as European Central Bank ("ECB") easing provided further momentum to the decline in EUR/USD and rally in eurozone bonds. These trends, along with the sell-off in energy, had been the main drivers of the exceptionally strong performance from Q2 2014. After such a strong period of trending behaviour in markets, a reversal of trends, at some point, was a risk. Unfortunately in Q2, each of the major trends suffered a reversal and the negative impact was compounded by minor reversals across other markets.

<sup>(1)</sup> Abbey Capital Daily Futures Fund Limited ("ACDFF") commenced trading in January 2013 and ACDFF USD Share Class A was launched in March 2014. ACDFF USD Share Class A invests solely in ACL Alternative Fund USD Share Class A.

<sup>(2)</sup> The ACL Alternative Fund is a segregated account of ACL Alternative Fund SAC Limited. The ACL Alternative program commenced in December 2000 and was incorporated as a fund in January 2002. Return figures shown are net of fees and include interest.

## Investment Manager's Report (continued)

### Fund Performance to date (continued)

Trading conditions improved in the second half of the year as concerns about weak Chinese and global economic growth triggered renewed declines in industrial commodities. As investor risk appetite declined, global equities sold off, prompting the Federal Reserve ("Fed") to postpone tightening at its September policy meeting. Volatility in equity markets spiked and correlations across markets rose. The ACDF USD A returned +3.16% in Q3, with Long-term Trendfollowing ("Trendfollowing") managers benefiting from strong trends in commodities and Short-term Systematic ("Short-term") managers providing valuable diversification profiting from a rise in volatility in equities. Given that the S&P 500 Total Return ("S&P 500 TR") Index declined -6.44%<sup>(3)</sup> on the quarter, this period again highlighted the valuable diversification managed futures can provide in a traditional portfolio.

Performance in Q4 was slightly positive as the ongoing decline in energy prices continued to provide opportunities for managers. Although the ECB did ease policy again in December, the measures were less than markets had expected, triggering short-term reversals in currencies and equities. In December, the Fed finally ended the ongoing speculation by raising interest rates for the first time since 2006. Although the move was widely expected, it was significant in marking another step in the return to more normal market conditions after the Global Financial Crisis.

Performance of the ACDF USD Share Class A in 2015 was in line with the managed futures industry, with major indices close to flat on the year. The SG CTA Index was +0.03%, while the Barclay BTOP50 Index was -0.97%. Since January 2013, the ACDF USD A has delivered total cumulative returns of +20.78%, versus +52.59% for the S&P 500 TR Index and +12.13% for the Barclay BTOP50 Index<sup>(3)</sup>.

At the trading style level the core-satellite approach of the ACL Alternative Fund was beneficial as FX, Global Macro and Value trading styles contributed positively to performance, while Trendfollowing managers and Short-term managers detracted slightly. However, it was notable that there was no standout strategy, with positive and negative performance experienced by managers across most trading styles, suggesting that individual manager characteristics rather than trading style appeared to drive performance to a large extent.

In 2015, manager return dispersion within the ACL Alternative Fund was somewhat below the long-term average. Interestingly, the largest dispersion was within Trendfollowing, despite the fact that this group tends to be the most highly correlated. Trendfollowing managers who particularly capitalised on the strong trends in energy markets outperformed, while managers with higher risk allocations to financials underperformed.

This dispersion in performance amongst correlated managers pursuing similar strategies again highlights the risk of being allocated to an underperforming single manager rather than holding a diversified portfolio of managers. An investor may struggle to maintain an allocation in the face of relative underperformance, even when that underperformance is driven by transitory factors.

At the portfolio level we removed one FX program and added one Short-term program to the ACL Alternative Fund in 2015. The latter further diversifies our exposure in the short-term trading space; the ACL Alternative Fund had appointed 22 managers as of year-end. In terms of strategy allocations, the ACL Alternative Fund maintained its long-term approach through the year of allocating 50-60% of portfolio risk to Trendfollowing strategies and 40-50% to diversifying, non-trend strategies.

<sup>(3)</sup> ACDF commenced trading in January 2013 and ACDF USD Share Class A was launched in March 2014. ACDF USD Share Class A invests solely in ACL Alternative Fund USD Share Class A. The above data is shown for illustrative purposes. ACDF is not benchmarked against any of the indices referenced. Please note that due to different fee structures within the ACDF share classes, different share classes will have different returns. Some ACDF share

## Investment Manager's Report (continued)

### Abbey Capital Limited – Investment Manager

We intend to maintain this consistent approach to allocating risk and continue to scale allocations to achieve 21% annualised volatility at the manager level. In our opinion, this consistency of approach in risk allocation is critical in fully exploiting opportunities in markets when they arise.

Abbey Capital Limited (“Abbey Capital”) completed its fifteenth year of track record in 2015. We continued to invest in our infrastructure and develop our business. Investor interest in managed futures picked up through the year, with firm assets increasing in 2015. The growth in firm assets came across Abbey Capital’s full suite of portfolio solutions, which include the mutual fund, ERISA structures and private placement funds.

In 2015, Abbey Capital and the ACL Alternative Fund received a number of awards in recognition of both long-term performance and Abbey Capital’s investment process. The highlights of these were the ACL Alternative Fund’s awards for the Best Specialist FoHF over 10 years by Hedge Funds Review at the 14th European Fund of Hedge Funds Awards 2015<sup>(4)</sup>, Best Multi-Manager Fund at the 2015 CTA Intelligence European Performance Awards<sup>(5)</sup> and Fund of the Year 2015 by InvestHedge at the InvestHedge Awards for Performance Excellence 2015<sup>(6)</sup>.

As we close off on 2015, we would like to thank all our investors for their continued support. After the exceptionally strong performance of 2014, 2015 saw choppier conditions across many markets as investors began to reposition portfolios and re-price risk. The last two years have highlighted the difficulty in anticipating strong performance and timing allocations in managed futures. Given the episodic nature of returns, our focus remains on the aspects we can control: enhancing the investment process, delivering top-quality client services and developing high-quality investment offerings at a competitive cost.

We remain optimistic on the outlook for the Fund and the industry for the year ahead.

**Abbey Capital Limited**  
**January 2016**

<sup>(4)</sup> Best Specialist FoHF over 10 years was awarded by Hedge Funds Review to the ACL Alternative Fund at the 14th European Fund of Hedge Funds Awards 2015. This long-term performance award was judged on quantitative analysis as well as qualitative experience and expertise.

<sup>(5)</sup> Best Multi-Manager Fund was awarded to the ACL Alternative Fund at the 2015 CTA Intelligence European Performance Awards. Judging decisions were based on performance, qualitative information and structural criteria.

<sup>(6)</sup> Fund of the Year 2015 was awarded by InvestHedge to the ACL Alternative Fund at the InvestHedge Awards for Performance Excellence 2015. The Fund of the Year Award is judged on the top performing funds over the twelve





**KPMG**  
**Audit**  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5  
Ireland

## **Independent Auditors' Report**

To the shareholders of Abbey Capital Daily Futures Fund Limited:

We have audited the accompanying financial statements of Abbey Capital Daily Futures Fund Limited ("the Fund") which comprise the Statement of Assets and Liabilities and the condensed schedule of investments as at 31 December 2015 and the related Statement of Operations, Changes in Net Assets for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

This report is made solely to the 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 shareholders, those matters we are required to state to them in an Auditors' Report and for no other purpose. We do not accept or assume responsibility to anyone other than the shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

### *Directors' Responsibility for the Financial Statements*

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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





## Independent Auditors' Report (continued)

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Abbey Capital Daily Futures Fund Limited as at 31 December 2015 and its financial performance ended in accordance with U.S. generally accepted accounting principles

A handwritten signature of 'KPMG' in blue ink, written in a cursive style.

KPMG  
Dublin, Ireland  
25 February 2016

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# Abbey Capital Daily Futures Fund Limited

December 31, 2015

## Statement of Assets & Liabilities

	December 31, 2015 US\$
<b>Assets</b>	
Investment in ACL Alternative Fund (Note 3)	33,558,935
Cash and cash equivalents (Note 11)	91,976
Equalization credits & depreciation deposits receivable	737,705
Prepaid expenses	6,339
Pending redemption from ACL Alternative Fund	276,747
<b>Total assets</b>	<u>34,671,702</u>
<b>Liabilities</b>	
Sundry payables and accrued expenses (Note 7)	8,371
Pending subscription into ACL Alternative Fund	24,953
Subscriptions received in advance	35,000
Redemptions payable	276,416
<b>Total liabilities</b>	<u>344,740</u>
<b>Net assets</b>	<u>34,326,962</u>
Paid-in capital (Note 6)	35,323,005
Distributable earnings	(996,043)
<b>Net assets</b>	<u>34,326,962</u>
Shares in issue – USD Share Class A	126,170
Shares in issue – USD Share Class B	1,000
Shares in issue – USD Share Class E	143,568
Net Asset Value per share – USD Share Class A	\$128.57
Net Asset Value per share – USD Share Class B	\$121.21
Net Asset Value per share – USD Share Class E	\$125.27

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

  
Director

  
Director

Date: February 25, 2016

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

# Abbey Capital Daily Futures Fund Limited

December 31, 2015

## Statement of Operations

For the year  
January 1 to  
December 31,  
2015  
US\$

### Fund expenses

Audit Fee	(7,000)
Administration Fee	(3,000)
Corporate, legal & other fees	(28,483)

**Total expenses** (38,483)

**Net investment loss** (38,483)

**Net realized gain on**  
Investments in ACL Alternative Fund (Note 9) 170,943

**Net change in unrealized loss on**  
Investments in ACL Alternative Fund (Note 9) (1,501,819)

Net loss from investments in ACL Alternative Fund (1,330,876)

**Net decrease in net assets resulting from operations** (1,369,359)

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

  
Director

  
Director

Date: February 25, 2016

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

# Abbey Capital Daily Futures Fund Limited

December 31, 2015

## Statement of Changes in Net Assets

	<b>December 31, 2015 US\$</b>
<b>Operations</b>	
Net investment loss for the year	(38,483)
<b>Net realized gain from</b>	
Investments in ACL Alternative Fund (note 9)	170,943
<b>Net change in unrealized loss on</b>	
Investments in ACL Alternative Fund (note 9)	(1,501,819)
<b>Net decrease in net assets resulting from operations</b>	<u>(1,369,359)</u>
<b>Capital share transactions</b>	
Issuance of shares (note 6)	34,428,674
Redemption of shares (note 6)	(1,167,470)
<b>Net increase in net assets resulting from capital share transactions</b>	<u>33,261,204</u>
Net increase in net assets	31,891,845
<b>Net assets:</b>	
Beginning of the year	2,435,117
<b>End of year</b>	<u>34,326,962</u>

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

## Financial Highlights

The following table includes selected data for the three USD Share 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 Share Class A	USD Share Class B	USD Share Class E
Net investment loss*	(0.02)	(0.03)	(0.08)
Net realized & unrealized loss on investments	(0.72)	(1.07)	(2.59)
<b>Net decrease in net asset value per share</b>	<b>(0.74)</b>	<b>(1.10)</b>	<b>(2.67)</b>
<b>Net asset value per share:</b>			
Beginning of the year	\$129.31	\$122.31	\$127.94
End of year	\$128.57	\$121.21	\$125.27
Total investment return	(0.57%)	(0.90%)	(2.09%)
Ratio of expenses to average net assets*	(0.19%)	(0.19%)	(0.19%)
Ratio of net investment* loss to average net assets	(0.19%)	(0.19%)	(0.19%)
<b>Net assets at end of year</b>	<b>16,221,201</b>	<b>121,207</b>	<b>17,984,554</b>

\* Calculated based on average shares outstanding during the year.

## Notes to the Financial Statements

### 1. The Fund and its activities

Abbey Capital Daily Futures Fund Limited (the "Fund") was incorporated on the November 29, 2012 under the laws of Bermuda as an open-ended investment fund with variable capital and limited liability. The Fund has created five Share Classes, the USD Share Class A, the USD Share Class B, the USD Share Class C, the USD Share Class D and the USD Share Class E. At the year end only three share classes USD Share Class A, USD Share Class B and USD Share Class E had launched. All Share 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. As at December 31, 2015 the Fund owns 1.37% 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 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 the US Dollar (USD) 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").

#### 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.



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

The Fund records its investment in the ACL Alternative Fund at fair value. Fair value represents the price listed on the Irish Stock Exchange as at close of business on the relevant valuation day. The valuation of investments held by the ACL Alternative Fund is discussed in the notes to the ACL Alternative Fund Financial Statements which are attached to these Financial Statements.

**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. As at December 31, 2015 no request for redemption of shares were made by investors of the Fund.

**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.

**Notes to the Financial Statements (continued)****3. Fair value measurements (continued)**

The below table shows information about the Fund's assets and liabilities measured at fair value as of December 31, 2015. All values shown are stated in USD.

<b>Assets</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Balance as at December 31, 2015 Total</b>
Investment in the ACL Alternative Fund	33,558,935	-	-	33,558,935
<b>Total</b>	<b>33,558,935</b>	<b>-</b>	<b>-</b>	<b>33,558,935</b>

There were no significant transfers between any of the levels of the fair value hierarchy during the year ended December 31, 2015. In addition there were no Level 3 Assets or Liabilities held by the Fund as at December 31, 2015 or at any time during the year then ended.

**4. Fees and Expenses**

The Fund's USD A Share Class, USD B Share Class, USD C 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 Funds' average Net Asset Value will be paid by the Investment Manager.

**Registrar and Transfer Agent, Administrator and Secretarial Services**

During the period January 1, 2015 to September 30, 2015, the Fund paid US\$1,000 per month to the Administrator for the calculation of the Net Asset Value. The Fund also paid US\$25 per transaction on the Share Register (including subscriptions, and redemptions) to the Registrar and Transfer Agent.

Effective October 1, 2015, the Fund and the ACL Alternative Fund changed fund administrator and registrar & transfer agent from BNY Mellon Alternative Investment Services Limited to BNP Paribas Fund Administration Services (Cayman) Limited ("BNP Paribas"). The Fund pays BNP Paribas US\$1,000 per month for the calculation of the Net Asset Value. These fees accrue daily and are paid monthly in arrears.

The Fund pays the Corporate Secretary and Bermuda Registrar an annual fee of US\$5,750 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

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

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. There were no Distribution Fees paid during the year.

**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.

**Depositary 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 depositary, BNY Mellon Trust Company (Ireland) Limited (the "Depositary"), to provide the depositary services of cash monitoring, safe-keeping and oversight. 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 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.

Effective October 1, 2015 the Fund and the ACL Alternative Fund changed fund Depositary from BNY Mellon Trust Company (Ireland) Limited to BNP Paribas Securities Services, Dublin Branch.

**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\$1,995 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

## Notes to the Financial Statements (continued)

## 6. Share Capital (continued)

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 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.

Transactions in Shares for the year ending December 31, 2015 were as follows:

<b>USD Share Class A</b>	<b>No. of Shares</b>	<b>Total US\$</b>
Balance at December 31, 2014	6,865	770,662
Shares issued in the year	123,861	16,427,961
Shares redeemed in the year	(4,556)	(583,324)
<b>Balance at December 31, 2015</b>	<b>126,170</b>	<b>16,615,299</b>
<b>USD Share Class B</b>	<b>No. of Shares</b>	<b>Total US\$</b>
Balance at December 31, 2014	1,000	100,000
Shares issued in the year	-	-
Shares redeemed in the year	-	-
<b>Balance at December 31, 2015</b>	<b>1,000</b>	<b>100,000</b>
<b>USD Share Class E</b>	<b>No. of Shares</b>	<b>Total US\$</b>
Balance at December 31, 2014	11,139	1,191,138
Shares issued in the year	137,108	18,000,714
Shares redeemed in the year	(4,679)	(584,146)
<b>Balance at December 31, 2015</b>	<b>143,568</b>	<b>18,607,706</b>

# Abbey Capital Daily Futures Fund Limited

## Notes to the Financial Statements (continued)

December 31, 2015

### 7. Sundry payables and accrued expenses

	December 31, 2015 US\$
Administration, Corporate & Legal Fees	8,371
<b>Total Sundry payables and accrued expenses</b>	<b>8,371</b>

### 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

The Risk Management Framework includes a Policy and procedures that are designed to ensure that all operational risks relating to the Investment Manager can be identified, monitored and managed at all times. The Investment Manager's Risk Management Policy provides for a process whereby risks throughout the company are identified, measured, assessed and monitored. The Investment Manager uses an internal risk assessment process as a framework for defining operational risk. As part of this process, a Risk Assessment document reviews both internal and external risks to the business. This document identifies factors that could cause risk, including operational risk, measures to reduce risk and any required solutions. This document is produced following the completion of the Annual Risk Inventory and the Annual Compliance Risk Inventory, which assess the risks to the units of Investment Manager and to the Funds that it manages and which are completed by senior management in consultation with the Risk Management unit. The Risk Assessment document is reviewed and approved annually by the Board of Directors of the Investment Manager in order to determine the qualitative and quantitative mitigating factors against all identified risk and to assign the appropriate capital against potential liability risk.



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

**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:

	December 31, 2015 US\$
Realized gains on Investments	170,943
<b>Total gains on investments</b>	<b>170,943</b>
Net change in unrealized losses on investments	(1,501,819)
<b>Total losses on investments</b>	<b>(1,501,819)</b>

Gains and losses presented above exclude interest income and interest expense.

**10. Related party disclosures**

The Directors do not currently receive any remuneration from the Fund (however under the Fund's bye-laws, the Directors are entitled to such remuneration as shall be agreed by the Directors and shall be deemed to accrue from day to day). All other related party transactions have been fully disclosed in the Financial Statements, including investment in affiliated funds.



**Notes to the Financial Statements (continued)****11. Cash and cash equivalents**

Amounts held with the Fund's Depository (BNP Paribas Securities Services, Dublin Branch) as at December 31, 2015 amounted to US\$91,976. BNP Paribas Security Services, Dublin Branch is rated by the following credit agencies: S&P A-1, Moody P-1 and Fitch F1.

**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		December 31, 2014	December 31, 2015
USD Share Class A	NAV	\$129.31	\$128.57
USD Share Class B	NAV	\$122.31	\$121.21
USD Share Class E	NAV	\$127.94	\$125.27

  

Share Class		December 31, 2014	December 31, 2015
USD Share Class A	FUM	\$887,696	\$16,221,201
USD Share Class B	FUM	\$122,315	\$121,207
USD Share Class E	FUM	\$1,425,106	\$17,984,554

**14. Subsequent events**

Events subsequent to December 31, 2015 have been evaluated up to February 25, 2016, the date these Financial Statements were available to be issued.

No material subsequent events have occurred since December 31, 2015 that would require recognition or disclosure in these Financial Statements.

**15. Approval of Audited Financial Statements**

These audited Financial Statements were approved by the Board of Directors on February 25, 2016.

**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 or 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 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 has been designed by the Chief Executive Officer ("CEO") and will be reviewed on an annual basis by the Board of Directors 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;

	31 December 2015	31 December 2015	31 December 2015	31 December 2015	31 December 2015
	Number of Beneficiaries	Total Remuneration Paid	Fixed Remuneration Paid	Variable Remuneration paid	Carried Interest paid
		EUR	EUR	EUR	EUR
Total remuneration paid by the Investment Manager during the financial year	52	7,703,791	2,588,308	5,115,483	-
<b>Remuneration paid to employees of the Investment Manager who may have a material impact on the risk profile of the Fund</b>					
Senior Management (including executives)*	2	2,383,599			
Identified staff*	2	2,383,599			
<b>Allocation of total remuneration of the employees of the Investment Manager to the Fund**</b>					
Senior Management (including executives)*	2	13,462			
Identified staff*	2	13,462			

\* 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.