

# **Abbey Capital Multi-Manager Fund Limited**

**Interim unaudited Financial Statements for the period  
January 1, 2020 to June 30, 2020**

**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 Multi-Manager 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: P029597**

**Table of Contents**

Directory ..... 1

Investment Manager’s Report ..... 2

Statement of Assets & Liabilities ..... 5

Statement of Operations ..... 6

Statement of Changes in Net Assets ..... 7

Financial Highlights ..... 8

Notes to the Financial Statements ..... 9

A copy of the interim unaudited Financial Statements of the ACL Alternative Fund is included with these interim unaudited 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.

## 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

### **Legal Adviser**

Conyers Dill & Pearman  
Clarendon House  
2 Church Street  
Hamilton  
Bermuda

### **Corporate Secretary & Bermuda Registrar**

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

### **Depositary**

BNP Paribas Securities Services, Dublin Branch  
Trinity Point  
10-11 Leinster Street South  
Dublin 2  
Ireland

### **Investment Manager**

Abbey Capital Limited  
1-2 Cavendish Row  
Dublin 1  
Ireland

### **Auditor**

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

### **Administrator, Registrar & Transfer Agent**

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

**Investment Manager’s Report**

**Legal Structure**

Abbey Capital Multi-Manager Fund Limited (the “Fund”) was incorporated in Bermuda on October 4, 2006 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 subdivided into five sub-classes; a USD A Share Class, a USD B Share Class, a USD C Share Class, a USD D Share Class and a USD E Share Class. The Fund offers investors monthly dealing and the NAV for the USD Share Class A is listed on the Bermuda Stock Exchange. The Directors have the power to issue further Share Classes in different currencies in the future.

<b>Share Class in Issue</b>	<b>Launch Date</b>	<b>NAV per share as of June 30, 2020</b>
USD A Share Class	January 2, 2007	\$128.67
USD B Share Class	August 3, 2009	\$118.19
USD C Share Class	October 1, 2010	\$89.20
USD D Share Class	January 3, 2011	\$102.83
USD E Share Class	December 1, 2017	\$99.06

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 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 (“ACMMF USD A”) returned -1.29%<sup>(1)</sup> in the first half of 2020. ACMMF USD A commenced trading in January 2007 and invests solely in the ACL Alternative Fund USD Share Class A. The ACL Alternative Fund USD Share Class A returned -0.23% in H1 2020. Since inception in December 2000 the ACL Alternative Fund USD Share Class A has returned cumulatively +262.37%, providing an annualised return for the ACL Alternative Fund USD Share Class A of +6.79%<sup>(2)</sup>.

<sup>(1)</sup>Abbey Capital Multi-Manager Fund Limited (“ACMMF”) USD A Share Class commenced trading in January 2007 and invests solely in the ACL Alternative Fund USD Share Class A. All returns are net of fees and include interest. Please note that due to different fee structures within the ACMMF share classes, different share classes will have different returns. Some ACMMF share classes may have generated a lower return than the ACMMF USD A Share Class. Past results are not indicative of future results. Trading 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.

<sup>(2)</sup>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. Return figures shown are net of fees and include interest. (Pro forma interest from December 2000 to April 2001 actual interest received thereafter). Past results are not indicative of future results. Trading 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. Diversification does not assure profit, nor does it protect against a loss (including in a declining market)

**Investment Manager's Report (continued)****Fund Performance to date (continued)**

The first six months of the year were characterized by mixed performance across managed futures strategies, which led to high dispersion of returns across the industry. Within the Fund, positive performance was recorded by Short-term Systematic ("Short-term"), while Long-term Trendfollowing ("Trendfollowing"), Global Macro and Value were negative.

H1 2020 was a period of notable moves and heightened volatility in many markets. In January we saw reports of COVID-19 cases begin to emerge in China followed by a sharp uptick in new infections. However, it was the acceleration in cases outside of Asia in February, notably in Italy, that prompted a significant reversal in risk sentiment. This led to sharp corrections in many risk assets such as equities, crude oil and base metals amid concerns about the global economic outlook. Meanwhile, assets like bonds and precious metals benefited from increased haven demand and dovish central bank policy, which included rate cuts and quantitative easing by many global central banks.

In late March we saw risk sentiment begin to recover, and this continued throughout most of Q2 2020. Investor focus shifted away from the slowdown in global economic activity amid widespread social distancing measures, and instead looked ahead to the prospect of the global economy reopening. Downtrends in growth sensitive assets reversed in Q2 2020, with equities, crude oil and base metals all rallying strongly during the quarter. Trends in currency markets also reversed, as haven demand for the USD eased amid improved market sentiment.

Equities saw the largest losses at the Fund level. Negative performance was largely driven by Trendfollowing in Q1 2020, which held long positions before equities corrected in February as many global indices were either at, or close to, record highs. Global Macro and Value were also negative in equities, however Short-term was positive as managers profited from higher volatility in the sector during Q1 2020.

Further losses were recorded in currencies. Trendfollowing led negative performance due to mostly long USD exposures, with losses largely occurring during Q2 2020 after the USD, which had been supported by heightened risk aversion, weakened as risk sentiment improved. Short-term was also negative, with trading in EUR/USD and USD/JPY the primary source of Short-term losses.

On the upside, the Fund saw gains in fixed income and commodities during the first half of 2020. In fixed income, longs in bonds, interest rates and interest rate swaps all saw positive performance during the period amid a significant easing in global monetary policy by many central banks, which included the Federal Reserve cutting rates to zero and substantially expanding its balance sheet. Trendfollowing and Short-term Systematic saw notable profits in fixed income, while Value and Global Macro saw smaller gains.

In commodities, the largest gains occurred in energy. Short-term saw profits from short exposures in crude oil and distillates as prices declined significantly and volatility spiked in Q1. Trendfollowing also profited from short exposures in the sector. Further gains for the Fund occurred from long precious metal and short base metal exposures. Meanwhile performance in agricultural commodities was slightly negative as Trendfollowing saw losses in softs.

*Past results are not indicative of future results.*

## Investment Manager's Report (continued)

### Fund Performance to date (continued)

At the portfolio level, we added one Short-term Systematic manager to the ACL Alternative Fund in H1 2020 while while no managers were removed.

Strategy allocations were broadly stable over the period, and we maintained our philosophy of holding a core allocation to Trendfollowing at approximately 50-60% of portfolio risk. We continued to allocate at 21% annualised volatility to managers.

Since inception in January 2007, the ACMMF USD A has delivered total cumulative returns of +28.67%, versus +190.54% for the S&P 500 Total Return Index, +33.93% for the SG CTA Index and +22.24% for the Barclay BTOP 50 Index<sup>(3)</sup> over the same time period.

### Abbey Capital Limited – Investment Manager

Abbey Capital Limited (“Abbey Capital”) entered its 20th year of track record in 2020 and we remain committed to being a specialist in multi-manager managed futures investing.

The first six months of 2020 saw volatility return to financial markets alongside the first US equity bear market since the Global Financial Crisis. The Fund provided positive returns during the equity market selloff in Q1 2020 while maintaining a negative daily return correlation to the S&P 500. However, a sharp snapback in risk sentiment in Q2 2020 led to trend reversals in many sectors which resulted in a more challenging environment for performance. While we cannot control when and where profitable trends and opportunities may arise, we continue to maintain a conviction in the merit of managed futures as an investment strategy and this is reflected in our own investment portfolios.

We remain focused on the aspects of our business that we can control, as investing in our systems, enhancing our investment and risk management processes, and delivering top quality service to our investors.

### Abbey Capital Limited

#### August 2020

<sup>(3)</sup> Abbey Capital Multi Manager Fund Limited (“ACMMF”) USD A Share Class commenced trading in January 2007 and invests solely in the ACL Alternative Fund USD Share Class A. All returns are net of fees and include interest. The above data is shown for illustrative purposes. The ACMMF is not benchmarked against any of the indices referenced. None of the funds managed by Abbey Capital Limited are benchmarked against any index. The SG CTA Index and Barclay BTOP 50 Index are 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. Please note that due to different fee structures within the ACMMF share classes, different share classes will have different returns. Some ACMMF share classes may have generated a lower return than the ACMMF A USD Share Class. Past results are not indicative of future results. Trading 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. Diversification does not assure profit, nor does it protect against a loss (including in a declining market)

# Abbey Capital Multi-Manager Fund Limited

For the period ended  
June 30, 2020

## Statement of Assets & Liabilities

	As at June 30, 2020 US\$
<b>Assets</b>	
Investment in ACL Alternative Fund (Note 3)	172,948,967
Cash at bank (Note 10)	425,859
Equalization credits receivable	2,427,800
Pending redemption from ACL Alternative Fund	1,838,000
Prepaid expenses	28,055
<b>Total assets</b>	<u><b>177,668,681</b></u>
<b>Liabilities</b>	
Sundry payables and accrued expenses (Note 7)	338,829
Subscriptions received in advance	175,000
Redemptions payable (Note 2)	1,540,591
<b>Total liabilities</b>	<u><b>2,054,420</b></u>
<b>Net assets</b>	<u><b>175,614,261</b></u>
Paid-in capital (Note 6)	234,020,916
Distributable earnings	-58,406,655
<b>Net assets</b>	<u><b>175,614,261</b></u>
Shares in issue - USD A Share Class	1,002,828
Shares in issue - USD B Share Class	22,626
Shares in issue - USD C Share Class	245,832
Shares in issue - USD D Share Class	210,636
Shares in issue - USD E Share Class	3,228
Net Asset Value per share - USD A Share Class	\$128.67
Net Asset Value per share - USD B Share Class	\$118.19
Net Asset Value per share - USD C Share Class	\$89.20
Net Asset Value per share - USD D Share Class	\$102.83
Net Asset Value per share - USD E Share Class	\$99.06

These interim unaudited financial statements were approved by the Board of Directors and signed on their behalf by:

Director 

Date: October 15, 2020

Director 

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

# Abbey Capital Multi-Manager Fund Limited

For the period ended  
June 30, 2020

## Statement of Operations

	For the period January 1 to June 30, 2020
	US\$
<b>Investment income</b>	
Interest income (Note 2)	1,975
<b>Fund expenses</b>	
Administration fees	(26,000)
Audit & tax fees	(58,755)
Distribution fees	(1,627,612)
Corporate, legal & other fees	(27,315)
<b>Total expenses</b>	<u>(1,739,682)</u>
<b>Net investment loss</b>	<u>(1,737,707)</u>
<b>Net realized gain on:</b>	
Investments in ACL Alternative Fund	3,631,404
<b>Net change in unrealized loss on:</b>	
Investment in ACL Alternative Fund	(3,800,150)
<b>Net loss from investments in ACL Alternative Fund</b>	<u>(168,746)</u>
<b>Net decrease in net assets resulting from operations</b>	<u>(1,906,453)</u>

These interim unaudited financial statements were approved by the Board of Directors and signed on their behalf by:

Director

Date: October 15, 2020

Director

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



# Abbey Capital Multi-Manager Fund Limited

For the period ended  
June 30, 2020

## Statement of Changes in Net Assets

	<b>June 30</b> <b>2020</b> <b>US\$</b>
Net decrease in net assets resulting from operations	(1,737,707)
<b>Net realized gain on:</b>	
Investments in ACL Alternative Fund	3,631,404
<b>Net unrealized loss on:</b>	
Investments in ACL Alternative Fund	(3,800,150)
<b>Net decrease in net assets resulting from operations</b>	<u><b>(1,906,453)</b></u>
<b>Capital share transactions</b>	
Proceeds on issue of shares	3,985,648
Paid on redemption of shares-for period	(16,749,025)
<b>Net proceeds from capital transactions</b>	<u><b>(12,763,377)</b></u>
Total decrease in net assets	(14,669,830)
<b>Net assets:</b>	
Beginning of the period	190,284,091
<b>End of period</b>	<u><b>175,614,261</b></u>

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

**Financial Highlights**

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

	<b>USD A Share Class</b>	<b>USD B Share Class</b>	<b>USD C Share Class</b>	<b>USD D Share Class</b>	<b>USD E Share Class</b>
Net investment loss	(1.53)	(0.35)	(1.18)	(0.41)	(0.74)
Net realized & unrealized loss on investments	(0.15)	(0.03)	(0.11)	(0.04)	(0.07)
<b>Net decrease in net asset value per share<sup>(1)</sup></b>	<b>(1.68)</b>	<b>(0.38)</b>	<b>(1.29)</b>	<b>(0.45)</b>	<b>(0.81)</b>
<b>Net asset value per share:</b>					
Beginning of the period	\$130.35	\$118.57	\$90.49	\$103.28	\$99.87
End of period	\$128.67	\$118.19	\$89.20	\$102.83	\$99.06
Total investment return	(1.29%)	(0.32%)	(1.43%)	(0.44%)	(0.81%)
Ratio of expenses to average net assets	(1.06%)	(0.06%)	(1.06%)	(0.06%)	(0.44%)
Ratio of net investment loss to average net assets	(1.06%)	(0.06%)	(1.06%)	(0.06%)	(0.44%)
<b>Net assets at end of period</b>	<b>129,031,820</b>	<b>2,674,229</b>	<b>21,928,701</b>	<b>21,659,763</b>	<b>319,748</b>

<sup>(1)</sup> Calculated based on average shares outstanding during the period.

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

**Notes to the Financial Statements****1. The Fund and its activities**

The Abbey Capital Multi-Manager Fund Limited (the “Fund”) was incorporated on October 4, 2006 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, the USD C Share Class, the USD D Share Class and the USD E Share Class. All sub-classes offer investors monthly 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 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 A Share Class is listed on the Bermuda Stock Exchange. As at June 30, 2020 the Fund owns 13.21% of the ACL Alternative Fund.

The interim unaudited Financial Statements of the ACL Alternative Fund, including the Condensed Schedule of Investments, are attached to these interim unaudited 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 US Dollar (USD or 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”). 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.

**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. The valuation of investments held by the ACL Alternative Fund is discussed in the notes to the ACL Alternative Fund interim unaudited 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. Accordingly, requests for redemptions amounting to \$1,540,591 which were effective for July 1, 2020 have been reclassified to redemptions payable on the Statement of Assets and Liabilities. 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 the ACL Alternative Fund using NAV as a practical expedient and is therefore not categorized within the fair value hierarchy. Valuation of investments held by the 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 financial statements.

All investments held by the ACL Alternative Fund as of June 30, 2020 fall within Level 1 or Level 2 of the fair value hierarchy.

**Notes to the Financial Statements (continued)****4. Fees and Expenses****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. These fees accrue daily and are paid monthly in arrears. The Fund pays US\$3,333 per month to the Registrar and Transfer Agent.

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**

The Fund Distributors may receive a placement fee of up to 2% on all sales of the Shares. Each subscriber is informed of the placement fee attributable to such subscriber's Shares prior to committing to acquiring such Shares. Placement fees are paid in addition to the subscription amount. In addition, the Fund may pay the Fund Distributors an ongoing Distribution Fee equal to 2% of the average month-end Net Asset Value of the Fund for USD A Share Class and the USD C Share Class and 0.75% of the average month-end Net Asset Value of the Fund for USD E Share Class, accrued and payable monthly in arrears. Distribution fees for the period ending June 30, 2020 were US\$1,627,612 of which US\$258,984 were payable by the Fund for the period ending June 30, 2020. There are no Distribution Fees in the USD B Share Class or USD D Share Class.

**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 interim unaudited 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, BNP Paribas Securities Services, Dublin Branch (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. There are no Depositary fees at the Fund level, but as a Shareholder of ACL Alternative Fund, the Fund will pay its pro-rata share of the Depositary 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\$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 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)**

Transactions in Shares for the period ending June 30, 2020 were as follows:

<b>USD A Share Class</b>	<b>No. of Shares</b>	<b>Total US\$</b>
Balance at December 31, 2019	1,112,192	194,206,770
Shares issued in the period	2,820	376,666
Shares redeemed in the period	(101,150)	(13,455,097)
Balance at June 30, 2020	<u>1,013,862</u>	<u>181,128,339</u>
Shares redeemed on July 1, 2020	(11,034)	(1,419,699)
<b>Balance at June 30, 2020</b> (in accordance with ASC Subtopic 480-10)	<u><b>1,002,828</b></u>	<u><b>179,708,640</b></u>
<b>USD B Share Class</b>	<b>No. of Shares</b>	<b>Total US\$</b>
Balance at December 31, 2019	24,648	3,737,373
Shares issued in the period	1,369	163,982
Shares redeemed in the period	(3,391)	(410,592)
Balance at June 30, 2020	<u>22,626</u>	<u>3,490,763</u>
Shares redeemed on July 1, 2020	-	-
<b>Balance at June 30, 2020</b> (in accordance with ASC Subtopic 480-10)	<u><b>22,626</b></u>	<u><b>3,490,763</b></u>
<b>USD C Share Class</b>	<b>No. of Shares</b>	<b>Total US\$</b>
Balance at December 31, 2019	253,397	28,325,434
Shares issued in the period	-	-
Shares redeemed in the period	(7,565)	(702,262)
Balance at June 30, 2020	<u>245,832</u>	<u>27,623,172</u>
Shares redeemed on July 1, 2020	-	-
<b>Balance at June 30, 2020</b> (in accordance with ASC Subtopic 480-10)	<u><b>245,832</b></u>	<u><b>27,623,172</b></u>

**Notes to the Financial Statements (continued)**

**6. Share Capital (continued)**

<b>USD D Share Class</b>	<b>No. of Shares</b>	<b>Total US\$</b>
Balance at December 31, 2019	185,315	20,199,716
Shares issued in the period	32,478	3,445,000
Shares redeemed in the period	(5,981)	(640,482)
Balance at June 30, 2020	<u>211,812</u>	<u>23,004,234</u>
Shares redeemed on July 1, 2020	(1,176)	(120,893)
<b>Balance at June 30, 2020</b> (in accordance with ASC Subtopic 480-10)	<u><b>210,636</b></u>	<u><b>22,883,341</b></u>

<b>USD E Share Class</b>	<b>No. of Shares</b>	<b>Total US\$</b>
Balance at December 31, 2019	3,228	315,000
Shares issued in the period	-	-
Shares redeemed in the period	-	-
Balance at June 30, 2020	<u>3,228</u>	<u>315,000</u>
Shares redeemed on July 1, 2020	-	-
<b>Balance at June 30, 2020</b> (in accordance with ASC Subtopic 480-10)	<u><b>3,228</b></u>	<u><b>315,000</b></u>

**7. Sundry payables and accrued expenses**

	<b>June 30, 2020</b> <b>US\$</b>
Distribution fees	\$ 258,984
Audit & tax fees	\$ 56,335
Registrar and Transfer Agency fees	\$ 3,333
Administration fees	\$ 1,000
Corporate, Legal & Misc	\$ 19,177
<b>Total Sundry payables and accrued expenses</b>	<u><b>\$ 338,829</b></u>

**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.



**Notes to the Financial Statements (continued)****8. Financial Instruments (continued)****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 Unit. Reviews are completed by staff in consultation with the Risk Management Unit. The Risk Register is reviewed and approved annually by the Board of Directors of the Investment Manager.

**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 Financial Statements.

**9. Gains and losses from financial instruments**

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

	<b>June 30, 2020</b>
	<b>US\$</b>
Realized gains on Investments	3,631,404
Net change in unrealized loss on investments	(3,800,150)
<b>Total loss on investments</b>	<b><u>(168,746)</u></b>

Gains and losses 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 to 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 into the ACL Alternative Fund. The 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 accrued in 2020 were US\$2,500. 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.

**Notes to the Financial Statements (continued)**

**11. Cash and cash equivalents**

Amounts held with BNP Paribas Securities Services, Dublin Branch as at June 30, 2020 amounted to US\$425,859. BNP Paribas Securities 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		Dec 31, 2018	Dec 31, 2019	Jun 30, 2020
USD A Share Class	NAV	\$122.22	\$130.35	\$128.67
USD B Share Class	NAV	\$108.96	\$118.57	\$118.19
USD C Share Class	NAV	\$84.84	\$90.49	\$89.20
USD D Share Class	NAV	\$94.89	\$103.28	\$102.83
USD E Share Class	NAV	\$92.47	\$99.87	\$99.06

Share Class		Dec 31, 2018	Dec 31, 2019	Jun 30, 2020
USD A Share Class	FUM	\$171,447,376	\$144,971,343	\$129,031,820
USD B Share Class	FUM	\$16,808,286	\$2,922,524	\$2,674,229
USD C Share Class	FUM	\$24,458,985	\$22,928,800	\$21,928,701
USD D Share Class	FUM	\$22,093,220	\$19,139,083	\$21,659,763
USD E Share Class	FUM	\$298,460	\$322,341	\$319,748

**14. Subsequent events**

Events subsequent to June 30, 2020 have been evaluated up to October 15, 2020, the date these interim unaudited Financial Statements were available to be issued.

No material subsequent events have occurred since June 30, 2020 that would require recognition or disclosure in these interim unaudited Financial Statements.

**15. Approval of interim unaudited Financial Statements**

These interim unaudited Financial Statements were approved by the Board of Directors on October 15, 2020.

# **ACL Alternative Fund**

**A segregated account of ACL Alternative Fund SAC Limited**

**Interim unaudited Financial Statements for the period  
January 1, 2020 to June 30, 2020**

**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

June 30, 2020

<b>Table of Contents</b>	<b>Page</b>
Directory .....	1
Investment Manager's Report .....	2
Condensed Schedule of Investments .....	6
Statement of Assets and Liabilities .....	8
Statement of Operations .....	10
Statement of Changes in Net Assets .....	11
Financial Highlights .....	12
Notes to the Financial Statements .....	15
Appendix .....	41

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## 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

### Depositary

BNP Paribas Securities Services, Dublin Branch  
Trinity Point  
10-11 Leinster Street South  
Dublin 2  
Ireland

### Investment Manager

Abbey Capital Limited  
1-2 Cavendish Row  
Dublin 1  
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  
3<sup>rd</sup> Floor  
720 West Bay Road  
Grand Cayman, KY1-1104  
Cayman Islands

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## 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 fifteen 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.

<b>Share Classes in Issue</b>	<b>Launch Date</b>	<b>NAV per share as of June 30, 2020</b>
USD Share Class A	January 31, 2002	\$303.10
USD Share Class B	July 3, 2006	\$176.14
USD Share Class C	January 2, 2009	\$101.78
USD Share Class E	April 1, 2014	\$124.70
Euro Hedged Share Class A	July 1, 2004	EUR197.95
Euro Hedged Share Class B	July 1, 2009	EUR110.03
Euro Hedged Share Class C	January 29, 2010	EUR100.26
GBP Hedged Share Class A	June 1, 2010	£115.44
GBP Hedged Share Class B	January 30, 2006	£186.45
GBP Hedged Share Class C	February 4, 2011	£93.15
CHF Hedged Share Class A	April 15, 2011	CHF83.86
CHF Hedged Share Class B	March 1, 2010	CHF103.54
CHF Hedged Share Class C	October 15, 2010	CHF83.56
JPY Hedged Share Class B	January 21, 2011	¥9,663
JPY Hedged Share Class D	August 31, 2010	¥9,828

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 21 trading funds (the "Trading Funds") as at June 30, 2020, each Trading Fund being a separate and distinct segregated account established and maintained by the Company. 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 a managed account in the Trading Fund's name held with one of the Trading Fund's principal brokers.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Investment Manager's Report (continued)

### Investment Objective and Strategy (continued)

Diversification is achieved at the Trading Fund, trading style and market sector level. 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, Global Macro and specialist FX strategies. 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, 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 -0.23% in the first six months of 2020. Since inception in December 2000 the Fund (USD Share Class A) has returned cumulatively +262.37%, providing an annualised return for the USD Share Class A of +6.79%<sup>(1)</sup>.

The first six months of the year were characterized by mixed performance across managed futures strategies, which led to high dispersion of returns across the industry. Within the Fund, positive performance was recorded by Short-term Systematic ("Short-term"), while Long-term Trendfollowing ("Trendfollowing"), Global Macro and Value were negative.

H1 2020 was a period of notable moves and heightened volatility in many markets. In January we saw reports of COVID-19 cases begin to emerge in China followed by a sharp uptick in new infections. However, it was the acceleration in cases outside of Asia in February, notably in Italy, that prompted a significant reversal in risk sentiment. This led to sharp corrections in many risk assets such as equities, crude oil and base metals amid concerns about the global economic outlook. Meanwhile, assets like bonds and precious metals benefited from increased haven demand and dovish central bank policy, which included rate cuts and quantitative easing by many global central banks.

<sup>(1)</sup>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. 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. Trading 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. Diversification does not assure profit, nor does it protect against a loss (including in a declining market).



# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Investment Manager's Report (continued)

### Fund Performance to date (continued)

In late March we saw risk sentiment begin to recover, and this continued throughout most of Q2 2020. Investor focus shifted away from the slowdown in global economic activity amid widespread social distancing measures, and instead looked ahead to the prospect of the global economy reopening. Downtrends in growth sensitive assets reversed in Q2 2020, with equities, crude oil and base metals all rallying strongly during the quarter. Trends in currency markets also reversed, as haven demand for the USD eased amid improved market sentiment.

Equities saw the largest losses at the Fund level. Negative performance was largely driven by Trendfollowing in Q1 2020, which held long positions before equities corrected in February as many global indices were either at, or close to, record highs. Global Macro and Value were also negative in equities, however Short-term was positive as managers profited from higher volatility in the sector during Q1 2020.

Further losses were recorded in currencies. Trendfollowing led negative performance due to mostly long USD exposures, with losses largely occurring during Q2 2020 after the USD, which had been supported by heightened risk aversion, weakened as risk sentiment improved. Short-term was also negative, with trading in EUR/USD and USD/JPY the primary source of Short-term losses.

On the upside, the Fund saw gains in fixed income and commodities during the first half of 2020. In fixed income, longs in bonds, interest rates and interest rate swaps all saw positive performance during the period amid a significant easing in global monetary policy by many central banks, which included the Federal Reserve cutting rates to zero and substantially expanding its balance sheet. Trendfollowing and Short-term Systematic saw notable profits in fixed income, while Value and Global Macro saw smaller gains.

In commodities, the largest gains occurred in energy. Short-term saw profits from short exposures in crude oil and distillates as prices declined significantly and volatility spiked in Q1. Trendfollowing also profited from short exposures in the sector. Further gains for the Fund occurred from long precious metal and short base metal exposures. Meanwhile performance in agricultural commodities was slightly negative as Trendfollowing saw losses in softs.

The Fund's USD Share Class A has delivered total cumulative returns of +262.37%<sup>(2)</sup> since inception, versus +247.39% for the S&P 500 Total Return Index and +116.22% for the SG CTA Index<sup>(3)</sup> over the same time frame.

At the portfolio level, we added one Short-term Systematic manager during H1 2020, while no managers were removed.

Strategy allocations were broadly stable over the period, and we maintained our philosophy of holding a core allocation to Trendfollowing at approximately 55% of portfolio risk. We continued to target allocations to managers at 21% annualised volatility.

<sup>(2)</sup> 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. 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. Trading 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. Diversification does not assure profit, nor does it protect against a loss (including in a declining market).

<sup>(3)</sup> The above is shown for illustrative purposes only. None of the funds managed by Abbey Capital Limited are benchmarked against any index.

## **ACL Alternative Fund**

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

### **Investment Manager's Report (continued)**

#### **Abbey Capital Limited – Investment Manager**

Abbey Capital Limited (“Abbey Capital”) entered its 20<sup>th</sup> year of track record in 2020 and we remain committed to being a specialist in multi-manager managed futures investing.

The first six months of 2020 saw volatility return to financial markets alongside the first US equity bear market since the Global Financial Crisis. The Fund provided positive returns during the equity market selloff in Q1 2020 while maintaining a negative daily return correlation to the S&P 500. However, a sharp snapback in risk sentiment in Q2 2020 led to trend reversals in many sectors which resulted in a more challenging environment for performance. While we cannot control when and where profitable trends and opportunities may arise, we continue to maintain a conviction in the merit of managed futures as an investment strategy and this is reflected in our own investment portfolios.

We remain focused on the aspects of our business that we can control, as investing in our systems, enhancing our investment and risk management processes, and delivering top quality service to our investors.

#### **Abbey Capital Limited**

**September 2020**

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Condensed Schedule of Investments

	Fair Value US\$	% of Net Asset Value
<b>Short Term Deposits</b>		
National Bank of Canada, July 1, 2020, 0.08%	98,961,528	7.45%
Swedbank, July 1, 2020, 0.06%	98,639,668	7.42%
Bank of Montreal, July 1, 2020, 0.07%	98,547,277	7.42%
HSBC Bank, July 1, 2020, 0.08%	98,004,472	7.38%
DZ Bank, July 1, 2020, 0.07%	97,866,840	7.36%
Mizuho Bank Limited, July 1, 2020, 0.05%	97,123,515	7.31%
Skandinaviska Enskilda Banke, July 1, 2020, 0.50%	97,076,400	7.31%
ABN AMRO, July 1, 2020, 0.15%	97,052,829	7.30%
Bank of Tokyo, July 1, 2020, 0.01%	94,632,940	7.12%
DNB ASA, July 1, 2020, 0.04%	65,217,749	4.91%
Sumitomo Mitsui Trust Bank, July 1, 2020, 0.01%	25,895,149	1.95%
Rabobank, July 1, 2020, 0.03%	6,000,005	0.45%
<b>Total Short Term Deposits</b> <b>(cost: US\$974,971,524)</b>	<b>975,018,372</b>	<b>73.38%</b>

	No. of contracts	Fair Value US\$	% of Net Asset Value
<b>Purchased Future Option Contracts</b>			
Various Currency Futures Contracts (Aug-Sep20)	1,156	199,080	0.01%
Various Stock Index Futures Contracts (Jul-Sep20)	2,769	3,028,889	0.23%
Various Interest Rate Futures Contracts (Dec21)	4,580	744,250	0.06%
Various Financial Futures Contracts (Aug20)	2,408	1,079,205	0.08%
<b>Total Purchased Future Option Contracts</b> <b>(cost: US\$10,119,641)</b>	<b>10,913</b>	<b>5,051,424</b>	<b>0.38%</b>

	No. of contracts	Fair Value US\$	% of Net Asset Value
<b>Sold Future Option Contracts</b>			
Various Currency Futures Contracts (Aug-Sep20)	(1,156)	(917,102)	(0.07%)
Various Stock Index Futures Contracts (Jul-Sep20)	(2,483)	(5,202,113)	(0.39%)
Various Interest Rate Futures Contracts (Dec21)	(4,580)	(458,000)	(0.03%)
Various Financial Futures Contracts (Aug20)	(1,344)	(131,192)	(0.01%)
<b>Total Sold Future Option Contracts</b> <b>(cost: (US\$14,396,236))</b>	<b>(9,562)</b>	<b>(6,708,407)</b>	<b>(0.50%)</b>

	No. of contracts	Fair Value US\$	% of Net Asset Value
<b>Investments in Long Futures Contracts</b>			
Various Currency Futures Contracts (Jul-Sep20)	3,676	(2,221,829)	(0.17%)
Various Energy Futures Contracts (Jul20-Dec21)	1,642	(87,926)	(0.01%)
Various Grains Futures Contracts (Jul20-Dec21)	3,289	(1,123,236)	(0.08%)
Various Equity Index Futures Contracts (Jul20-Dec23)	7,365	1,773,454	0.13%
Various Interest Rate Futures Contracts (Sep20-Dec23)	27,495	3,958,392	0.30%
Various Financial Futures Contracts (Aug-Sep20)	15,545	6,734,292	0.51%
Various Meat Futures Contracts (Aug20-Feb21)	275	(123,350)	(0.01%)
Various Metal Futures Contracts (Jul20-Jun21)	7,919	21,037,688	1.58%
Various Industrial Futures Contracts (Sep20)	1	891	0.00%
Various Tropical Futures Contracts (Dec20-Jul21)	814	504,865	0.04%
<b>Total Long Futures Contracts</b>	<b>68,021</b>	<b>30,453,241</b>	<b>2.29%</b>

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Condensed Schedule of Investments (continued)

Investment in Short Futures Contracts	No. of contracts	Fair Value US\$	% of Net Asset Value
Various Currency Futures Contracts (Jul-Sep20)	(2,271)	1,922,622	0.14%
Various Energy Futures Contracts (Jul20-Dec21)	(5,588)	(1,222,183)	(0.09%)
Various Grains Futures Contracts (Jul20-Dec21)	(12,462)	(1,449,751)	(0.11%)
Various Equity Index Futures Contracts (Jul20-Dec21)	(3,168)	(170,250)	(0.01%)
Various Interest Rate Futures Contracts (Sep20-Dec22)	(538)	(46,253)	(0.00%)
Various Financial Futures Contracts (Aug-Sep20)	(6,808)	(2,503,785)	(0.19%)
Various Meat Futures Contracts (Aug-Dec20)	(1,350)	1,819,319	0.14%
Various Metal Futures Contracts (Jul20-Apr21)	(6,005)	(17,216,212)	(1.30%)
Various Industrial Futures Contracts (Jul-Nov20)	(58)	1,621	0.00%
Various Tropical Futures Contracts (Dec20-Mar21)	(422)	(278,064)	(0.02%)
<b>Total Short Futures Contracts</b>	<b>(38,670)</b>	<b>(19,142,936)</b>	<b>(1.44%)</b>
<b>Investments in Long Interest Rate Swap Contracts</b>		<b>Fair Value US\$</b>	<b>% of Net Asset Value</b>
Various Interest Rate Swap Contracts		13,310,403	1.00%
<b>Total Long Interest Rate Swap Contracts</b>		<b>13,310,403</b>	<b>1.00%</b>
<b>Investments in Short Interest Rate Swap Contracts</b>		<b>Fair Value US\$</b>	<b>% of Net Asset Value</b>
Various Interest Rate Swap Contracts		(8,059,533)	(0.61%)
<b>Total Short Interest Rate Swap Contracts</b>		<b>(8,059,533)</b>	<b>(0.61%)</b>
<b>Investments in Long Forward Foreign Exchange Contracts</b>		<b>Fair Value US\$</b>	<b>% of Net Asset Value</b>
Various Forward Foreign Exchange Contracts		(9,500,294)	(0.71%)
<b>Total Long Forward Foreign Exchange Contracts</b>		<b>(9,500,294)</b>	<b>(0.71%)</b>
<b>Investments in Short Forward Foreign Exchange Contracts</b>		<b>Fair Value US\$</b>	<b>% of Net Asset Value</b>
Various Forward Foreign Exchange Contracts		3,784,189	0.28%
<b>Total Short Forward Foreign Exchange Contracts</b>		<b>3,784,189</b>	<b>0.28%</b>
<b>Net unrealized gains on Futures, Options, Swap and Forward Contracts</b>		<b>9,188,087</b>	<b>0.69%</b>
<b>Other Net Assets and Liabilities</b>		<b>344,618,180</b>	<b>25.93%</b>
<b>Net assets</b>		<b>1,328,824,639</b>	<b>100.00%</b>

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Statement of Assets and Liabilities

	<b>June 30, 2020</b>
<b>Assets</b>	<b>US\$</b>
Investments in short term deposits (Note 3)	975,018,372
Derivative & foreign exchange contracts, at fair value (Note 3,7)	82,887,019
Cash and cash equivalents	71,916,233
Due from broker	298,869,733
<b>Total Assets</b>	<b><u>1,428,691,357</u></b>
<b>Liabilities</b>	
Derivative & foreign exchange contracts, at fair value (Note 3,7)	73,698,932
Depreciation deposits / Equalization credits (Note 4)	20,947,983
Redemptions payable (Note 2)	2,588,203
Subscriptions received in advance	725,000
Fees payable (Note 4)	1,906,600
<b>Total Liabilities</b>	<b><u>99,866,718</u></b>
<b>Net Assets</b>	<b><u>1,328,824,639</u></b>
<b>Analysis of Net Assets</b>	
Paid-in capital (Note 6)	1,177,366,744
Distributable earnings	151,457,895
<b>Net Assets</b>	<b><u>1,328,824,639</u></b>

### NAV Information & Shares in Issue

Share Class	NAV per Share	Shares in issue
USD Share Class A	\$303.10	3,130,890
USD Share Class B	\$176.14	1,189,908
USD Share Class C	\$101.78	28,957
USD Share Class E	\$124.70	425,144
Euro Hedged Share Class A	EUR197.95	222,999
Euro Hedged Share Class B	EUR110.03	64,201
Euro Hedged Share Class C	EUR100.26	1,051
GBP Hedged Share Class A	£115.44	40,405
GBP Hedged Share Class B	£186.45	1,808
GBP Hedged Share Class C	£93.15	2,005
CHF Hedged Share Class A	CHF83.86	847
CHF Hedged Share Class B	CHF103.54	4,442
CHF Hedged Share Class C	CHF83.56	922
JPY Hedged Share Class B	¥9,663	395,515
JPY Hedged Share Class D	¥9,828	155,742

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

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Statement of Assets and Liabilities (continued)

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



Director

Date: October 15, 2020



Director

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Statement of Operations

	For the period January 1 to June 30, 2020 US\$
<b>Investment income</b>	
Interest income (Note 2)	5,871,011
<b>Expenses</b>	
Investment manager management fees (Note 4)	(6,176,812)
Trading advisors' management fees (Note 4)	(4,146,685)
Trading advisors' incentive fees (Note 4)	(4,629,346)
Administration fees (Note 4)	(663,713)
Depository fees (Note 4)	(120,000)
Audit & Tax fees (Note 4)	(95,175)
Legal & other professional fees (Note 4)	(79,141)
Registrar & transfer agent fees (Note 4)	(75,000)
Directors' fees (Note 4)	(5,750)
<b>Total expenses</b>	<u>(15,991,622)</u>
<b>Net investment loss</b>	<u>(10,120,611)</u>
<b>Net realized gain on:</b>	
Investments in derivative contracts and foreign currency (Note 9)	16,913,958
<b>Net change in unrealized loss on:</b>	
Investments in derivative contracts and foreign currency (Note 9)	(1,846,770)
<b>Net gain from investments in derivative contracts and foreign currency</b>	<u>15,067,188</u>
<b>Net increase in net assets resulting from operations</b>	<u>4,946,577</u>

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

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

Director

Date: October 15, 2020



Director

## ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

### Statement of Changes in Net Assets

	<b>June 30, 2020</b>
	<b>US\$</b>
<b>Operations</b>	
Net investment loss for the period	(10,120,611)
<b>Net realized gain from</b>	
Investments in derivative contracts and foreign exchange	16,913,958
<b>Net change in unrealized loss on</b>	
Investments in derivative contracts and foreign exchange	(1,846,770)
<b>Net increase in net assets resulting from operations</b>	<u><b>4,946,577</b></u>
<b>Capital share transactions</b>	
Proceeds on issue of shares (Note 6)	36,648,247
Paid on redemption of shares (Note 6)	(317,838,973)
Depreciation deposits applied (Note 4)	523,459
<b>Net decrease in net assets resulting from capital share transactions</b>	<u><b>(280,667,267)</b></u>
<b>Net decrease in net assets</b>	<u><b>(275,720,690)</b></u>
<b>Net Assets</b>	
Beginning of the period	1,604,545,329
End of period	<u><b>1,328,824,639</b></u>

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



# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Financial Highlights

The following tables include selected data for each Share Class outstanding at each month end throughout the period 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 E	GBP Hedged Share Class A
Currency	USD	USD	USD	USD	GBP
Net investment loss	(1.36)	(1.01)	(1.12)	(1.20)	(0.33)
Net realized & unrealized gain/(loss) on investments	0.65	0.38	0.24	0.29	(0.79)
<b>Net decrease in Net Asset Value per Share*</b>	<b>(0.71)</b>	<b>(0.63)</b>	<b>(0.88)</b>	<b>(0.91)</b>	<b>(1.12)</b>
Net Asset Value per share:					
Beginning of period	303.81	176.77	102.66	125.61	116.56
End of period	303.10	176.14	101.78	124.70	115.44
Total return before Trading Advisor incentive fees	0.09%	(0.04%)	(0.54%)	(0.40%)	(0.64%)
Trading Advisor incentive fees	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
<b>Total net return</b>	<b>(0.23%)</b>	<b>(0.36%)</b>	<b>(0.86%)</b>	<b>(0.72%)</b>	<b>(0.96%)</b>
Expenses to average net assets before Trading Advisor incentive fees	(0.73%)	(0.86%)	(1.36%)	(1.23%)	(0.73%)
Trading Advisor incentive fees	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
<b>Total net expenses**</b>	<b>(1.05%)</b>	<b>(1.18%)</b>	<b>(1.68%)</b>	<b>(1.55%)</b>	<b>(1.05%)</b>
Net investment loss before Trading Advisor incentive fees	(0.33%)	(0.46%)	(0.96%)	(0.83%)	(0.33%)
Trading Advisor incentive fees	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
<b>Total net investment loss</b>	<b>(0.65%)</b>	<b>(0.78%)</b>	<b>(1.28%)</b>	<b>(1.15%)</b>	<b>(0.65%)</b>
<b>Net assets, end of period in USD</b>	<b>948,959,178</b>	<b>209,591,807</b>	<b>2,947,346</b>	<b>53,014,769</b>	<b>5,778,691</b>

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

\*\* As set out in Note 4 to these interim unaudited 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 accompanying notes are an integral part of these interim unaudited Financial Statements.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Financial Highlights (continued)

Share Class	GBP Hedged Share Class B	GBP Hedged Share Class C	Euro Hedged Share Class A	Euro Hedged Share Class B	EUR Hedged Share Class C
Currency	GBP	GBP	EUR	EUR	EUR
Net investment loss	(0.90)	(0.93)	(0.89)	(0.64)	(1.10)
Net realized & unrealized loss on investments	(1.30)	(0.65)	(1.52)	(0.84)	(0.76)
<b>Net decrease in Net Asset Value per Share*</b>	<b>(2.20)</b>	<b>(1.58)</b>	<b>(2.41)</b>	<b>(1.48)</b>	<b>(1.86)</b>
Net Asset Value per share:					
Beginning of period	188.65	94.73	200.36	111.51	102.12
End of period	186.45	93.15	197.95	110.03	100.26
Total return before Trading Advisor incentive fees	(0.85%)	(1.35%)	(0.88%)	(1.01%)	(1.50%)
Trading Advisor incentive fees	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
<b>Total net return</b>	<b>(1.17%)</b>	<b>(1.67%)</b>	<b>(1.20%)</b>	<b>(1.33%)</b>	<b>(1.82%)</b>
Expenses to average net assets before Trading Advisor incentive fees	(0.86%)	(1.36%)	(0.73%)	(0.86%)	(1.36%)
Trading Advisor incentive fees	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
<b>Total net expenses**</b>	<b>(1.18%)</b>	<b>(1.68%)</b>	<b>(1.05%)</b>	<b>(1.18%)</b>	<b>(1.68%)</b>
Net investment loss before Trading Advisor incentive fees	(0.46%)	(0.96%)	(0.33%)	(0.46%)	(0.96%)
Trading Advisor incentive fees	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
<b>Total net investment loss</b>	<b>(0.78%)</b>	<b>(1.28%)</b>	<b>(0.65%)</b>	<b>(0.78%)</b>	<b>(1.28%)</b>
<b>Net assets, end of period in USD</b>	<b>417,582</b>	<b>231,352</b>	<b>49,600,521</b>	<b>7,937,495</b>	<b>118,372</b>

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

\*\* As set out in Note 4 to these interim unaudited 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 accompanying notes are an integral part of these interim unaudited Financial Statements.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Financial Highlights (continued)

Share Class	CHF Hedged Share Class A	CHF Hedged Share Class B	CHF Hedged Share Class C	JPY Hedged Share Class B	JPY Hedged Share Class D
Currency	CHF	CHF	CHF	JPY	JPY
Net investment loss	(0.38)	(0.60)	(0.92)	(56)	(83)
Net realized & unrealized loss on investments	(0.79)	(0.97)	(0.78)	(79)	(80)
<b>Net decrease in Net Asset Value per Share*</b>	<b>(1.17)</b>	<b>(1.57)</b>	<b>(1.70)</b>	<b>(135)</b>	<b>(163)</b>
Net Asset Value per share:					
Beginning of period	85.03	105.11	85.26	9,798	9,990
End of period	83.86	103.54	83.56	9,663	9,827
Total return before Trading Advisor incentive fees	(1.06%)	(1.17%)	(1.67%)	(1.06%)	(1.31%)
Trading Advisor incentive fees	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
<b>Total net return</b>	<b>(1.38%)</b>	<b>(1.49%)</b>	<b>(1.99%)</b>	<b>(1.38%)</b>	<b>(1.63%)</b>
Expenses to average net assets before Trading Advisor incentive fees	(0.73%)	(0.86%)	(1.36%)	(0.86%)	(1.11%)
Trading Advisor incentive fees	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
<b>Total net expenses**</b>	<b>(1.05%)</b>	<b>(1.18%)</b>	<b>(1.68%)</b>	<b>(1.18%)</b>	<b>(1.43%)</b>
Net investment loss before Trading Advisor incentive fees	(0.33%)	(0.46%)	(0.96%)	(0.46%)	(0.71%)
Trading Advisor incentive fees	(0.32%)	(0.32%)	(0.32%)	(0.32%)	(0.32%)
<b>Total net investment loss</b>	<b>(0.65%)</b>	<b>(0.78%)</b>	<b>(1.28%)</b>	<b>(0.78%)</b>	<b>(1.03%)</b>
<b>Net assets, end of period in USD</b>	<b>75,046</b>	<b>485,702</b>	<b>81,389</b>	<b>35,406,089</b>	<b>14,179,300</b>

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

\*\* As set out in Note 4 to these interim unaudited 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 accompanying notes are an integral part of these interim unaudited Financial Statements.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## 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<sup>(4)</sup>.

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 June 30, 2020 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 June 30, 2020, the ACL Alternative Fund allocated to 21 underlying managers.

The Fund is one of four 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 fifteen are currently in issue; a USD Share Class A, a USD Share Class B, a USD Share Class C, a USD Share Class E, a Euro Hedged Share Class A, a Euro Hedged Share Class B, a Euro Hedged Share Class C, a GBP Hedged Share Class A, a GBP Hedged Share Class B, a GBP Hedged Share Class C, a CHF Hedged Share Class A, a CHF Hedged Share Class B, a CHF Hedged Share Class C, 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 (USD).

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.

<sup>(4)</sup>The provisions of the Act have not yet been tested by a court.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 2. Significant accounting policies

These interim unaudited financial statements are presented using the United States Dollar (USD or 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"). 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 realized and change in unrealized gain/(loss) and expenses are included in the Statement of Operations.

#### **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.

#### **Amounts due from broker**

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

#### **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 maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value.

**Notes to the Financial Statements (continued)****2. Significant accounting policies (continued)****Cash and cash equivalents (continued)**

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.

**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.

**Short-term deposits**

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

**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 June 30, 2020 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 loss on investments in derivative contracts and foreign currency".

**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.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 2. Significant accounting policies (continued)

#### Interest Rate Swaps

The Fund values interest rate swaps 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 and currency exchange 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 \$1,884,647 were effective for July 1, 2020 have been reclassified to redemptions payable on the Statement of Assets and Liabilities. Further redemption amounts dealt in June 2020 totaling \$703,556 remained payable to investors at period end.

### 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 overleaf shows information about the Fund's assets and liabilities measured at fair value as of June 30, 2020. All values shown are stated in USD.

				Balance as at June 30, 2020
Assets	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Investments in short term deposits	975,018,372	-	-	975,018,372
Investments in derivative contracts	54,835,362	15,130,562	-	69,965,924
Investments in foreign exchange contracts	-	12,921,095	-	12,921,095
<b>Total Assets</b>	<b>1,029,853,734</b>	<b>28,051,657</b>	<b>-</b>	<b>1,057,905,391</b>

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 3. Fair value measurements (continued)

Liabilities	Level 1 US\$	Level 2 US\$	Level 3 US\$	Balance as at June 31, 2020 Total US\$
Investments in derivative contracts	(45,182,040)	(9,879,692)	-	(55,061,732)
Investments in foreign exchange contracts	-	(18,637,200)	-	(18,637,200)
<b>Total Liabilities</b>	<b>(45,182,040)</b>	<b>(28,516,892)</b>	<b>-</b>	<b>(73,698,932)</b>
<b>Total</b>	<b>984,671,694</b>	<b>(465,235)</b>	<b>-</b>	<b>984,206,459</b>

There were no significant transfers between any of the levels of the fair value hierarchy during the period ended June 30, 2020. In addition, there were no Level 3 Assets or Liabilities held by the Fund as at June 30, 2020 or at any time during the period then ended.

### 4. Fees and expenses

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 Euro Hedged Share Class C, the GBP Hedged Share Class A, the GBP Hedged Share Class B, the GBP Hedged Share Class C, the CHF Hedged Share Class A, the CHF Hedged Share Class B, the CHF Hedged Share Class C, 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.

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. No incentive fees were paid to the Investment Manager during the period.



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

During the period ended June 30, 2020, amounts of \$753,881 were crystallized from the Depreciation Deposit account of which \$523,459 was paid to the fund and \$230,422 was paid to the Investment Manager. As at June 30, 2020, the total amount of depreciation deposits payable to investors amounted to \$20,944,107.

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 June 30, 2020 the equalization credits payable to investors amounted to \$3,876.

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. This is payable monthly in arrears.

**Notes to the Financial Statements (continued)****4. Fees and expenses (continued)****Investment manager and trading advisor equalization (continued)**

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"). "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.

**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\$12,500 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

June 30, 2020

## Notes to the Financial Statements (continued)

### 4. Fees and expenses (continued)

#### Depositary fees (continued)

The fees payable by each Trading Fund to the Depositary in relation to Depositary 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. Depositary fees for the period were \$120,000. As at June 30, 2020, the total Depositary fees payable were \$39,181.

#### Director's fees

The Trading Funds shall pay the Directors 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 \$20,000. Mr. Carney does not receive any Directors' fee. Such fees shall be paid semi-annually in arrears.

#### Fees payable

Fees payable by the Trading Funds as at June 30, 2020 were:

	US\$
Investment Manager management fees	765,577
Trading Advisor management fees	611,648
Trading Advisor incentive fees	176,234
Brokerage commissions and other fees	112,015
Administration fees	101,586
Audit & Tax fees	92,243
Depositary fees	39,181
Other professional fees	8,116
<b>Total</b>	<b><u>1,906,600</u></b>

### 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 \$5,190 per annum, based upon the Company's authorized share capital.

**Notes to the Financial Statements (continued)****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 June 30, 2020 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 June 30, 2020, shares have been issued in fifteen sub classes, namely the USD Share Class A, USD Share Class B, USD Share Class C, USD Share Class E, Euro Hedged Share Class A, Euro Hedged Share Class B, Euro Hedged Share Class C, GBP Hedged Share Class A, GBP Hedged Share Class B, GBP Hedged Share Class C, CHF Hedged Share Class A, CHF Hedged Share Class B, CHF Hedged Share Class C, JPY Hedged Share Class B and the JPY Hedged Share Class D.</p>
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Each Share is entitled to a vote.

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, Euro Hedged Share Class C, GBP Hedged Share Class A, GBP Hedged Share Class B, GBP Hedged Share Class C, CHF Hedged Share Class A, CHF Hedged Share Class B, CHF Hedged Share Class C, 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.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 6. Share Capital (continued)

USD Share Class A	Number of Shares	Share Capital US\$	Share Premium US\$	Total US\$
Balance at December 31, 2019	3,496,572	3,497	682,525,913	682,529,410
Shares issued	70,591	71	21,963,097	21,963,168
Shares redeemed	(430,510)	(431)	(135,919,351)	(135,919,782)
Depreciation deposits applied	-	-	270,242	270,242
<b>Balance at June 30, 2020</b>	<b>3,136,653</b>	<b>3,137</b>	<b>568,839,901</b>	<b>568,843,038</b>
Shares to redeem (Jul 1, 2020)	(5,763)	(6)	(1,746,641)	(1,746,647)
<b>Balance at June 30, 2020</b>	<b>3,130,890</b>	<b>3,131</b>	<b>567,093,260</b>	<b>567,096,391</b>
<b>USD Share Class B</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
Balance at December 31, 2019	1,231,662	1,232	257,623,383	257,624,615
Shares issued	40,532	41	7,297,008	7,297,049
Shares redeemed	(81,503)	(82)	(14,979,739)	(14,979,821)
Depreciation deposits applied	-	-	28,450	28,450
<b>Balance at June 30, 2020</b>	<b>1,190,691</b>	<b>1,191</b>	<b>249,969,102</b>	<b>249,970,293</b>
Shares to redeem (Jul 1, 2020)	(783)	(1)	(137,999)	(138,000)
<b>Balance at June 30, 2020</b>	<b>1,189,908</b>	<b>1,190</b>	<b>249,831,103</b>	<b>249,832,293</b>
<b>USD Share Class C</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
Balance at December 31, 2019	34,379	35	13,086,463	13,086,498
Shares issued	-	-	-	-
Shares redeemed	(5,422)	(6)	(581,595)	(581,601)
Depreciation deposits applied	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>28,957</b>	<b>29</b>	<b>12,504,868</b>	<b>12,504,897</b>
<b>USD Share Class E</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
Balance at December 31, 2019	414,758	415	54,873,049	54,873,464
Shares issued	45,857	46	5,962,721	5,962,767
Shares redeemed	(35,471)	(35)	(4,571,277)	(4,571,312)
Depreciation deposits applied	-	-	23,093	23,093
<b>Balance at June 30, 2020</b>	<b>425,144</b>	<b>426</b>	<b>56,287,586</b>	<b>56,288,012</b>

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 6. Share Capital (continued)

<b>Euro Hedged Share Class A</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
<b>Balance at December 31, 2019</b>	<b>270,118</b>	<b>270</b>	<b>36,998,776</b>	<b>36,999,046</b>
Shares issued	3,487	4	785,106	785,110
Shares redeemed	(50,606)	(51)	(11,620,165)	(11,620,216)
Depreciation deposits applied	-	-	8,670	8,670
<b>Balance at June 30, 2020</b>	<b>222,999</b>	<b>223</b>	<b>26,172,387</b>	<b>26,172,610</b>

  

<b>Euro Hedged Share Class B</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
<b>Balance at December 31, 2019</b>	<b>71,902</b>	<b>72</b>	<b>17,127,211</b>	<b>17,127,283</b>
Shares issued	836	1	103,659	103,660
Shares redeemed	(8,537)	(9)	(1,072,088)	(1,072,097)
Depreciation deposits applied	-	-	3,346	3,346
<b>Balance at June 30, 2020</b>	<b>64,201</b>	<b>64</b>	<b>16,162,128</b>	<b>16,162,192</b>

  

<b>Euro Hedged Share Class C</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
<b>Balance at December 31, 2019</b>	<b>1,051</b>	<b>1</b>	<b>10,615,409</b>	<b>10,615,410</b>
Shares issued	-	-	-	-
Shares redeemed	-	-	-	-
Depreciation deposits applied	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>1,051</b>	<b>1</b>	<b>10,615,409</b>	<b>10,615,410</b>

  

<b>CHF Hedged Share Class A</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
<b>Balance at December 31, 2019</b>	<b>847</b>	<b>1</b>	<b>1,010,666</b>	<b>1,010,667</b>
Shares issued	-	-	-	-
Shares redeemed	-	-	-	-
Depreciation deposits applied	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>847</b>	<b>1</b>	<b>1,010,666</b>	<b>1,010,667</b>

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 6. Share Capital (continued)

CHF Hedged Share Class B	Number of Shares	Share Capital US\$	Share Premium US\$	Total US\$
Balance at December 31, 2019	4,442	4	8,541,894	8,541,898
Shares issued	-	-	-	-
Shares redeemed	-	-	-	-
Depreciation deposits applied	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>4,442</b>	<b>4</b>	<b>8,541,894</b>	<b>8,541,898</b>

  

CHF Hedged Share Class C	Number of Shares	Share Capital US\$	Share Premium US\$	Total US\$
Balance at December 31, 2019	922	1	3,046,018	3,046,019
Shares issued	-	-	-	-
Shares redeemed	-	-	-	-
Depreciation deposits applied	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>922</b>	<b>1</b>	<b>3,046,018</b>	<b>3,046,019</b>

  

GBP Hedged Share Class A	Number of Shares	Share Capital US\$	Share Premium US\$	Total US\$
Balance at December 31, 2019	957,474	957	184,820,744	184,821,701
Shares issued	3,489	3	536,490	536,493
Shares redeemed	(920,558)	(920)	(147,208,577)	(147,209,497)
Depreciation deposits applied	-	-	189,658	189,658
<b>Balance at June 30, 2020</b>	<b>40,405</b>	<b>40</b>	<b>38,338,315</b>	<b>38,338,355</b>

  

GBP Hedged Share Class B	Number of Shares	Share Capital US\$	Share Premium US\$	Total US\$
Balance at December 31, 2019	1,808	2	6,663,073	6,663,075
Shares issued	-	-	-	-
Shares redeemed	-	-	-	-
Depreciation deposits applied	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>1,808</b>	<b>2</b>	<b>6,663,073</b>	<b>6,663,075</b>

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 6. Share Capital (continued)

<b>GBP Hedged Share Class C</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
<b>Balance at December 31, 2019</b>	<b>2,005</b>	<b>2</b>	<b>1,999,737</b>	<b>1,999,739</b>
Shares issued	-	-	-	-
Shares redeemed	-	-	-	-
Depreciation deposits applied	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>2,005</b>	<b>2</b>	<b>1,999,737</b>	<b>1,999,739</b>

  

<b>JPY Hedged Share Class B</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
<b>Balance at December 31, 2019</b>	<b>395,515</b>	<b>395</b>	<b>68,724,818</b>	<b>68,725,213</b>
Shares issued	-	-	-	-
Shares redeemed	-	-	-	-
Depreciation deposits applied	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>395,515</b>	<b>395</b>	<b>68,724,818</b>	<b>68,725,213</b>

  

<b>JPY Hedged Share Class D</b>	<b>Number of Shares</b>	<b>Share Capital US\$</b>	<b>Share Premium US\$</b>	<b>Total US\$</b>
<b>Balance at December 31, 2019</b>	<b>155,742</b>	<b>155</b>	<b>109,017,335</b>	<b>109,017,490</b>
Shares issued	-	-	-	-
Shares redeemed	-	-	-	-
Depreciation deposits applied	-	-	-	-
<b>Balance at June 30, 2020</b>	<b>155,742</b>	<b>155</b>	<b>109,017,335</b>	<b>109,017,490</b>

As at June 30, 2020, 6.24% of the USD Share Class A Shares were held by ACL Global Fund, 13.74% of the USD Share Class A Shares were held by Abbey Capital Multi-Manager Fund Limited, 21.07% of the USD Share Class B Shares were held by Abbey Capital Multi-Manager Fund Limited, 3.87% 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 and 77.63% of the USD Share Class E Shares were held by Abbey Capital Daily Futures Fund Limited.

The Abbey Capital ACL Alternative Fund held the following holdings in the Fund as at June 30, 2020; 3.65% of the USD Share Class A, 0.05% of the USD Share Class B, 23.40% of the Euro Hedged Share Class A, 3.96% of the EUR Hedged Share Class B, 22.59% of the GBP Hedged Share Class B, and 100% of the CHF Hedged Share Class B.



**Notes to the Financial Statements (continued)****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 unit 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 system 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 unit 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.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## 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 funds on deposit with such broker and owing to them. The below table shows the short term credit rating of the Fund's counterparties as at June 30, 2020:

Counterparty	S&P	Moody	Fitch
<b>Deposit Banks</b>			
Bank of Montreal	A-1	P-1	F1
Mizuho Bank Limited	A-1	P-1	NA
Swedbank	A-1	P-1	F1
DNB Bank ASA	A-1	P-1	NA
Bank of Tokyo - Mitsubishi UFJ Ltd	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
HSBC France SA	A-1	P-1	F1
Skandinaviska Enskilda Banken	A-1	P-1	F1
<b>FCM and Prime Broker</b>			
Credit Suisse International	A-1	P-1	F1
Deutsche Bank	A-2	P-2	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
Bank of America N.A.	A-1	P-1	F1
UBS A.G.	A-1	P-1	F1
<b>Depository and Custodian</b>			
BNP Paribas Securities Services, Dublin Branch	A-1	P-1	F1
Bank of New York Mellon	A-1	P-1	NA

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 7. Financial instruments (continued)

#### Counterparty risk (continued)

As at June 30, 2020, cash required to be held as margin with the brokers amounted to US\$167,479,015. 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. 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.

#### Off balance sheet risk/derivative risk

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 June 30, 2020, the volume of the Fund's derivative activities based on their notional amounts and number of contracts are as follows:

Primary underlying risk	Long exposure		Short exposure	
	Notional amount US\$'000	No. of contracts	Notional amount US\$'000	No. of contracts
<b>Foreign Exchange Price</b>				
Forward contracts	584,266	218	557,237	218
Futures contracts	352,207	3,676	205,543	2,271
Option contracts*	-	1,156	-	1,156
<b>Commodity price</b>				
Futures contracts	769,580	13,940	831,286	25,884

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 7. Financial instruments (continued)

#### Off balance sheet risk/derivative risk (continued)

Primary underlying risk	Long exposure		Short exposure	
	Notional amount US\$'000	No. of contracts	Notional amount US\$'000	No. of contracts
<b>Bond price</b>				
Futures contracts	2,279,945	15,545	1,106,586	6,808
Options contracts*	-	2,408	-	1,344
<b>Interest rate price</b>				
Futures contracts	6,789,085	27,495	141,197	538
Options contracts*	-	4,580	-	4,580
Swap contracts	815,263	279	428,192	241
<b>Equity price</b>				
Futures contracts	449,604	7,365	194,254	3,168
Options contracts*	-	2,769	-	2,483

\*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.

The fair value of derivative contracts at June 30, 2020, categorized by primary underlying risk and the impact on the Statement of Changes for the period ended June 30, 2020, 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\$
<b>Foreign exchange price</b>				
Forward contracts	12,921,095	(18,637,200)	(26,032,594)	(3,705,835)
Futures contracts	2,340,160	(2,639,366)	(15,080,128)	(522,817)
Option contracts	199,080	(917,102)	(198,864)	(1,170,322)
<b>Commodity price</b>				
Futures contracts	30,788,361	(28,924,698)	88,870,967	(16,990,160)
Options contracts	-	-	(410,019)	-
<b>Bond price</b>				
Futures contracts	7,273,340	(3,042,834)	90,258,400	12,827,529
Options contracts	1,079,205	(131,192)	(1,970,143)	(324,756)
<b>Interest rate price</b>				
Futures contracts	3,969,167	(57,028)	25,869,062	5,123,648
Option contracts	744,250	(458,000)	(1,094,759)	715,487
Swap contracts	15,130,562	(9,879,692)	3,418,554	5,504,483
<b>Equity price</b>				
Futures contracts	5,412,910	(3,809,706)	(144,343,954)	(3,244,028)
Options contracts	3,028,889	(5,202,113)	(2,372,564)	(59,999)
<b>Total</b>	<b>82,887,019</b>	<b>(73,698,932)</b>	<b>16,913,958</b>	<b>(1,846,770)</b>

## Notes to the Financial Statements (continued)

### 7. Financial instruments (continued)

#### 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.

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.

**Notes to the Financial Statements (continued)****7. Financial instruments (continued)****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 Unit. Reviews are completed by staff in consultation with the Risk Management Unit. The Risk Register is reviewed and approved annually by the Board of Directors of the Investment Manager.

**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.

**Notes to the Financial Statements (continued)****7. Financial instruments (continued)****Liquidity and valuation of investments (continued)**

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.

**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 June 30, 2020 US\$21,028,536 of cash was held in foreign currency with the Depository / Broker.

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 June 30, 2020 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 derivatives (comprising futures and forward foreign exchange contracts) during the period. The total realized loss on foreign exchange derivatives amounted to (\$2,136,149) and is included in the Statement of Operations within the balance "Net realized gain/(loss) on investments in derivative contracts and foreign currency". The total change in unrealized loss on foreign exchange derivatives amounting to (\$2,726,644) is included in the Statement of Operations within the balance "Net change in unrealized gain/(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.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 7. Financial instruments (continued)

#### Foreign currency risk (continued)

As at June 30, 2020, 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\$
EURO FX Future Sep 20	408	125,000	57,392,850	(704,310)
JPY FX Future Sep 20	426	12,500,000	49,368,075	(504,810)
GBP FX Future Sep 20	82	62,500	6,353,463	(136,581)
CHF FX Future Sep 20	5	125,000	661,250	(4,531)
<b>Net unrealized loss</b>				<b><u>(1,350,233)</u></b>

### 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 June 30, 2020, 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	82,877,019	-	82,877,019
<b>Total</b>	<b><u>82,877,019</u></b>	<b><u>-</u></b>	<b><u>82,877,019</u></b>



# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 8. Offsetting assets and liabilities (continued)

	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.	9,409,406	(8,705,256)	-	704,150
Credit Suisse International	17,259,858	(13,782,374)	-	3,477,484
Deutsche Bank	1,840,025	(1,421,511)	-	418,514
JP Morgan Securities Limited	7,007,634	(5,032,219)	-	1,975,415
UBS A.G.	1,505,297	(1,505,297)	-	-
SG Americas Securities, LLC	45,864,799	(29,708,488)	-	16,156,311
<b>Total</b>	<b>82,887,019</b>	<b>(60,155,145)</b>	<b>-</b>	<b>22,731,874</b>

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	(73,698,932)	-	(73,698,932)
<b>Total</b>	<b>(73,698,932)</b>	<b>-</b>	<b>(73,698,932)</b>

	Net Amounts of Liabilities 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 pledged US\$	Net Amount US\$
Bank of America N.A.	(12,602,804)	8,705,256	3,777,121	(120,427)
Credit Suisse International	(15,599,166)	13,782,374	1,816,792	-
Deutsche Bank AG	(1,421,511)	1,421,511	-	-
JP Morgan Securities Limited	(5,774,631)	5,032,219	742,412	-
UBS A.G.	(4,325,941)	1,505,297	2,820,644	-
SG Americas Securities, LLC	(33,974,879)	29,708,488	4,266,391	-
<b>Total</b>	<b>(73,698,932)</b>	<b>60,155,145</b>	<b>13,423,360</b>	<b>(120,427)</b>

## ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

### Notes to the Financial Statements (continued)

#### 9. Gains and losses from financial instruments

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

	June 30, 2020 US\$
Realized gains on investments in derivative contracts and foreign currency	920,223,402
Net change in unrealized gains on investments in derivative contracts and foreign currency	141,350,523
<b>Total gains on realized and change in unrealized on investments in derivative contracts and foreign currency</b>	<b>1,061,573,925</b>
	June 30, 2020 US\$
Realized losses on investments in derivative contracts and foreign currency	(903,309,444)
Net change in unrealized losses on investments in derivative contracts and foreign currency	(143,197,293)
<b>Total losses on realized and change in unrealized on investments in derivative contracts and foreign currency</b>	<b>(1,046,506,737)</b>

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

#### 10. Financial Information

The table below shows disaggregated financial information:

	Trading Fund Total	ACL Alternative Fund	Total
Statement of Assets and Liabilities	US\$	US\$	US\$
<b>Assets</b>			
Investments in short term deposits	505,432,128	469,586,244	975,018,372
Derivative & foreign exchange contracts, at fair value	82,887,019	-	82,887,019
Cash and cash equivalents	61,428,133	10,488,100	71,916,233
Due from broker	290,623,514	8,246,219	298,869,733
<b>Liabilities</b>			
Derivative & foreign exchange contracts, at fair value	(72,348,699)	(1,350,233)	(73,698,932)
Depreciation deposits/Equalization credits	-	(20,947,983)	(20,947,983)
Redemptions payable	-	(2,588,203)	(2,588,203)
Subscriptions received in advance	-	(725,000)	(725,000)
Fees payable	(1,891,735)	(14,865)	(1,906,600)

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 10. Financial Information (continued)

	Trading Fund Total	ACL Alternative Fund	Total
Statement of Operations	US\$	US\$	US\$
Interest income	3,857,523	2,013,488	5,871,011
Investment manager management fees	(6,176,812)	-	(6,176,812)
Trading advisors' management fees	(4,146,685)	-	(4,146,685)
Trading advisors' incentive fees	(4,629,346)	-	(4,629,346)
Administration fees	(663,713)	-	(663,713)
Depository fees	(120,000)	-	(120,000)
Audit & Tax fees	(95,175)	-	(95,175)
Legal & other professional fees	(77,224)	(1,917)	(79,141)
Registrar & transfer agent fees	(75,000)	-	(75,000)
Directors' fees	(5,750)	-	(5,750)
Net realized loss on investments in derivative contracts and foreign currency	19,090,107	(2,136,149)	16,913,958
Net change in unrealized loss on investments in derivative contracts and foreign currency	(879,874)	(2,726,644)	(1,846,770)

### 11. 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, including investments in affiliated funds. None of the Directors hold any investments in the Fund or Trading Funds.

### 12. Brokerage commissions

Brokerage commissions of US\$6,516,705 were paid by the Fund and the Trading Funds to which it allocates its assets for the period from January 1 to June 30, 2020. This amount is included within the realized and unrealized gain or loss on investments in derivative contracts and foreign exchange.

### 13. 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.

# ACL Alternative Fund

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

## Notes to the Financial Statements (continued)

### 14. 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.

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

Share Class		Dec 31, 2018	Dec 31, 2019	Jun 30, 2020
USD Share Class A	NAV	\$277.96	\$303.81	\$303.10
USD Share Class B	NAV	\$162.13	\$176.77	\$176.14
USD Share Class C	NAV	\$95.15	\$102.66	\$101.78
USD Share Class D*	NAV	\$121.47	-	-
USD Share Class E	NAV	\$116.09	\$125.61	\$124.70
Euro Hedged Share Class A	NAV	EUR188.14	EUR200.36	EUR197.95
Euro Hedged Share Class B	NAV	EUR104.95	EUR111.51	EUR110.03
Euro Hedged Share Class C	NAV	EUR97.10	EUR102.12	EUR100.26
GBP Hedged Share Class A	NAV	£107.91	£116.56	£115.44
GBP Hedged Share Class B	NAV	£175.08	£188.65	£186.45
GBP Hedged Share Class C	NAV	£88.80	£94.73	£93.15
CHF Hedged Share Class A	NAV	CHF80.59	CHF85.03	CHF83.86
CHF Hedged Share Class B	NAV	CHF100.02	CHF105.11	CHF103.54
CHF Hedged Share Class C	NAV	CHF81.95	CHF85.26	CHF83.56
JPY Hedged Share Class B	NAV	¥9,240	¥9,798	¥9,663
JPY Hedged Share Class D	NAV	¥9,472	¥9,990	¥9,828
Share Class		Dec 31, 2018	Dec 31, 2019	Jun 30, 2020
USD Share Class A	FUM	\$1,165,258,973	\$1,062,276,786	\$948,959,178
USD Share Class B	FUM	\$272,868,131	\$217,726,311	\$209,591,807
USD Share Class C	FUM	\$3,521,198	\$3,529,454	\$2,947,346
USD Share Class D*	FUM	\$827,889	-	-
USD Share Class E	FUM	\$52,255,038	\$52,099,519	\$53,014,769
Euro Hedged Share Class A	FUM	\$91,093,963	\$60,711,036	\$49,600,521
Euro Hedged Share Class B	FUM	\$35,572,574	\$8,994,218	\$7,937,495
Euro Hedged Share Class C	FUM	\$116,876	\$120,369	\$118,372
GBP Hedged Share Class A	FUM	\$187,352,125	\$147,751,546	\$5,778,691
GBP Hedged Share Class B	FUM	\$1,393,430	\$451,479	\$417,582
GBP Hedged Share Class C	FUM	\$227,052	\$251,389	\$231,352
CHF Hedged Share Class A	FUM	\$121,389	\$74,490	\$75,046
CHF Hedged Share Class B	FUM	\$4,521,541	\$482,709	\$485,702
CHF Hedged Share Class C	FUM	\$76,901	\$81,296	\$81,389
JPY Hedged Share Class B	FUM	\$36,241,367	\$35,672,720	\$35,406,089
JPY Hedged Share Class D	FUM	\$15,173,316	\$14,322,007	\$14,179,300

\*The USD Share Class D was fully redeemed on December 01, 2019.

## **ACL Alternative Fund**

A segregated account of ACL Alternative Fund SAC Limited

June 30, 2020

### **Notes to the Financial Statements (continued)**

#### **16. Subsequent events**

Events subsequent to June 30, 2020 have been evaluated up to October 15, 2020, the date these interim unaudited Financial Statements were available to be issued.

No material subsequent events have occurred since June 30, 2020 that would require recognition or disclosure in these interim unaudited Financial Statements.

#### **17. Approval of the interim unaudited Financial Statements**

These interim unaudited Financial Statements were approved by the Board of Directors on October 15, 2020.

## Appendix

### Supplemental Disclosures to the interim unaudited Financial Statements

#### 1. Additional information for qualified investors in Switzerland

The Fund\* is compliant with Swiss law for distribution to qualified investors in Switzerland. The Confidential Private Placement Memorandum, the Bye-Laws, the annual and semi-annual report, the list of the purchases and sales and further information can be obtained free of charge from the representative in Switzerland: Carnegie Fund Services S.A., 11, rue du Général-Dufour, CH-1204 Geneva, Switzerland, web: [www.carnegie-fund-services.ch](http://www.carnegie-fund-services.ch). The Swiss paying agent is: Banque Cantonale de Genève, 17, quai de l'Île, CH-1204 Geneva. For the shares of the Fund distributed to qualified investors in Switzerland, the place of jurisdiction is Geneva. 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.

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

Each time performance data is published, it should be noted that the past performance is no indication of current or future performance, and that it does not take account of the commissions and costs incurred on the issue and redemption of shares.