

BH Macro Limited
Interim Report and Unaudited Financial
Statements 2017

INTERIM REPORT AND UNAUDITED
FINANCIAL STATEMENTS
30 June 2017

Contents

01	Chairman's Statement
03	Board Members
04	Disclosure of Directorships in Public Companies Listed on Recognised Stock Exchanges
05	Directors' Report
12	Statement of Directors' Responsibility in Respect of the Interim Report and Unaudited Financial Statements
13	Directors' Remuneration Report
14	Manager's Report
16	Independent Review Report to BH Macro Limited (the "Company")
17	Unaudited Statement of Assets and Liabilities
18	Unaudited Statement of Operations
19	Unaudited Statement of Changes in Net Assets
20	Unaudited Statement of Cash Flows
21	Notes to the Interim Unaudited Financial Statements
34	Historic Performance Summary
	IBC Company Information



Chairman's Statement

This is my first statement as Chairman of BH Macro Limited (the "Company") following Ian Plenderleith's retirement at the Annual General Meeting in June.

Ian had been Chairman of the Company since it was formed in 2007 and presided over the Company as it grew significantly in the early years. As the investment market then became more challenging for the Company, he provided strong leadership and wise counsel to the Board as the Company adapted to the changed environment. I would like to thank Ian for his service to the Company and to wish him well in his retirement.

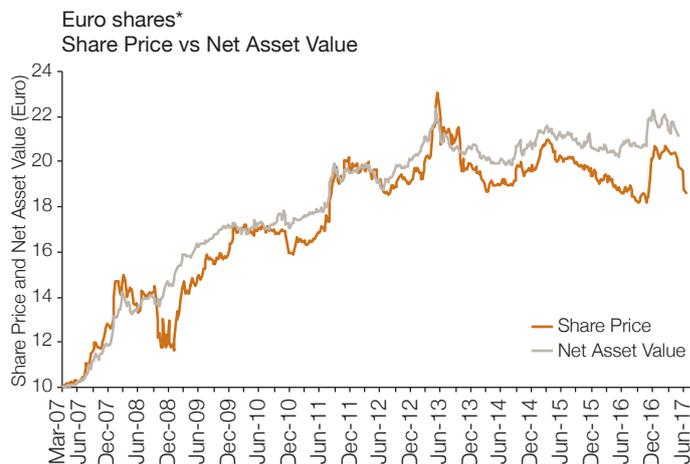
In February and March 2017, Shareholders approved proposals put forward by the Board, in the form of a tender offer and associated structural changes, that set a firm foundation for the future of the Company. In the tender, Shareholders holding 52% of the Company's shares by value chose to remain invested in the Company, with the remaining 48% of shares by value taking up the offer in the tender to sell their shares at 96% of NAV. This leaves the Company a smaller, but still substantial fund, with a total net asset value of \$452 million as at 30 June 2017. As a result of the tender, the size of the Euro class of the Company's shares fell below \$25 million and the remaining Euro shares were converted into Sterling shares in June and the Euro class was cancelled.

The structural changes have delivered a reduction in management fee from 2% to 0.5% per annum (with the operational services fee payable at the level of the Company's investment in Brevan Howard Master Fund Limited (the "Master Fund") remaining at 0.5% per annum) and in due course a shortening of the notice period for termination of the Company's management agreement with its manager, Brevan Howard Capital Management LP (the "Manager"), from two years to three months. These are material improvements for Shareholders.

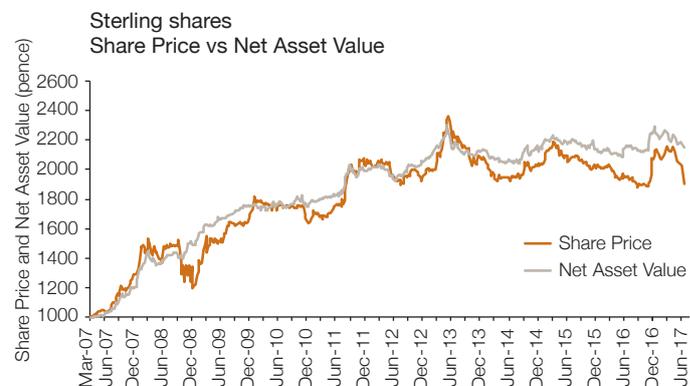
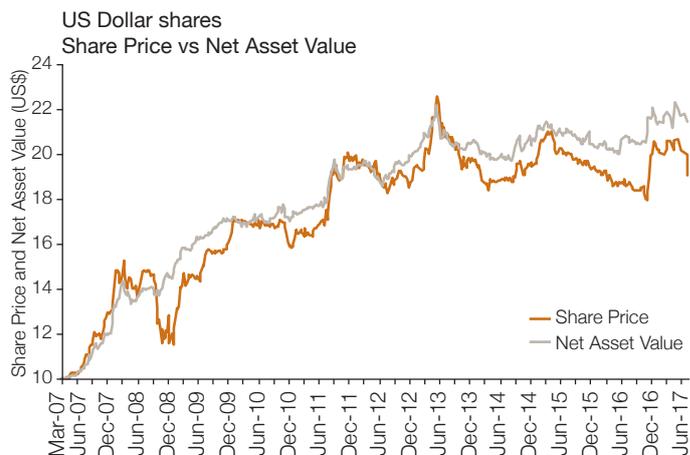
The Board proposed these changes as a response to the flatter performance of the Company's net asset value ("NAV") in recent years, following markedly superior performance in earlier years. In the first five years (to 2011) following the Company's launch in 2007 the Company's NAV (on its sterling shares) achieved an annualised rate of return of over 15%, which delivered almost a doubling in NAV per share. In the following five years (2012-2016) the annualised rate of return was 2.4% and the gain in NAV per share, while still positive, was much more moderate.

In the first half of 2017, the US Dollar shares posted a modest decline in NAV per share of 0.69% (including a 4.46% enhancement following the tender offer) and the Sterling shares recorded a decline in NAV per share of 4.19% (as the positive effect of the tender offer was lower at 1.20%).

The Company's performance is directly related to the performance of the Master Fund into which the Company invests substantially all of its assets. The relatively disappointing performance in the past few years has been the result of market conditions that have offered few opportunities for the Master Fund's macro-directional trading focus: major economies are experiencing synchronised



*The Euro share class closed on 29 June 2017



slower growth; extreme easing in monetary policy has produced low interest rates and flat yield curves; and there has been limited trend movement in exchange rates. The Master Fund has been alert to the importance of preserving investors' capital, which it has generally achieved, but opportunities for trading gains have been sparse.

Chairman's Statement *continued*

The environment has begun to change in the past year: the major economies have begun to display divergent growth performance; there have been similar divergences in monetary policy, with the US raising interest rates while further easing was implemented elsewhere; exchange rates have responded with strong directional movements. However, following the very strong performance of the Master Fund at the time of the US Presidential Election in November 2016, market conditions have again become more stable and, so far, the Master Fund has found it difficult to build on this performance in 2017.

Financial markets still face many uncertainties and, although volatility is currently at historic low levels, when this changes an investment in the Company offers Shareholders the opportunity to benefit from the Master Fund's track record of preserving capital and achieving positive returns, uncorrelated with other markets.

Following the completion of the tender offer and the consequent reduction in its size, the Company left the FTSE 250 group of companies in June and, consequently, there was some selling of the Company's shares by index-tracking investors and the discounts to NAV at which the shares traded widened. Subsequently the discounts have narrowed but the Sterling shares are still trading at a discount of approximately 8% to NAV and the US Dollar shares are trading at a 9% discount. As a condition of the tender offer, the Company may not engage in market purchases of its own shares for the next two years but has committed to hold a discontinuation vote for a class of the Company's shares if the discount averages 8% or more in 2018 (or any subsequent calendar year).

As the Company has reduced in size, the Board has been particularly aware of the need to reduce the Company's costs. As part of a review, the Board has concluded that the benefits of listing the Company's shares on the Stock Exchanges in Bermuda and Dubai no longer justifies their expense. Accordingly, the Bermuda listing will be cancelled with effect from 30 September 2017 and the Dubai listing with effect from 31 December 2017. The Company's London listings will be unaffected.

The Board has maintained a regular dialogue with the Manager to review the Master Fund's trading strategies and risk exposures and to satisfy itself that the Manager's analytical, trading and risk management capabilities are being maintained to a high standard. The Board holds extended discussions with the Manager at each of its quarterly Board meetings and this dialogue has been intensified in the context of the changes implemented over the past year. One Board meeting a year is held in Brevan Howard's head office in Jersey in order to maintain first-hand contact with the Manager's team there; Directors also hold periodic briefing meetings with Brevan Howard's trading teams in London, Geneva and New York. From all these contacts, the Board continues to believe that the management of the Master Fund remains of a very high standard.

The Company and its Manager have continued to pursue an active programme for public communication and investor relations.

Up-to-date performance information is provided through NAV data published monthly on a definitive basis and weekly on an estimated basis, as well as through monthly risk reports and shareholder reports. All these reports and further information about the Company are available on its website (www.bhmacro.com).

The Directors are very closely focused on safeguarding the interests of Shareholders and believe that the Company observes high standards of corporate governance. The Board, which is independent of the Brevan Howard group, holds quarterly scheduled meetings and meets ad hoc on other occasions as necessary. The work of the Board is assisted by the Audit Committee and the Management Engagement Committee. The Board continues to meet all of the provisions of the Association of Investment Companies' Code of Corporate Governance that are relevant to a company that has no executive management; the details are described below in the Directors' Report. The Board complies with best corporate governance standards in ensuring that its composition provides independence, diversity (including gender diversity, with one of the four Directors being a woman) and necessary skills and experience; the Board intends to work towards the target of 33% for women's representation on the Board by 2020 set in the Davies and Hampton-Alexander Review Reports. The Board has adopted, and implements, policies and procedures to ensure appropriate nominations to the Board and its Committees and succession planning for orderly rotation of Directors. The Board and its Committees undertake an evaluation of their own performance every year; every third year the Board has commissioned an external evaluation of its performance.

Given the reduced size of the Company and mindful of costs, the Board has concluded that the needs of the Company are well served by the four Directors remaining after the retirement of Ian Plenderleith. Following my appointment as Chairman, John Le Poidevin has succeeded me as Chair of the Audit Committee, Colin Maltby has become Senior Independent Director and Claire Whittet will continue as Chair of the Management Engagement Committee.

The structural changes the Company has implemented over the past year put it on a strong foundation for the future. However, the Board recognises that improved NAV performance from the Master Fund will be important to secure the future of the Company. Evident political and economic uncertainties lying ahead suggest that more fruitful opportunities will present themselves for the Master Fund's macro-trading strategies and the Board believes that in these conditions shares in the Company will continue to provide a valuable listed avenue for portfolio diversification that is uncorrelated with other asset classes.



Huw Evans
Chairman

21 August 2017

Board Members

The Directors of the Company, all of whom are non-executive, are listed below:

Huw Evans, (appointed Chairman on 23 June 2017), age 59

Huw Evans is Guernsey resident and qualified as a Chartered Accountant with KPMG (then Peat Marwick Mitchell) in 1983. He subsequently worked for three years in the Corporate Finance department of Schroders before joining Phoenix Securities Limited in 1986. Over the next twelve years he advised a wide range of companies in financial services and other sectors on mergers and acquisitions and more general corporate strategy. Since moving to Guernsey in 2005, he has acted as a professional non-executive Director of a number of Guernsey-based companies and funds. He holds an MA in Biochemistry from Cambridge University. Mr Evans was appointed to the Board in 2010 and was appointed Chairman on 23 June 2017.

Ian Plenderleith, (former Chairman), age 73 (retired 23 June 2017)

Ian Plenderleith retired at the end of 2005 after a three-year term as Deputy Governor of the South African Reserve Bank. He served on the Bank's Monetary Policy Committee and was responsible for money, capital and foreign exchange market operations and for international banking relationships. He previously worked for over 36 years at the Bank of England in London, where he was most recently Executive Director responsible for the Bank's financial market operations and a member of the Bank's Monetary Policy Committee. He has also worked at the International Monetary Fund in Washington DC and served on the Board of the European Investment Bank and on various international committees at the Bank for International Settlements. Mr Plenderleith holds an MA from Christ Church, Oxford University, and an MBA from Columbia Business School, New York. Mr Plenderleith is non-executive Chairman of Morgan Stanley International and of the UK subsidiaries of Sanlam, the South African financial services group. Mr Plenderleith held the role of Chairman of the Board from 2007 until his retirement in 2017.

John Le Poidevin, age 47

John Le Poidevin is Guernsey resident and has over 25 years' business experience. Mr Le Poidevin is a graduate of Exeter University and Harvard Business School, a Fellow of the Institute of Chartered Accountants in England and Wales and a former partner of BDO LLP in London where, as Head of Consumer Markets, he developed an extensive breadth of experience and knowledge of listed businesses in the UK and overseas. He is an experienced non-executive who sits on several plc boards and chairs a number of Audit Committees. He therefore brings a wealth of relevant experience in terms of corporate governance, audit, risk management and financial reporting. Mr Le Poidevin was appointed to the Board in June 2016.

Colin Maltby, (Senior Independent Director), age 66

Colin Maltby is a resident of Switzerland. His career in investment management began in 1975 with NM Rothschild & Sons and included 15 years with the Kleinwort Benson Group, of which he was a Group Chief Executive at the time of its acquisition by Dresdner Bank AG in 1995. Mr Maltby was Chief Executive of Kleinwort Benson Investment Management from 1988 to 1995, Chief Investment Officer of Equitas Limited from its formation in 1996, and Head of Investments at BP from August 2000 to June 2007. He has served as a non-executive Director of various public companies and agencies and as an adviser to numerous institutional investors, including pension funds and insurance companies, and to private equity and venture capital funds in both Europe and the United States. He holds a Double First Class Honours degree in Physics from the University of Oxford and also studied at the Stanford University Graduate School of Business. He is a Fellow of Wolfson College, Oxford and of the Royal Society of Arts and a member of the Institut National Genevois. Mr Maltby was appointed to the Board in June 2015.

Claire Whittet, age 62

Claire Whittet is Guernsey resident and has 40 years' experience in the financial services industry. After obtaining a MA (Hons) in Geography from the University of Edinburgh, Mrs Whittet joined the Bank of Scotland for 19 years and undertook a wide variety of roles. She moved to Guernsey in 1996 and was Global Head of Private Client Credit for Bank of Bermuda before joining Rothschild Bank International Limited in 2003, initially as Director of Lending and latterly a Managing Director and Co-Head until May 2016 when she became a Non-Executive Director. She is an ACIB member of the Chartered Institute of Bankers in Scotland, a member of the Chartered Insurance Institute and holds an IoD Director's Diploma in Company Direction. She is a Non-Executive Director of five other listed investment funds. Mrs Whittet was appointed to the Board in June 2014.

Disclosure of Directorships in Public Companies Listed on Recognised Stock Exchanges

The following summarises the Directors' directorships in other public companies:

	Exchange
Ian Plenderleith (retired 23 June 2017) None	
Huw Evans Standard Life Investments Property Income Trust Limited VinaCapital Vietnam Opportunity Fund Limited	London London
Colin Maltby BBGI SICAV SA Ocean Wilsons Holdings Limited	London London and Bermuda
John Le Poidevin International Public Partnerships Limited Safecharge International Group Limited Specialist Investment Properties Plc Stride Gaming Plc	London London (AIM) London (AIM) London (AIM)
Claire Whittet Eurocastle Investment Limited International Public Partnerships Limited Riverstone Energy Limited Third Point Offshore Investors Limited TwentyFour Select Monthly Income Fund Limited	Euronext London London London London

Directors' Report

30 June 2017

The Directors submit their Interim Report together with the Company's Interim Unaudited Statement of Assets and Liabilities, Interim Unaudited Statement of Operations, Interim Unaudited Statement of Changes in Net Assets, Interim Unaudited Statement of Cash Flows and the related notes for the period ended 30 June 2017. The Directors' Report together with the Interim Unaudited Financial Statements and their related notes (the "Financial Statements") give a true and fair view of the financial position of the Company. They have been prepared properly, in conformity with United States Generally Accepted Accounting Principles ("US GAAP") and are in agreement with the accounting records.

The Company

The Company is a limited liability closed-ended investment company incorporated in Guernsey on 17 January 2007.

The Company was admitted to the Official List of the London Stock Exchange ("LSE") in 2007 and in addition to its UK Premium Listing it has maintained Secondary listings on NASDAQ Dubai and the Bermuda Stock Exchange since 2008.

On 29 November 2016, the Company announced a Tender Offer (the "Tender Offer") to acquire up to 100% of each class of the Company's issued shares at a price equivalent to 96% of NAV for the relevant class. The Tender Offer was approved by Shareholders at meetings in February and March 2017 and Shareholders holding 52% of the Company's shares by prevailing NAV chose to remain invested in the Company, with the remaining 48% of shares by value being tendered for purchase at 96% of NAV for the relevant class. The acquisition of shares pursuant to the Tender Offer was completed on 25 April 2017. Shares purchased in the Tender Offer were cancelled.

On 3 May 2017, the Company announced that, following the completion of the Tender Offer, the NAV of the Euro share class would likely fall to below the equivalent of US\$25 million on the next net asset value calculation date on 31 May 2017 and, as stated in the shareholder circular for the Tender Offer, the Company therefore intended to convert the remaining Euro shares into shares of the Company's largest share class following the Tender Offer, being Sterling shares. Accordingly, the Company determined that all remaining shares in the Euro class would be converted into Sterling shares with effect 29 June 2017 and all the Euro shares held by the Company in Treasury were cancelled on that date. The Euro share class then closed and its listing was cancelled.

Investment objective and policy

The Company is organised as a feeder fund that invests all of its assets (net of short-term working capital requirements) directly in Brevan Howard Master Fund Limited (the "Master Fund"), a hedge fund in the form of a Cayman Islands open-ended investment company, which has as its investment objective the generation of consistent long-term appreciation through active leveraged trading and investment on a global basis. The Master Fund is managed by Brevan Howard Capital Management LP, the Company's Manager.

The Master Fund has flexibility to invest in a wide range of instruments including, but not limited to, debt securities and obligations (which may be below investment grade), bank loans, listed and unlisted equities, other collective investment schemes, currencies, commodities, futures, options, warrants, swaps and other derivative instruments. The underlying philosophy is to construct strategies, often contingent in nature, with superior risk/return profiles, whose outcome will often be crystallised by an expected event occurring within a pre-determined period of time.

The Master Fund employs a combination of investment strategies that focus primarily on economic change and monetary policy and market inefficiencies.

The Company may employ leverage for the purposes of financing share purchases or buy backs, satisfying working capital requirements or financing further investment into the Master Fund, subject to an aggregate borrowing limit of 20% of the Company's net asset value, calculated as at the time of borrowing. Borrowing by the Company is in addition to leverage at the Master Fund level, which has no limit on its own leverage.

Results and dividends

The results for the period are set out in the Unaudited Statement of Operations on page 18. The Directors do not recommend the payment of a dividend.

The figures stated in note 9 of the Notes to the Interim Unaudited Financial Statements for Net Investment Losses are, in the Directors' opinion and in accordance with the Company's investment objectives, not the most appropriate reflection of the Company's overall performance. Considering the investment objectives of the Company, the Directors consider that the figures disclosed in note 9 for Total Returns are a more appropriate reflection of the Company's overall performance during the period.

Share capital

The number of shares in issue at the period end is disclosed in note 5 of the Notes to the Financial Statements.

On 5 April 2016, the Company announced a tender offer to acquire up to 25% of the Company's issued shares at discounts ranging from 4% to 8% to the NAV as at 31 May 2016.

The tender, which was completed in late June 2016, was oversubscribed: tenders of Sterling and Euro shares at discounts of 8%, 7% and 6% were accepted in full, and at 5% in part; tenders of US Dollar shares at discounts of 8% and 7% were accepted in full, and at 6% in part. Shares purchased in the tender were cancelled.

As detailed above, there was a further tender offer announced on 29 November 2016.

Directors' Report *continued*

30 June 2017

Going concern

The Directors, having considered the principal risks to which the Company is exposed which are listed on page 10 and on the assumption that these are managed or mitigated as noted, are not aware of any material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern and, accordingly, consider that it is appropriate that the Company continues to adopt the going concern basis of accounting for these Interim Unaudited Financial Statements.

The Board

The Board of Directors has overall responsibility for safeguarding the Company's assets, for the determination of the investment policy of the Company, for reviewing the performance of the service providers and for the Company's activities. The Directors, all of whom are non-executive, are listed on page 3 and on the inside back cover.

The Articles provide that, unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two. The Company's policy on Directors' Remuneration, together with details of the remuneration of each Director who served during the period, is detailed in the Directors' Remuneration Report on page 13.

The Board meets at least four times a year and between these formal meetings there is regular contact with the Manager and the Administrator. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company are brought to the attention of the Directors. The Directors also have access to the Administrator and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

For each Director, the tables below set out the number of Board, Audit Committee and Management Engagement Committee meetings they were entitled to attend during the period ended 30 June 2017 and the number of such meetings attended by each Director.

Scheduled Board Meetings	Held	Attended
Huw Evans	2	2
Ian Plenderleith	*2	2
John Le Poidevin	2	2
Colin Maltby	2	2
Claire Whittet	2	2

Audit Committee Meetings	Held	Attended
Huw Evans	*2	2
John Le Poidevin	2	2
Colin Maltby	*1	1
Claire Whittet	2	2

*Indicates the meetings held during their membership of the relevant Board or Committee during the period ended 30 June 2017.

In addition to these scheduled meetings, eight ad hoc meetings and one Extraordinary General Meeting were held during the period ended 30 June 2017, which were attended by those Directors available at the time.

Directors' independence

In January 2016, the then Chairman, Ian Plenderleith, had served on the Board for over nine years and under the AIC Code of Corporate Governance ("AIC Code") may not have been considered to be independent. The Board however, took the view that independence is not necessarily compromised by the length of tenure on the Board and experience can significantly add to the Board's strength. It was therefore determined that in performing his role as the Chairman (until his retirement on 23 June 2017), Ian Plenderleith remained wholly independent and all the current Directors are considered to be independent.

Directors' interests

The Directors had the following interests in the Company, held either directly or beneficially:

	30.06.17	31.12.16	30.06.16
Huw Evans	Nil	Nil	Nil
Ian Plenderleith	N/A	Nil	Nil
John Le Poidevin	Nil	Nil	Nil
Colin Maltby	Nil	Nil	Nil
Claire Whittet	Nil	Nil	Nil

	30.06.17	31.12.16	30.06.16
Huw Evans	N/A	Nil	Nil
Ian Plenderleith	N/A	Nil	Nil
John Le Poidevin	N/A	Nil	Nil
Colin Maltby	N/A	Nil	Nil
Claire Whittet	N/A	Nil	Nil

	30.06.17	31.12.16	30.06.16
Huw Evans	3,337	710	710
Ian Plenderleith	N/A	Nil	Nil
John Le Poidevin	Nil	Nil	Nil
Colin Maltby	Nil	Nil	Nil
Claire Whittet	Nil	Nil	Nil

Directors' indemnity

Directors' and officers' liability insurance cover is in place in respect of the Directors.

The Directors entered into indemnity agreements with the Company which provide for, subject to the provisions of the Companies (Guernsey) Law, 2008, an indemnity for Directors in respect of costs which they may incur relating to the defence of proceedings brought against them arising out of their positions as Directors, in which they are acquitted or judgement is given in their favour by the Court. The agreement does not provide for any indemnification for liability which attaches to the Directors in connection with any negligence, unfavourable judgements, breach of duty or trust in relation to the Company.

Corporate governance

To comply with the UK Listing Regime, the Company must comply with the requirements of the UK Corporate Governance Code. The Company is also required to comply with the Code of Corporate Governance issued by the Guernsey Financial Services Commission.

The Company is a member of the Association of Investment Companies (the "AIC") and by complying with the AIC Code is deemed to comply with both the UK Corporate Governance Code and the Guernsey Code of Corporate Governance. The AIC also publishes a Corporate Governance Guide for Investment Companies ("AIC Guide").

To ensure ongoing compliance with the principles and the recommendations of the AIC Code, the Board receives and reviews a report from the Secretary, at each quarterly meeting, identifying whether the Company is in compliance and recommending any changes that are necessary.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Corporate Governance Code, except as set out below.

The UK Corporate Governance Code includes provisions relating to:

- the role of the chief executive
- executive directors' remuneration
- the need for an internal audit function
- whistle-blowing policy

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company as it is an externally managed investment company with a Board formed exclusively of non-executive Directors. The Company has therefore not reported further in respect of these provisions. The Company does not have employees, hence no whistle-blowing policy is necessary. However, the Directors have

satisfied themselves that the Company's service providers have appropriate whistle-blowing policies and procedures and seek regular confirmation from the service providers that nothing has arisen under those policies and procedures which should be brought to the attention of the Board.

The Company has adopted a policy that the composition of the Board of Directors is at all times such that (i) a majority of the Directors are independent of the Manager and any company in the same group as the Manager (the "Manager's Group"); (ii) the Chairman of the Board of Directors is free from any conflicts of interest and is independent of the Manager's Group; and (iii) no more than one director, partner, employee or professional adviser to the Manager's Group may be a Director of the Company at any one time.

The Company has adopted a Code of Directors' dealings in securities.

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit Committee and by the Board at their meetings. The Board believes that the Company has adequate and effective systems in place to identify, mitigate and manage the risks to which it is exposed.

In view of its non-executive and independent nature, the Board considers that it is not necessary for there to be a Nomination Committee or a Remuneration Committee as anticipated by the AIC Code. The Board as a whole fulfils the functions of the Nomination and Remuneration Committees, although the Board has included a separate Remuneration Report on page 13 of these Interim Unaudited Financial Statements. The Board has adopted a Nomination Policy covering procedures for nominations to the Board and to Board committees.

For new appointments to the Board, nominations are sought from the Directors and from other relevant parties and candidates are then interviewed by an ad hoc committee of independent Directors. The Board has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. An induction programme is provided for newly-appointed Directors.

In line with the AIC Code, Section 21.3 of the Company's Articles requires all Directors to retire at each Annual General Meeting. At the Annual General Meeting of the Company on 23 June 2017, Shareholders re-elected all the Directors of the Company, with the exception of Ian Plenderleith who did not put himself forward for re-election.

The Board regularly reviews its composition and believes that the current appointments provide an appropriate range of skill, experience and diversity.

Directors' Report *continued*

30 June 2017

Corporate governance (continued)

The Board, Audit Committee and Management Engagement Committee undertake an evaluation of their own performance and that of individual Directors on an annual basis. In order to review their effectiveness, the Board and its Committees carry out a process of formal self-appraisal. The Board and Committees consider how they function as a whole and also review the individual performance of their members. This process is conducted by the respective Chairman reviewing the Directors' performance, contribution and commitment to the Company.

Until his appointment as Chairman on 23 June 2017, Huw Evans, as Senior Independent Director, took the lead in reviewing the performance of the previous Chairman. Effective from 23 June 2017, Colin Maltby, as Senior Independent Director, has taken the lead in reviewing the performance of the Chairman. The Chairman also has responsibility for assessing the individual Board members' training requirements.

The Board commissions an external evaluation of its performance. The last evaluation took place in 2014, with the next evaluation scheduled for 2018.

The Board needs to ensure that the Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for Shareholders to assess the Company's performance, business model and strategy. In seeking to achieve this, the Directors have set out the Company's investment objective and policy and have explained how the Board and its delegated Committees operate and how the Directors review the risk environment within which the Company operates and set appropriate risk controls. Furthermore, throughout the Interim Report the Board has sought to provide further information to enable Shareholders to better understand the Company's business and financial performance.

Policy to combat fraud, bribery and corruption

The Board has adopted a formal policy to combat fraud, bribery and corruption. The policy applies to the Company and to each of its Directors. Further, the policy is shared with each of the Company's service providers.

Ongoing Charges

Ongoing charges for the six month period ended 30 June 2017, year ended 31 December 2016 and six month period ended 30 June 2016 have been prepared in accordance with the AIC's recommended methodology.

The following table presents the Ongoing Charges for each share class.

30.06.17

	US Dollar Shares	*Euro Shares	Sterling Shares
Company – Ongoing Charges	1.76%	1.76%	1.55%
Master Fund – Ongoing Charges	0.66%	0.66%	0.65%
Performance fee	0.00%	0.00%	0.00%
Ongoing Charges plus performance fee	2.42%	2.42%	2.20%

*The Euro share class closed on 29 June 2017.

31.12.16

	US Dollar Shares	*Euro Shares	Sterling Shares
Company – Ongoing Charges	2.14%	2.18%	2.15%
Master Fund – Ongoing Charges	0.63%	0.63%	0.63%
Performance fee	0.00%	0.00%	0.05%
Ongoing Charges plus performance fee	2.77%	2.81%	2.83%

30.06.16

	US Dollar Shares	*Euro Shares	Sterling Shares
Company – Ongoing Charges	2.19%	2.20%	2.18%
Master Fund – Ongoing Charges	0.64%	0.63%	0.64%
Performance fee	0.00%	0.00%	0.00%
Ongoing Charges plus performance fee	2.83%	2.83%	2.82%

The Master Fund's Ongoing Charges represent the portion of the Master Fund's operating expenses which have been allocated to the Company. The Company invests substantially all of its investable assets in ordinary US Dollar and Sterling denominated Class B shares issued by the Master Fund. These shares are not subject to management fees and performance fees within the Master Fund. The Master Fund's operating expenses include an operational services fee payable to the Manager of 1/12 of 0.5% per month of the NAV. Refer to Note 4 which explains changes to the calculation methodology during the prior year.

Performance graphs

The graphs shown on page 1 detail the performance of the Company's NAV and share prices over the period.

Audit Committee

The Company's Audit Committee conducts formal meetings at least three times a year for the purpose, amongst others, of considering the appointment, independence, effectiveness of the audit and remuneration of the auditors and to review and recommend the annual statutory accounts and interim report to the Board of Directors. Full details of its function and activities are set out in the Report of the Audit Committee.

The Audit Committee consists of John Le Poidevin, Colin Maltby and Claire Whittet. Colin Maltby was appointed Audit Committee member on 23 June 2017. Huw Evans was also a member of

Audit Committee (continued)

the Audit Committee and served as the Chairman until 23 June 2017. On that date, John Le Poidevin was appointed Audit Committee Chairman.

The table on page 6 sets out the number of Audit Committee meetings held during the six month period ended 30 June 2017 and the number of such meetings attended by each committee member.

The Audit Committee reviews and recommends to the Board the Financial Statements of the Company and is the forum through which the Independent Auditor reports to the Board of Directors. The objectivity of the Independent Auditor is reviewed by the Audit Committee which also reviews the terms under which the Independent Auditor is appointed to perform non-audit services. The Committee reviews the scope and results of the audit, its cost effectiveness and the independence and objectivity of the Independent Auditor. The Audit Committee considers KPMG Channel Islands Limited ("KPMG CI") to be independent of the Company. The Terms of Reference of the Audit Committee are available from the Administrator.

The Audit Committee examined externally prepared assessments of the control environment in place at the Manager and the Administrator, with each providing a Service Organisation Control ("SOC 1") report.

The Audit Committee has reviewed the need for an internal audit function. The Audit Committee considers the systems and procedures employed by the Manager and the Administrator, including their internal audit functions, provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

Appointment to the Audit Committee is for a period up to three years which may be extended for two further three year periods provided that the majority of the Audit Committee remain independent of the Manager. Huw Evans was serving his third term, until his resignation from the committee on 23 June 2017. Claire Whittet is serving her second term and Colin Maltby and John Le Poidevin are serving their first term.

A member of the Audit Committee is available to attend each Annual General Meeting to respond to any shareholder questions on the activities of the Audit Committee.

Auditor's Remuneration

The table below summarises the remuneration payable by the Company to KPMG CI for audit and non-audit services during the six month period ended 30 June 2017, the year ended 31 December 2016 and the six month period ended 30 June 2016.

	Period ended 30.06.17 £	Year ended 31.12.16 £	Period ended 30.06.16 £
Annual audit	–	28,000	–
Interim review	8,800	8,800	8,800
Specified procedures relating to the 31 March 2017 Tender offer	10,000	–	–
Specified procedures relating to the 31 May 2016 Tender offer	–	15,000	15,000

The Committee considers KPMG CI to be independent of the Company. Further, the Committee has obtained KPMG CI's confirmation that the services provided by other KPMG member firms to the wider Brevan Howard organisation do not prejudice its independence.

Management Engagement Committee

The Board has established a Management Engagement Committee with formal duties and responsibilities. The Management Engagement Committee meets formally at least once a year and comprises Huw Evans, Colin Maltby, Claire Whittet and John Le Poidevin. Ian Plenderleith was also on the Committee until his retirement on 23 June 2017. Claire Whittet is the Chair of the Management Engagement Committee.

The function of the Management Engagement Committee is to ensure that the Company's Management Agreement is competitive and reasonable for the Shareholders, along with the Company's agreements with all other third party service providers (other than the Independent Auditors). The Terms of Reference of the Management Engagement Committee are available from the Administrator.

The principal contents of the Manager's contract and notice period are contained in note 4 to the Financial Statements.

The Board continuously monitors the performance of the Manager and a review of the Manager is conducted by the Management Engagement Committee annually.

The Manager has wide experience in managing and administering investment companies and has access to extensive investment management resources.

At its meeting on 12 September 2016, the Management Engagement Committee concluded that the continued appointment of the Manager on the terms agreed was in the interests of the Company's Shareholders as a whole. At the date of this report, the Board continues to be of the same opinion.

Directors' Report *continued*

30 June 2017

Internal Controls

Responsibility for the establishment and maintenance of an appropriate system of internal control rests with the Board and to achieve this, a process has been established which seeks to:

- Review the risks faced by the Company and the controls in place to address those risks
- Identify and report changes in the risk environment
- Identify and report changes in the operational controls
- Identify and report on the effectiveness of controls and errors arising
- Ensure no override of controls by its service providers, the Manager and Administrator

A report is tabled and discussed at each Audit Committee meeting, and reviewed once a year by the Board, setting out the risks identified, their potential impact, the controls in place to mitigate them, the residual risk assessment and any exceptions identified during the period under review.

The Board has delegated the management of the Company, the administration, corporate secretarial and registrar functions including the independent calculation of the Company's NAV and the production of the Annual Report and Financial Statements. Whilst the Board delegates these functions, it remains responsible for the functions it delegates and for the systems of internal control. Formal contractual agreements have been put in place between the Company and the providers of these services. On an ongoing basis, Board reports are provided at each quarterly Board meeting from the Manager, Administrator and Company Secretary and Registrar. A representative from the Manager is asked to attend these meetings.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management functions are delegated to the Manager, Administrator and Company Secretary and Registrar which have their own internal audit and risk assessment functions.

A report is tabled and discussed at each Audit Committee meeting, and reviewed once a year by the Board, setting out the Company's risk exposure and the effectiveness of its risk management and internal control systems. The Board believes that the Company has adequate and effective systems in place to identify, mitigate and manage the risks to which it is exposed.

Further reports are received from the Administrator in respect of compliance, London Stock Exchange continuing obligations and other matters. The reports were reviewed by the Board. No material adverse findings were identified in these reports.

Principal Risks and Uncertainties

The Board uses the Company's risk matrix in establishing the Company's system of internal controls and monitors the Company's investment objective and policy.

The principal risks and uncertainties which have been identified and the steps which are taken by the Board to mitigate them are as follows:

- **Investment Risks:** The Company is exposed to the risk that its portfolio fails to perform in line with the Company's objectives if it is inappropriately invested or markets move adversely. The Board reviews reports from the Manager, which has total discretion over portfolio allocation, at each quarterly Board meeting, paying particular attention to this allocation and to the performance and volatility of underlying investments;
- **Operational Risks:** The Company is exposed to the risks arising from any failure of systems and controls in the operations of the Manager or the Administrator. The Board receives reports annually from the Manager and Administrator on their internal controls;
- **Accounting, Legal and Regulatory Risks:** The Company is exposed to risk if it fails to comply with the regulations of the UK Listing Authority or if it fails to maintain accurate accounting records. The Administrator provides the Board with regular reports on changes in regulations and accounting requirements; and
- **Financial Risks:** The financial risks faced by the Company include market, credit and liquidity risk. These risks and the controls in place to mitigate them are reviewed at each quarterly Board meeting.

The Board reviews and updates the risk matrix to reflect any changes in the control environment.

International Tax Reporting

For purposes of the US Foreign Account Tax Compliance Act, the Company registered with the US Internal Revenue Services ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI"), received a Global Intermediary Identification Number (5QHZVI.99999.SL.831), and can be found on the IRS FFI list.

The Common Reporting Standard ("CRS") is a global standard for the automatic exchange of financial account information developed by the Organisation for Economic Co-operation and Development ("OECD"), which has been adopted by Guernsey and which came into effect on 1 January 2016. The CRS replaced the intergovernmental agreement between the UK and Guernsey to improve international tax compliance that had previously applied in respect of 2014 and 2015. The Company made its first report for CRS to the Director of Income Tax on 22 June 2017.

Relations with Shareholders

The Board welcomes Shareholders' views and places great importance on communication with the Company's Shareholders. The Board receives regular reports on the views of Shareholders and the Chairman and other Directors are available to meet Shareholders if required. The Annual General Meeting of the Company provides a forum for Shareholders to meet and discuss issues with the Directors of the Company. The Company provides weekly unaudited estimates of NAV, month end unaudited estimates and unaudited final NAVs. The Company also provides a monthly newsletter. These are published via RNS and are also available on the Company's website. Risk reports of the Master Fund are also available on the Company's website.

The Manager maintains regular dialogue with institutional Shareholders, the feedback from which is reported to the Board. Shareholders who wish to communicate with the Board should contact the Administrator in the first instance.

Having reviewed the Financial Conduct Authority's restrictions on the retail distribution of non-mainstream pooled investments, the Company, after taking legal advice, announced on 15 January 2014 that it is outside the scope of those restrictions, so that its shares can continue to be recommended by UK authorised persons to ordinary retail investors.

Significant Shareholders

As at 30 June 2017, the following Shareholders had significant shareholdings in the Company:

	Total Shares Held	% holding in class
Significant Shareholders		
US Dollar Shares		
Vidacos Nominees Limited	850,527	29.85%
Hero Nominees Limited	384,977	13.51%
The Bank of New York (Nominees) Limited	257,143	9.02%
HSBC Global Custody Nominee (UK) Limited	238,808	8.38%
Pershing Nominees Limited	158,188	5.55%
Luna Nominees Limited	143,167	5.02%
Lynchwood Nominees Limited	142,499	5.00%
Euroclear Nominees Limited	105,547	3.70%

	Total Shares Held	% holding in class
Significant Shareholders		
Sterling shares		
Ferlim Nominees Limited	2,061,383	14.73%
The Bank of New York (Nominees) Limited	1,082,920	7.74%
Rathbone Nominees Limited	1,063,489	7.60%
Pershing Nominees Limited	928,798	6.64%
HSBC Global Custody Nominee (UK) Limited	841,647	6.01%
Vidacos Nominees Limited	727,443	5.20%
Harewood Nominees Limited	691,720	4.94%
Smith & Williamson Nominees Limited	687,126	4.91%
Brooks Macdonald Nominees Limited	681,243	4.87%
BNY (OCS) Nominees Limited	659,170	4.71%
State Street Nominees Limited	517,378	3.70%
Nortrust Nominees Limited	472,129	3.37%

Signed on behalf of the Board by:

Huw Evans
Chairman

John Le Poidevin
Director

21 August 2017

Statement of Directors' Responsibility in Respect of the Interim Report and Unaudited Financial Statements

We confirm to the best of our knowledge that:

- these Interim Unaudited Financial Statements have been prepared in conformity with United States Generally Accepted Accounting Principles and give a true and fair view of the assets, liabilities, financial position and profit or loss;
- these Interim Unaudited Financial Statements include information detailed in the Chairman's Statement, the Directors' Report, the Manager's Report and the notes to the Interim Unaudited Financial Statements, which provides a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on these Interim Unaudited Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period and any changes in the related party transactions described in the last Annual Audited Financial Statements that could materially affect the financial position or performance of the Company.

Signed on behalf of the Board by:

Huw Evans
Chairman

John Le Poidevin
Director

21 August 2017

Directors' Remuneration Report

30 June 2017

Introduction

An ordinary resolution for the approval of the Directors' Remuneration Report for 2016 was passed by the Shareholders at the Annual General Meeting held in June 2017.

Remuneration policy

All Directors are non-executive and a Remuneration Committee has not been established. The Board as a whole considers matters relating to the Directors' remuneration. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate directors of a quality required to run the Company successfully. The Chairman of the Board is paid a higher fee in recognition of his additional responsibilities, as are the Chairs of the Audit Committee, the Management Engagement Committee and the Senior Independent Director. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to directors of comparable companies.

There are no long term incentive schemes provided by the Company and no performance fees are paid to Directors.

No Director has a service contract with the Company but each of the Directors is appointed by a letter of appointment which sets out the main terms of their appointment. All Directors holding office as at 5 December 2013 were given a new letter of appointment as at that date and Claire Whittet, Colin Maltby and John Le Poidevin received their letters of appointment on joining the Board on 16 June 2014, 26 June 2015 and 24 June 2016 respectively. Directors hold office until they retire or cease to be a director in accordance with the Articles of Incorporation, by operation of law or until they resign. In line with the AIC Code, Section 21.3 of the Company's Articles requires all Directors to retire at each Annual General Meeting. At the Annual General Meeting of the Company on 23 June 2017, Shareholders re-elected all the Directors except Ian Plenderleith who did not put himself forward for re-election. Director appointments can also be terminated in accordance with the Articles. Should Shareholders vote against a Director standing for re-election, the Director affected will not be entitled to any compensation. There are no set notice periods and a Director may resign by notice in writing to the Board at any time.

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. No other remuneration or compensation was paid or payable by the Company during the year to any of the Directors apart from the reimbursement of allowable expenses.

Directors' fees

The Company's Articles limit the fees payable to Directors in aggregate to £400,000 per annum. Until 30 June 2017, the annual fees were £167,000 for the Chairman, £37,500 for Chairs of both the Audit Committee and the Management Engagement Committee and £34,000 for all other Directors.

Changes to the annual fees were made at the Board meeting held on 23 June 2017. Effective from 1 July 2017, the annual fees will be £65,000 for the Chairman, £47,500 for Chair of the Audit Committee and £45,000 for both the Chair of the Management Engagement Committee and the Senior Independent Director.

The fees payable by the Company in respect of each of the Directors who served during the period ended 30 June 2017, the year ended 31 December 2016 and the period ended 30 June 2016, were as follows:

	Period ended 30.06.17 £	Year ended 31.12.16 £	Period ended 31.06.16 £
Huw Evans	18,750	37,500	18,750
Ian Plenderleith	*79,611	167,000	83,500
David Barton****	N/A	Nil	Nil
Christopher Legge	N/A	**18,750	18,132
John Le Poidevin	17,000	**17,000	***560
Colin Maltby	17,000	34,000	17,000
Claire Whittet	18,750	35,750	17,000
Total	151,111	310,000	154,942

* Fees are pro rata for length of service during the period ended 30 June 2017.

** Fees are pro rata for length of service during the year ended 31 December 2016.

*** Fees are pro rata for length of service during the period ended 30 June 2016.

**** Resigned 29 February 2016.

Signed on behalf of the Board by:

Huw Evans
Chairman

John Le Poidevin
Director

21 August 2017

Manager's Report

Brevan Howard Capital Management LP is the Manager of the Company and of Brevan Howard Master Fund Limited (the "Fund"). The Company invests all of its assets (net of short-term working capital) in the ordinary shares of the Fund.

Performance Review

The NAV per share of the USD shares of the Company depreciated by 0.69% in the first half of the year, while the NAV per share of the Sterling shares depreciated by 4.19%.

The month-by-month NAV performance of each currency class of the Company since it commenced operations in 2007 is set out below:

USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007	–	–	0.10	0.90	0.15	2.29	2.56	3.11	5.92	0.03	2.96	0.75	20.27
2008	9.89	6.70	(2.79)	(2.48)	0.77	2.75	1.13	0.75	(3.13)	2.76	3.75	(0.68)	20.32
2009	5.06	2.78	1.17	0.13	3.14	(0.86)	1.36	0.71	1.55	1.07	0.37	0.37	18.04
2010	(0.27)	(1.50)	0.04	1.45	0.32	1.38	(2.01)	1.21	1.50	(0.33)	(0.33)	(0.49)	0.91
2011	0.65	0.53	0.75	0.49	0.55	(0.58)	2.19	6.18	0.40	(0.76)	1.68	(0.47)	12.04
2012	0.90	0.25	(0.40)	(0.43)	(1.77)	(2.23)	2.36	1.02	1.99	(0.36)	0.92	1.66	3.86
2013	1.01	2.32	0.34	3.45	(0.10)	(3.05)	(0.83)	(1.55)	0.03	(0.55)	1.35	0.40	2.70
2014	(1.36)	(1.10)	(0.40)	(0.81)	(0.08)	(0.06)	0.85	0.01	3.96	(1.73)	1.00	(0.05)	0.11
2015	3.14	(0.60)	0.36	(1.28)	0.93	(1.01)	0.32	(0.78)	(0.64)	(0.59)	2.36	(3.48)	(1.42)
2016	0.71	0.73	(1.77)	(0.82)	(0.28)	3.61	(0.99)	(0.17)	(0.37)	0.77	5.02	0.19	6.63
2017	(1.47)	1.91	(2.84)	3.84	(0.60)	(1.39)							(0.69)

EUR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007	–	–	0.05	0.70	0.02	2.26	2.43	3.07	5.65	(0.08)	2.85	0.69	18.95
2008	9.92	6.68	(2.62)	(2.34)	0.86	2.84	1.28	0.98	(3.30)	2.79	3.91	(0.45)	21.65
2009	5.38	2.67	1.32	0.14	3.12	(0.82)	1.33	0.71	1.48	1.05	0.35	0.40	18.36
2010	(0.30)	(1.52)	0.03	1.48	0.37	1.39	(1.93)	1.25	1.38	(0.35)	(0.34)	(0.46)	0.93
2011	0.71	0.57	0.78	0.52	0.65	(0.49)	2.31	6.29	0.42	(0.69)	1.80	(0.54)	12.84
2012	0.91	0.25	(0.39)	(0.46)	(1.89)	(2.20)	2.40	0.97	1.94	(0.38)	0.90	1.63	3.63
2013	0.97	2.38	0.31	3.34	(0.10)	(2.98)	(0.82)	(1.55)	0.01	(0.53)	1.34	0.37	2.62
2014	(1.40)	(1.06)	(0.44)	(0.75)	(0.16)	(0.09)	0.74	0.18	3.88	(1.80)	0.94	(0.04)	(0.11)
2015	3.34	(0.61)	0.40	(1.25)	0.94	(0.94)	0.28	(0.84)	(0.67)	(0.60)	2.56	(3.22)	(0.77)
2016	0.38	0.78	(1.56)	(0.88)	(0.38)	3.25	(0.77)	0.16	(0.56)	0.59	5.37	0.03	6.37
2017	(1.62)	1.85	(3.04)	0.54	(0.76)*								(3.07)

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007	–	–	0.11	0.83	0.17	2.28	2.55	3.26	5.92	0.04	3.08	0.89	20.67
2008	10.18	6.85	(2.61)	(2.33)	0.95	2.91	1.33	1.21	(2.99)	2.84	4.23	(0.67)	23.25
2009	5.19	2.86	1.18	0.05	3.03	(0.90)	1.36	0.66	1.55	1.02	0.40	0.40	18.00
2010	(0.23)	(1.54)	0.06	1.45	0.36	1.39	(1.96)	1.23	1.42	(0.35)	(0.30)	(0.45)	1.03
2011	0.66	0.52	0.78	0.51	0.59	(0.56)	2.22	6.24	0.39	(0.73)	1.71	(0.46)	12.34
2012	0.90	0.27	(0.37)	(0.41)	(1.80)	(2.19)	2.38	1.01	1.95	(0.35)	0.94	1.66	3.94
2013	1.03	2.43	0.40	3.42	(0.08)	(2.95)	(0.80)	(1.51)	0.06	(0.55)	1.36	0.41	3.09
2014	(1.35)	(1.10)	(0.34)	(0.91)	(0.18)	(0.09)	0.82	0.04	4.29	(1.70)	0.96	(0.04)	0.26
2015	3.26	(0.58)	0.38	(1.20)	0.97	(0.93)	0.37	(0.74)	(0.63)	(0.49)	2.27	(3.39)	(0.86)
2016	0.60	0.70	(1.78)	(0.82)	(0.30)	3.31	(0.99)	(0.10)	(0.68)	0.80	5.05	0.05	5.79
2017	(1.54)	1.86	(2.95)	0.59	(0.68)	(1.48)							(4.19)

* As previously announced by the Company, the Company determined that all remaining shares in the Euro share class be converted into Sterling shares effective as of 29 June 2017 and all Euro shares held by the Company in treasury were cancelled on that date. The Euro share class has now been closed and its listing has been cancelled.

Source: Fund NAV data is provided by the administrator of the Fund, International Fund Services (Ireland) Limited ("IFS"). BHM NAV and NAV per Share data is provided by BHM's administrator, Northern Trust International Fund Administration Services (Guernsey) Limited. BHM NAV per Share % Monthly Change is calculated by BHCM. BHM NAV data is unaudited and net of all investment management and all other fees and expenses payable by BHM. In addition, the Fund is subject to an operational services fee.

With effect from 1 April 2017, the management fee is 0.5% per annum. The Company's investment in the Fund is subject to an operational service fee of 0.5% per annum.

No management fee or operational services fee is charged in respect of performance related growth of NAV for each class of share in excess of its level on 1 April 2017 as if the tender offer commenced by the Company on 27 January 2017 had completed on 1 April 2017.

NAV performance is provided for information purposes only. Shares in the Company do not necessarily trade at a price equal to the prevailing NAV per Share.

Data as at 30 June 2017.

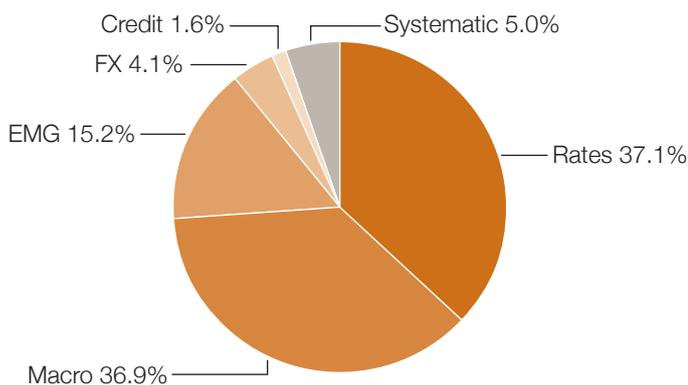
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Performance review (continued)

The Fund's largest exposures at the start of the year were long positions in US dollar, primarily against the Euro but also against a basket of currencies including the Japanese Yen. The Fund also held short positions in US interest rates, long positions in interest rate volatility and long positions in US Equities, broadly representing a continuation of the themes that had played out well in the fourth quarter of 2016, following the US election. As these themes reversed in the early part of 2017, losses were incurred across the portfolio, in particular in FX and US interest rate trading. Some offsetting gains were generated in directional and relative value trading of European interest rates and sovereign bond markets as well as, to a lesser extent, in credit trading and directional and curve positioning in the GBP interest rate market. As the first half of 2017 progressed, long volatility strategies continued to lose money, for example following the benign results in the Dutch and French elections.

The acquisition by the Company of 9,279,700 Sterling shares, 624,103 Euro shares and 6,932,474 US Dollar shares pursuant to the tender offer launched by the Company on 27 January 2017 (the "Tender Offer") was executed on 25 April 2017. The repurchase of shares under the Tender Offer resulted in the NAV per share of the remaining USD shares appreciating by 4.46%, the NAV per share of the remaining Sterling shares appreciating by 1.20% and the NAV per share of the remaining Euro shares appreciating by 1.27%.

Strategy group exposure (% of capital allocation*)



Source: Brevan Howard Capital Management LP, as at 30 June 2017. Data may not sum to 100% due to rounding.

* Capital allocations are subject to change.

The above strategies are categorised as follows:

“**Systematic**”: rules-based futures trading

“**Rates**”: developed interest rates markets

“**Macro**”: multi-asset global markets, mainly directional (for the Fund, the majority of risk in this category is in rates)

“**EMG**”: global emerging markets

“**FX**”: global FX forwards and options

“**Credit**”: corporate and asset-backed indices, bonds and CDS

Commentary and Outlook

Political developments in the US and Europe unfolded at a seemingly breakneck pace in the first half of 2017. President Trump and the Republican-controlled Congress pushed forward on an ambitious legislative agenda of health care and tax reform, the Treasury proposed a new lighter touch for regulating financial markets, and a more aggressive trade agenda began to take shape. In Europe, a weakened Prime Minister May began Brexit negotiations and newly elected President Macron promised domestic economic reform in France and greater European cooperation. Looking forward, these leaders will be observed very closely to see whether they are able to upend the status quo.

The global economy strengthened further in 2017, paced by a strong expansion in the Euro area and continued moderate growth in the US, China, and emerging market economies. However, inflation remained stubbornly weak. Headline inflation has been tamed by falling energy prices and core inflation has moved sideways or decelerated despite the uptake in global slack. Against this backdrop, central banks began to gradually move away from the emergency measures that predominated in the last several years. The ECB removed its easing bias and tentatively began to talk about tapering its asset purchase program in 2018. The Fed confidently hiked rates in March and June and firmed up plans to begin shrinking its balance sheet this year. The Bank of England's debate about rate hikes heated up and the Bank of Canada raised rates for the first time in seven years. If growth remains solid and inflation picks up, the trend in removing policy stimulus should continue or pick up speed.

Brevan Howard wishes to thank Shareholders once again for their continued support.

Brevan Howard Capital Management LP,
acting by its sole general partner,
Brevan Howard Capital Management Limited.

21 August 2017

Independent Review Report to BH Macro Limited (the “Company”)

Conclusion

We have been engaged by the Company to review the Interim Unaudited Financial Statements included in the Interim Report for the six month period to 30 June 2017 which comprises the Unaudited Statement of Assets and Liabilities, the Unaudited Statement of Operations, the Unaudited Statement of Changes in Net Assets, the Unaudited Statement of Cash Flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements for the period ended 30 June 2017 do not give a true and fair view of the financial position of the Company as at 30 June 2017 and of its financial performance and its cash flows for the six month period then ended in conformity with U.S generally accepted accounting principles and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the Interim Report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the unaudited interim financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors’ responsibilities

The Interim Unaudited Financial Statements included in the Interim Report are the responsibility of, and have been approved by, the directors. The directors are responsible for preparing the Interim Unaudited Financial Statements included in the Interim Report in accordance with the DTR of the UK FCA.

The Interim Unaudited Financial Statements included in this Interim Report have been prepared in conformity with U.S generally accepted accounting principles.

Our responsibility

Our responsibility is to express to the Company a conclusion on the Interim Unaudited Financial Statements included in the Interim Report based on our review.

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

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Barry T. Ryan

For and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey

21 August 2017

Unaudited Statement of Assets and Liabilities

As at 30 June 2017

	30.06.17 (Unaudited) US\$'000	31.12.16 (Audited) US\$'000	30.06.16 (Unaudited) US\$'000
Assets			
Investment in the Master Fund	451,222	847,761	900,071
Investment sales receivable	–	–	7,057
Prepaid expenses	181	76	114
Cash and bank balances denominated in US Dollars	219	5,564	15,461
Cash and bank balances denominated in Euro	73	1,087	2,825
Cash and bank balances denominated in Sterling	1,065	12,252	40,053
Total assets	452,760	866,740	965,581
Liabilities			
Performance fees payable (note 4)	–	318	–
Management fees payable (note 4)	186	1,386	1,677
Redemptions in respect of buybacks payable	–	–	5,428
Accrued expenses and other liabilities	171	56	1,170
Directors' fees payable	99	95	107
Administration fees payable (note 4)	74	42	56
Total liabilities	530	1,897	8,438
Net assets	452,230	864,843	957,143
Number of shares in issue (note 5)			
US Dollar shares	2,849,663	9,975,524	11,132,737
Euro shares	–	1,514,872	2,468,822
Sterling shares	13,995,456	22,371,669	23,102,176
Net asset value per share (notes 7 and 9)			
US Dollar shares	US\$21.53	US\$21.68	US\$20.76
Euro shares	–	€21.87	€20.87
Sterling shares	£21.50	£22.44	£21.56

See accompanying notes to the Interim Unaudited Financial Statements.

Signed on behalf of the Board by:

Huw Evans
Chairman

John Le Poidevin
Director

21 August 2017

Unaudited Statement of Operations

For the period from 1 January 2017 to 30 June 2017

	01.01.17 to 30.06.17 (Unaudited) US\$'000	01.01.16 to 31.12.16 (Audited) US\$'000	01.01.16 to 30.06.16 (Unaudited) US\$'000
Net investment (loss)/income allocated from the Master Fund			
Interest income	55	18,854	15,037
Dividend income (net of withholding tax: 30 June 2017: US\$5,680; 31 December 2016: US\$26,177; 30 June 2016: US\$2,794)	26	73	43
Expenses	(12,809)	(20,785)	(11,307)
Net investment (loss)/income allocated from the Master Fund	(12,728)	(1,858)	3,773
Company income			
Fixed deposit income	2	–	–
Foreign exchange gains (note 3)	36,482	–	–
Total Company income	36,484	–	–
Company expenses			
Performance fees (note 4)	–	351	–
Management fees (note 4)	13,036	20,871	12,311
Other expenses	1,223	1,766	1,458
Directors' fees	195	427	229
Administration fees (note 4)	72	208	122
Foreign exchange losses (note 3)	–	159,828	97,126
Total Company expenses	14,526	183,451	111,246
Net investment gain/(loss)	9,230	(185,309)	(107,473)
Net realised and unrealised gain/(loss) on investments allocated from the Master Fund			
Net realised gain/(loss) on investments	2,995	43,035	(41,507)
Net unrealised (loss)/gain on investments	(20,588)	(7,971)	30,810
Net realised and unrealised (loss)/gain on investments allocated from the Master Fund	(17,593)	35,064	(10,697)
Net decrease in net assets resulting from operations	(8,363)	(150,245)	(118,170)

See accompanying notes to the Interim Unaudited Financial Statements.

Unaudited Statement of Changes in Net Assets

For the period from 1 January 2017 to 30 June 2017

	01.01.17 to 30.06.17 (Unaudited) US\$'000	01.01.16 to 31.12.16 (Audited) US\$'000	01.01.16 to 30.06.16 (Unaudited) US\$'000
Net decrease in net assets resulting from operations			
Net investment gain/(loss)	9,230	(185,309)	(107,473)
Net realised gain/(loss) on investments allocated from the Master Fund	2,995	43,035	(41,507)
Net unrealised (loss)/gain on investments allocated from the Master Fund	(20,588)	(7,971)	30,810
	(8,363)	(150,245)	(118,170)
Share capital transactions			
Purchase of own shares			
US Dollar shares	–	(50,853)	(35,456)
Euro shares	–	(17,894)	(12,039)
Sterling shares	–	(124,878)	(85,905)
Tender offer			
US Dollar shares	(140,757)	(70,174)	(70,174)
Euro shares	(13,908)	(17,827)	(17,827)
Sterling shares	(249,585)	(198,179)	(198,179)
Total share capital transactions	(404,250)	(479,805)	(419,580)
Net decrease in net assets	(412,613)	(630,050)	(537,750)
Net assets at the beginning of the period/year	864,843	1,494,893	1,494,893
Net assets at the end of the period/year	452,230	864,843	957,143

See accompanying notes to the Interim Unaudited Financial Statements.

Unaudited Statement of Cash Flows

For the period from 1 January 2017 to 30 June 2017

	01.01.17 to 30.06.17 (Unaudited) US\$'000	01.01.16 to 31.12.16 (Audited) US\$'000	01.01.16 to 30.06.16 (Unaudited) US\$'000
Cash flows from operating activities			
Net decrease in net assets resulting from operations	(8,363)	(150,245)	(118,170)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:			
Net investment loss/(income) allocated from the Master Fund	12,728	1,858	(3,773)
Net realised (gain)/loss on investments allocated from the Master Fund	(2,995)	(43,035)	41,507
Net unrealised loss/(gain) on investments allocated from the Master Fund	20,588	7,971	(30,810)
Purchase of investment in the Master Fund	(17,341)	(32,746)	–
Proceeds from sale of investment in the Master Fund	412,988	549,978	452,799
Foreign exchange (gains)/losses	(36,482)	159,828	97,126
(Increase)/decrease in prepaid expenses	(105)	15	(23)
(Decrease)/increase in performance fees payable	(318)	45	(273)
Decrease in management fees payable	(1,200)	(1,027)	(736)
Increase/(decrease) in accrued expenses and other liabilities	115	(128)	986
Increase/(decrease) directors' fees payable	4	(19)	(7)
Increase/(decrease) in administration fees payable	32	(31)	(17)
Net cash provided by operating activities	379,651	492,464	438,609
Cash flows from financing activities			
Purchase of own shares	–	(195,323)	(129,670)
Tender offer	(404,250)	(286,180)	(286,180)
Net cash used in financing activities	(404,250)	(481,503)	(415,850)
Change in cash	(24,599)	10,961	22,759
Cash, beginning of the period/year	18,903	35,587	35,587
Effect of exchange rate fluctuations	7,053	(27,645)	(7)
Cash, end of the period/year	1,357	18,903	58,339
Cash, end of the period/year			
Cash and bank balances denominated in US Dollars	219	5,564	15,461
Cash and bank balances denominated in Euro ¹	73	1,087	2,825
Cash and bank balances denominated in Sterling ²	1,065	12,252	40,053
	1,357	18,903	58,339
1. Cash and bank balances in Euro (EUR'000)	64	1,036	2,541
2. Cash and bank balances in Sterling (GBP'000)	820	10,022	29,834

See accompanying notes to the Interim Unaudited Financial Statements.

Notes to the Interim Unaudited Financial Statements

For the period from 1 January 2017 to 30 June 2017

1. The Company

The Company is a limited liability closed-ended investment company incorporated in Guernsey on 17 January 2007.

The Company was admitted to the Official List of the London Stock Exchange ("LSE") in 2007 and in addition to its UK Premium Listing it has maintained Secondary listings on NASDAQ Dubai and the Bermuda Stock Exchange since 2008.

The Company offers multiple classes of ordinary shares, which differ in terms of currency of issue. Currently, ordinary shares are issued in US Dollar and Sterling. A Euro share class was in issue until its closure on 29 June 2017.

On 29 November 2016, the Company announced a Tender Offer (the "Tender Offer") to acquire up to 100% of each class of the Company's issued shares at a price equivalent to 96% of NAV for the relevant class. The Tender Offer was approved by Shareholders at meetings in February and March 2017 and Shareholders holding 52% of the Company's shares by prevailing NAV chose to remain invested in the Company, with the remaining 48% of shares by value being tendered for purchase at 96% of NAV for the relevant class. The acquisition of shares pursuant to the Tender Offer was completed on 25 April 2017. Shares purchased in the Tender Offer were cancelled.

On 3 May 2017, the Company announced that, following the completion of the Tender Offer, the NAV of the Euro share class would likely fall to below the equivalent of US\$25 million on the next net asset value calculation date on 31 May 2017 and, as stated in the shareholder circular for the Tender Offer, the Company therefore intended to convert the remaining Euro shares into shares of the Company's largest share class following the Tender Offer, being Sterling shares. Accordingly, the Company determined that all remaining shares in the Euro class would be converted into Sterling shares with effect 29 June 2017 and all the Euro shares held by the Company in Treasury were cancelled on that date. The Euro share class then closed and its listing was cancelled.

2. Organisation

The Company is organised as a feeder fund and seeks to achieve its investment objective by investing all of its investable assets, net of short-term working capital requirements, in the ordinary US Dollar, Euro (up to the point of closure) and Sterling denominated Class B shares issued by Brevan Howard Master Fund Limited (the "Master Fund"), and, as such, the Company is directly and materially affected by the performance and actions of the Master Fund.

The Master Fund is an open-ended investment company with limited liability formed under the laws of the Cayman Islands on 22 January 2003. The investment objective of the Master Fund is to generate consistent long-term appreciation through active leveraged trading and investment on a global basis. The Master Fund employs a combination of investment strategies that focus

primarily on economic change and monetary policy and market inefficiencies. The underlying philosophy is to construct strategies, often contingent in nature with superior risk/return profiles, whose outcome will often be crystallised by an expected event occurring within a pre-determined period of time. New trading strategies will be added as investment opportunities present themselves.

At the date of these Interim Unaudited Financial Statements, there were two other feeder funds in operation in addition to the Company that invest all of their assets (net of working capital) in the Master Fund. Furthermore, Brevan Howard Multi-Strategy Master Fund Limited, another fund managed by the Manager, invests some of its assets in the Master Fund as at the date of these Financial Statements.

As such the Interim Unaudited Financial Statements of the Company should be read in conjunction with the Interim Unaudited Financial Statements of the Master Fund which can be found on the Company's website, www.bhmacro.com.

Off-balance sheet, market and credit risks of the Master Fund's investments and activities are discussed in the notes to the Master Fund's Interim Unaudited Financial Statements. The Company's investment in the Master Fund exposes it to various types of risk, which are associated with the financial instruments and markets in which the Brevan Howard underlying funds invest.

Market risk represents the potential loss in value of financial instruments caused by movements in market factors including, but not limited to, market liquidity, investor sentiment and foreign exchange rates.

The Manager

Brevan Howard Capital Management LP (the "Manager") is the manager of the Company. The Manager is a Jersey limited partnership, the general partner of which is Brevan Howard Capital Management Limited, a Jersey limited company (the "General Partner"). The General Partner is regulated in the conduct of fund services business by the Jersey Financial Services Commission pursuant to the Financial Services (Jersey) Law 1998 and the Orders made thereunder.

The Manager also manages the Master Fund and in that capacity, as at the date of these Financial Statements, has delegated the function of investment management of the Master Fund to Brevan Howard Asset Management LLP, Brevan Howard (Hong Kong) Limited, Brevan Howard (Israel) Limited, Brevan Howard Investment Products Limited, Brevan Howard US Investment Management LP, Brevan Howard Private Limited, DW Partners, LP and BH-DG Systematic Trading LLP.

3. Significant accounting policies

The most recent Annual Audited Financial Statements, which give a true and fair view, are prepared in conformity with United States Generally Accepted Accounting Principles and comply with the Companies (Guernsey) Law, 2008. These Interim Unaudited Financial Statements have been prepared following the same

Notes to the Interim Unaudited Financial Statements continued

For the period from 1 January 2017 to 30 June 2017

3. Significant accounting policies (continued)

accounting policies and methods of computation as the most recent Annual Audited Financial Statements. The functional and reporting currency of the Company is US Dollars.

The Company is an Investment Entity which has applied the provisions of Accounting Standards Codification ("ASC") 946.

The following are the significant accounting policies adopted by the Company:

Valuation of investments

The Company records its investment in the Master Fund at fair value. Fair value is determined as the Company's proportionate share of the Master Fund's capital. At 30 June 2017, the Company is the sole investor in the Master Fund's ordinary US Dollar and Sterling Class B shares as disclosed below. Within the table below, the investment in each share class in the Master Fund is included, with the overall total investment shown in the Interim Unaudited Statement of Assets and Liabilities.

	Percentage of Master Fund's capital	NAV per Share (Class B)	Shares held in the Master Fund (Class B)	Investment in Master Fund CCY'000	Investment in Master Fund US\$'000
30 June 2017					
US Dollar	0.81%	\$2,763.85	22,133	\$61,174	61,174
Sterling	5.11%	£2,895.64	103,705	£300,291	390,048
					451,222
31 December 2016					
US Dollar	1.76%	\$2,887.21	73,103	\$211,064	211,064
Euro	0.29%	€2,892.07	11,118	€32,152	33,722
Sterling	5.16%	£3,038.32	162,324	£493,191	602,975
					847,761
30 June 2016					
US Dollar	1.45%	\$2,743.57	78,081	\$214,221	214,221
Euro	0.35%	€2,763.89	17,045	€47,111	52,376
Sterling	4.27%	£2,900.02	162,710	£471,862	633,474
					900,071

Fair value measurement

ASC Topic 820 defines fair value as the price that the Company would receive upon selling a security in an orderly transaction to an independent buyer in the principal or most advantageous market of the security.

ASC 820 establishes a three-level hierarchy to maximise the use of observable market data and minimise the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value. Inputs may be observable or unobservable.

Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity.

Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available in the circumstances.

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access. Valuation adjustments and block discounts are not applied to Level 1 securities. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuation of these securities does not entail a significant degree of judgement.

3. Significant accounting policies (continued)

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk.

Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgement by the Company's Directors.

The Directors consider observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Directors' perceived risk of that instrument.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Directors' own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The Directors use prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

The valuation and classification of securities held by the Master Fund is discussed in the notes to the Master Fund's Interim Unaudited Financial Statements which are available on the Company's website, www.bhmacro.com. The Company's investment in the Master Fund is classified as a Level 2 investment.

Income and expenses

The Company records monthly its proportionate share of the Master Fund's income, expenses and realised and unrealised gains and losses. In addition, the Company accrues its own income and expenses.

Use of estimates

The preparation of Financial Statements in conformity with United States Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of those Financial Statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

Leverage

The Manager has discretion, subject to the prior approval of a majority of the independent Directors, to employ leverage for and on behalf of the Company by way of borrowings to effect share purchases or share buy-backs, to satisfy working capital requirements and to finance further investments in the Master Fund.

The Company may borrow up to 20% of its NAV, calculated as at the time of borrowing. Additional borrowing over 20% of NAV may only occur if approved by an ordinary resolution of the Shareholders.

Foreign exchange

Investment securities and other assets and liabilities of the Sterling share class and, up until its closure, the Euro share class are, or were, translated into US Dollars, the Company's reporting currency, using exchange rates at the reporting date. Transactions reported in the Unaudited Statement of Operations are translated into US Dollar amounts at the date of such transactions. The share capital and other capital reserve accounts are translated at the historic rate ruling at the date of the transaction. Exchange differences arising on translation are included in the Unaudited Statement of Operations. This adjustment has no effect on the value of net assets allocated to the individual share classes.

Cash and Bank Balances

Cash and bank balances comprise cash on hand and demand deposits.

Allocation of results of the Master Fund

Net realised and unrealised gains/losses of the Master Fund are allocated to the Company's share classes based upon the percentage ownership of the equivalent Master Fund class.

Notes to the Interim Unaudited Financial Statements continued

For the period from 1 January 2017 to 30 June 2017

3. Significant accounting policies (continued)

Treasury shares

Where the Company purchases its own share capital, the consideration paid, which includes any directly attributable costs, is recognised as a deduction from equity Shareholders' funds through the Company's reserves.

When such shares are subsequently sold or reissued to the market, any consideration received, net of any directly attributable incremental transaction costs, is recognised as an increase in equity Shareholders' funds through the share capital account. Where the Company cancels treasury shares, no further adjustment is required to the share capital account of the Company at the time of cancellation. Shares held in treasury are excluded from calculations when determining NAV per share as detailed in note 7 and in the Financial Highlights in note 9.

4. Management, performance and administration agreements

Management and performance fee

The Company has entered into a management agreement with the Manager to manage the Company's investment portfolio. Until 2 October 2016, the Manager received a management fee of 1/12 of 2% (or a pro rata proportion thereof) per month of the Net Asset Value (the "NAV") of each class of shares (before deduction of that month's management fee and before making any deduction for any accrued performance fee) as at the last business day in each month, payable monthly in arrears. The management fee charged by the Company is reduced by the Company's share of management fees incurred by the Master Fund through any underlying investments of the Master Fund that share the same Manager as the Company. The investment in the Class B shares of the Master Fund is not subject to management fees, but is subject to an operational service fee payable to the Manager of 1/12 of 0.5% per month of the NAV.

From 3 October 2016, the Manager will not charge the Company a management fee in respect of any increase in the NAV of each class of shares above the relevant NAV at that date resulting from performance or any own share purchases or redemptions. The Company's investment in the Master Fund also will not bear an operational services fee in respect of performance related growth in its investment in the Master Fund from that date.

The following changes were made to the Company's structure and Management Agreement with effect from 1 April 2017:

- the management fee was reduced to 1/12 of 0.5% per month of the NAV;
- the investment in the Class B shares of the Master Fund remains subject to an operational service fee of 1/12 of 0.5% per month of the NAV; and

- the management fee and operational services fee concession described above will continue to apply in respect of performance related growth in the Company's Net Asset Value for each class of share in excess of its level on 1 April 2017 as if the Tender Offer had completed on that date.

During the period ended 30 June 2017, US\$13,036,669 (31 December 2016: US\$20,870,959 and 30 June 2016: US\$12,310,756) was earned by the Manager as net management fees. At 30 June 2017, US\$185,603 (31 December 2016: US\$1,385,840 and 30 June 2016: \$1,676,905) of the fee remained outstanding.

The Management fee charge included a balance of \$8,350,050 (31 December 2016: US\$Nil and 30 June 2016: \$Nil), which was incurred in accordance with the terms of the Tender Offer that concluded on 25 April 2017. Under the terms of the Tender Offer, the Manager was entitled to a fee of 2% of the NAV of the shares tendered, instead of 4%, that would have been payable if the Company served notice of termination of the management agreement between the Company and the Manager on less than 24 months' notice.

The Manager is also entitled to an annual performance fee for each share class. The performance fee is equal to 20% of the appreciation in the NAV per share of that class during that calculation period which is above the base NAV per share of that class, other than that arising to the remaining shares of the relevant class from any repurchase, redemption or cancellation of any share in the calculation period. The base NAV per share is the greater of the NAV per share of the relevant class at the time of issue of such share and the highest NAV per share achieved as at the end of any previous calculation period. The investment in the Class B shares of the Master Fund is not subject to performance fees.

The Manager will be paid an estimated performance fee on the business day preceding the last business day of each calculation period. Within 5 business days of the publication of the final NAV of each class of shares as at the end of the calculation period, any difference between the actual performance fee and the estimated amount will be paid to or refunded by the Manager, as appropriate. Any accrued performance fee in respect of shares which are converted into another share class prior to the date on which the performance fee would otherwise have become payable in respect of those shares will crystallise and become payable on the date of such conversion. The performance fee is accrued on an on-going basis and is reflected in the Company's published NAV. During the period ended 30 June 2017 \$Nil (31 December 2016: US\$350,887 and 30 June 2016: \$Nil) was earned by the Manager as performance fees. At 30 June 2017, \$Nil (31 December 2016: US\$317,812 and 30 June 2016: US\$Nil) of the fee remained outstanding.

4. Management, performance and administration agreements (continued)

The Master Fund may hold investments in other funds managed by the Manager. To ensure that Shareholders of the Company are not subject to two tiers of fees, the fees paid to the Manager as outlined above are reduced by the Company's share of any fees paid to the Manager by the underlying Master Fund investments, managed by the Manager.

The Management Agreement may be terminated by either party giving the other party not less than 24 months' written notice. In certain circumstances the Company will be obliged to pay compensation to the Manager of the aggregate management fees which would otherwise have been payable during the 24 months following the date of such notice and the aggregate of any accrued performance fee in respect of the current Calculation Period. Compensation is not payable if more than 24 months' notice of termination is given.

Under the terms of the Tender Offer, from 1 April 2019, the notice period for termination of the Management Agreement without cause by both the Company and the Manager will be reduced from 24 months to three months.

Administration fee

The Company has appointed Northern Trust International Fund Administration Services (Guernsey) Limited as Administrator and Corporate Secretary. The Administrator is paid fees based on the NAV of the Company, payable quarterly in arrears. The fee is at a rate of 0.015% of the average month end NAV of the Company, subject to a minimum fee of £67,500 per annum. In addition to the NAV based fee, the Administrator is also entitled to an annual fee of £36,000 for certain additional administration services. The Administrator is entitled to be reimbursed for out-of-pocket expenses incurred in the course of carrying out its duties as Administrator. During the period ended 30 June 2017, US\$72,210 (31 December 2016: US\$208,383 and 30 June 2016: US\$121,901) was earned by the Administrator as administration fees. The amounts outstanding are disclosed on the Unaudited Statement of Assets and Liabilities.

5. Share capital

Issued and authorised share capital

The Company has the power to issue an unlimited number of ordinary shares with no par value and an unlimited number of shares with a par value. Shares may be divided into at least two classes denominated in US Dollars and Sterling, following the Euro share class closure. Further issue of shares may be made in accordance with the Articles. Shares may be issued in differing currency classes of ordinary redeemable shares including C shares. The treasury shares have arisen as a result of the discount management programme as described in note 8. The tables below show the movement in ordinary and treasury shares.

For the period from 1 January 2017 to 30 June 2017

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2017	9,975,524	1,514,872	22,371,669
Share conversions	(193,387)	(890,769)	903,487
Tender offer shares transferred to treasury (note 8)	(6,932,474)	(624,103)	(9,279,700)
In issue at 30 June 2017	2,849,663	–	13,995,456
Number of treasury shares			
In issue at 1 January 2017	1,406,228	271,854	2,650,652
Tender offer shares transferred to treasury (note 8)	6,932,474	624,103	9,279,700
Shares cancelled	(1,075,000)	(271,854)	(1,200,000)
Tender offer shares cancelled (note 8)	(6,932,474)	(624,103)	(9,279,700)
In issue at 30 June 2017	331,228	–	1,450,652
Percentage of class	10.41%	–	9.39%

There were no on market purchases in the period ended 30 June 2017.

Notes to the Interim Unaudited Financial Statements continued

For the period from 1 January 2017 to 30 June 2017

5. Share capital (continued)

For the year ended to 31 December 2016

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2016	17,202,974	4,163,208	33,427,871
Share conversions	(737,163)	(939,574)	1,318,504
Purchase of shares into Treasury	(2,685,193)	(847,431)	(4,562,483)
Tender offer shares transferred to treasury (note 8)	(3,805,094)	(861,331)	(7,812,223)
In issue at 31 December 2016	9,975,524	1,514,872	22,371,669
Number of treasury shares			
In issue at 1 January 2016	1,537,035	362,723	2,943,169
On market purchases*	2,685,193	847,431	4,562,483
Tender offer shares transferred to treasury (note 8)	3,805,094	861,331	7,812,223
Shares cancelled	(2,816,000)	(938,300)	(4,855,000)
Tender offer shares cancelled (note 8)	(3,805,094)	(861,331)	(7,812,223)
In issue at 31 December 2016	1,406,228	271,854	2,650,652
Percentage of class	12.36%	15.22%	10.59%

*On market purchases in the year ended 31 December 2016.

Treasury shares	Number of shares purchased	Cost (US\$)	Cost (in currency)
US Dollar shares	2,685,193	50,853,441	\$50,853,441
Euro shares	847,431	17,893,603	€16,080,450
Sterling shares	4,562,483	124,878,082	£90,182,054

For the period from 1 January 2016 to 30 June 2016

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2016	17,202,974	4,163,208	33,427,871
Share conversions	(412,978)	(268,287)	483,429
Purchase of shares into Treasury	(1,852,165)	(564,768)	(2,996,901)
Tender offer shares transferred to treasury (note 8)	(3,805,094)	(861,331)	(7,812,223)
In issue at 30 June 2016	11,132,737	2,468,822	23,102,176
Number of treasury shares			
In issue at 1 January 2016	1,537,035	362,723	2,943,169
Shares purchased and held in Treasury during the period:			
* On market purchases	1,852,165	564,768	2,996,901
Tender offer shares transferred to treasury (note 8)	3,805,094	861,331	7,812,223
Shares cancelled	(2,261,000)	(704,000)	(3,695,000)
Tender offer shares cancelled (note 8)	(3,805,094)	(861,331)	(7,812,223)
In issue at 30 June 2016	1,128,200	223,491	2,245,070
Percentage of class	9.20%	8.30%	8.86%

*On market purchases in the period ended 30 June 2016.

Treasury shares	Number of shares purchased	Cost (US\$)	Cost (in currency)
US Dollar shares	1,852,165	35,456,225	\$35,456,225
Euro shares	564,768	12,039,238	€10,836,477
Sterling shares	2,996,901	85,904,738	£60,168,278

5. Share capital (continued)

Share classes

In respect of each class of shares a separate class account has been established in the books of the Company. An amount equal to the aggregate proceeds of issue of each share class has been credited to the relevant class account. Any increase or decrease in the NAV of the Master Fund US Dollar shares and Master Fund Sterling shares as calculated by the Master Fund is allocated to the relevant class account in the Company. Each class account is allocated those costs, pre-paid expenses, losses, dividends, profits, gains and income which the Directors determine in their sole discretion relate to a particular class.

On 3 May 2017, the Company announced that, following the completion of the Tender Offer, the NAV of the Euro share class would likely fall to below the equivalent of US\$25 million on the next net asset value calculation date on 31 May 2017 and as stated in the shareholder circular for the Tender Offer, the Company therefore intended to convert the remaining Euro shares into shares of the Company's largest share class following the Tender Offer, being Sterling shares.

Accordingly, the Company determined that all remaining shares in the Euro class would be converted into Sterling shares with effect 29 June 2017 and all the Euro shares held by the Company in Treasury were cancelled on that date. The Euro share class then closed and its listing was cancelled.

Voting rights of shares

Ordinary shares carry the right to vote at general meetings of the Company and to receive any dividends attributable to the ordinary shares as a class declared by the Company and, in a winding-up will be entitled to receive, by way of capital, any surplus assets of the Company attributable to the ordinary shares as a class in proportion to their holdings remaining after settlement of any outstanding liabilities of the Company.

As prescribed in the Company's Articles, the different classes of ordinary shares have different values attributable to their votes. The attributed values have been calculated on the basis of the Weighted Voting Calculation (as described in the Articles) which takes into account the prevailing exchange rates on the date of initial issue of ordinary shares. On a vote, a single US Dollar ordinary share has 0.7606 votes and a single Sterling ordinary share has 1.4710 votes.

Treasury shares do not have any voting rights.

Repurchase of ordinary shares

Under the Company's Articles, Shareholders of a class of shares have the ability to call for repurchase of that class of shares in certain circumstances. See note 8 for further details.

Further issue of shares

As approved by the Shareholders at the Annual General Meeting held on 23 June 2017, the Directors have the power to issue further shares totaling 990,034 US Dollar shares and 4,395,593 Sterling shares respectively. This power expires fifteen months after the passing of the resolution or on the conclusion of the next Annual General Meeting of the Company, whichever is earlier, unless such power is varied, revoked or renewed prior to that Meeting by a resolution of the Company in general meeting.

Distributions

The Master Fund has not previously paid dividends to its investors. This does not prevent the Directors of the Company from declaring a dividend at any time in the future if the Directors consider payment of a dividend to be appropriate in the circumstances. If the Directors declare a dividend, such dividend will be paid on a per class basis.

As announced on 15 January 2014, the Company intends to be operated in such a manner to ensure that its shares are not categorised as non-mainstream pooled investments. This may mean that the Company may pay dividends in respect of any income that it receives or is deemed to receive for UK tax purposes so that it would qualify as an investment trust if it were UK tax-resident.

Further, the Company will first apply any such income in payment of its management and performance fees.

Treasury shares are not entitled to distributions.

Share conversion scheme

The Company has implemented a Share Conversion Scheme. The scheme provides Shareholders with the ability to convert some or all of their ordinary shares in the Company of one class into ordinary shares of another class. Shareholders are able to convert ordinary shares on the last business day of every month. Each conversion will be based on the NAV (note 7) of the shares of the class to be converted.

Notes to the Interim Unaudited Financial Statements *continued*

For the period from 1 January 2017 to 30 June 2017

6. Taxation

Overview

The Company is exempt from taxation in Guernsey under the provisions of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989.

Uncertain tax positions

The Company recognises the tax benefits of uncertain tax positions only where the position is more-likely-than-not (i.e. greater than 50%), to be sustained assuming examination by a tax authority based on the technical merits of the position. In evaluating whether a tax position has met the recognition threshold, the Company must presume that the position will be examined by the appropriate taxing authority that has full knowledge of all relevant information. A tax position that meets the more-likely-than-not recognition threshold is measured to determine the amount of benefit to recognise in the Company's Interim Unaudited Financial Statements. Income tax and related interest and penalties would be recognised by the Company as tax expense in the Interim Unaudited Statement of Operations if the tax positions were deemed not to meet the more-likely-than-not threshold.

The Company analyses all open tax years for all major taxing jurisdictions. Open tax years are those that are open for examination by taxing authorities, as defined by the Statute of Limitations in each jurisdiction. The Company identifies its major tax jurisdictions as the Cayman Islands and foreign jurisdictions where the Company makes significant investments. The Company has no examinations by tax authorities in progress.

The Directors have analysed the Company's tax positions, and have concluded that no liability for unrecognised tax benefits should be recorded related to uncertain tax positions. Further, the Directors are not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognised tax benefits will significantly change in the next twelve months.

7. Publication and calculation of net asset value

The NAV of the Company is equal to the value of its total assets less its total liabilities. The NAV per share of each class will be calculated by dividing the NAV of the relevant class account by the number of shares of the relevant class in issue on that day.

The Company publishes the NAV per share for each class of shares as calculated by the Administrator based in part on information provided by the Master Fund, monthly in arrears, as at each month-end.

The Company also publishes an estimate of the NAV per share for each class of shares as calculated by the Administrator based in part on information provided by the Master Fund, weekly in arrears.

8. Discount management programme

The Company has previously implemented a number of methods in order to seek to manage any discount to NAV at which the Company's shares trade.

Market purchases

Until October 2016, the Company regularly utilised its ability to make market purchases of its shares as part of the discount management programme. The purchase of these shares was funded by the Company redeeming underlying shares in the Master Fund. The number of shares held in treasury as at 30 June 2017 are disclosed in note 5.

However, following the announcement of the results of the Tender Offer on 24 February 2017, the Company is no longer permitted to redeem its investment in the Master Fund to finance own-share purchases until 1 April 2019. The Company, therefore, does not intend to make any own-share purchases in that period. The Company would be required to pay a redemption fee to the Master Fund of 10% on any other redemptions from the Master Fund (except for any redemptions required by the Company for working capital purposes, in which case no fee will apply).

Tender offers

On 5 April 2016, the Company announced a tender offer to acquire up to 25% of the Company's shares at discounts ranging from 4% to 8%. The purpose of the tender was to permit those Shareholders who wished to realise some (or possibly all) of their investment in the Company to do so, subject to the terms of the tender offer, while also offering potential enhancements to the Company's NAV for Shareholders who remained invested in the Company. The discounts were set by taking account of both the approximate discounts to NAV at which the Company's shares had traded in the past 12 months and the Company's probable liquidation value.

This tender, which was completed in late June 2016, was oversubscribed: tenders of Sterling and Euro shares at discounts of 8%, 7% and 6% were accepted in full, and at 5% in part; tenders of Dollar shares at discounts of 8% and 7% were accepted in full, and at 6% in part. Shares purchased in the tender were cancelled.

On 29 November 2016, the Company announced a further tender offer to acquire up to 100% of each class of the Company's issued shares at a price equivalent to 96% of NAV for the relevant class.

This Tender Offer was approved by Shareholders at meetings in February and March 2017 and Shareholders holding 52% of the Company's shares by prevailing NAV chose to remain invested in the Company, with the remaining 48% of shares by value being tendered for purchase at 96% of NAV. The acquisition of shares pursuant to the Tender Offer was completed on 25 April 2017. Shares purchased in the tender were cancelled.

8. Discount management programme (continued)

Annual offer of partial return of capital

Under the Company's Articles of Incorporation, once in every calendar year the Directors had discretion to determine that the Company make an offer of a partial return of capital in respect of such number of shares of the Company in issue as they determined, provided that the maximum amount distributed did not exceed 100% of the increase in NAV of the Company in the prior calendar year.

The Directors had discretion to determine the particular class or classes of shares in respect of which a partial return of capital would be made, the timetable for that partial return of capital and the price at which the shares of each relevant class were returned.

The decision to make a partial return of capital in any particular year and the amount of the return depended, among other things, on prevailing market conditions, the ability of the Company to liquidate its investments to fund the capital return, the success of prior capital returns and applicable legal, regulatory and tax considerations.

As part of the Tender Offer that was completed on 25 April 2017 and changes to the Company's structure, the annual partial capital return provisions have been disapplied for the years ending 31 December 2016, 2017 and 2018.

Class closure resolutions

Also under the Articles of Incorporation, the Company had an obligation to propose class closure resolutions if, in any fixed discount management period (1 January to 31 December each year), the average daily closing market price of the relevant class of shares during such period was 10% or more below the average NAV per share of the relevant class taken over the 12 monthly NAV Determination Dates in that fixed discount management period.

As part of the Tender Offer that was completed on 25 April 2017 and changes to the Company's structure, these class closure provisions have also been disapplied for the years ending 31 December 2016, 2017 and 2018.

However if, in the period from 1 January 2018 to 31 December 2018, any class of shares trades at an average discount at or in excess of 8% of the monthly NAV, the Company will propose a vote of the relevant class to discontinue that class. Any such class discontinuation vote will take place on or prior to 28 February 2019.

In that event and if a Class Discontinuation Vote is passed by three-quarters of the votes cast on the resolution, holders of shares of the relevant class will be able to opt to receive:

- 97.5 per cent of the NAV per share of the relevant class as at 31 March 2019 (with the remaining 2.5% of the NAV per share being retained by the Master Fund); or

- 50 per cent of the NAV per share of the relevant class as at 31 March 2019 and 50% of the NAV per share as at 30 June 2019.

From 1 April 2019, the Company's class closure provisions and annual partial capital return will be reinstated and applicable in respect of the twelve month period ending on 31 December 2019 and thereafter, except that the relevant trigger for the class closure provisions will be 8% discount to the net asset value of the relevant class of shares over the relevant period, instead of the existing 10% threshold.

The arrangements are described more fully in the Company's principal documents which were approved at the EGM on 24 February 2017.

Notes to the Interim Unaudited Financial Statements continued

For the period from 1 January 2017 to 30 June 2017

9. Financial highlights

The following tables include selected data for a single ordinary share of each of the ordinary share classes in issue at 30 June 2017 and other performance information derived from the Financial Statements.

The per share amounts and ratios which are shown reflect the income and expenses of the Company for each class of ordinary share.

	30.06.17 US Dollar shares US\$	30.06.17 [^] Euro shares €	30.06.17 Sterling shares £
Per share operating performance			
Net asset value at beginning of the period	21.68	21.87	22.44
Income from investment operations			
Net investment loss*	(1.44)	(1.11)	(0.94)
Net realised and unrealised loss on investment	(0.63)	(0.66)	(0.82)
Other capital items**	1.92	(20.10)	0.82
Total loss	(0.15)	(21.87)	(0.94)
Net asset value, end of the period	21.53	–	21.50
Total loss before performance fee	(0.69%)	(3.07%)	(4.19%)
Performance fee	–	–	–
Total loss after performance fee[†]	(0.69%)	(3.07%)	(4.19%)

[^] Returns on the Euro share class have been calculated up to the date of conversion.

Total return reflects the net return for an investment made at the beginning of the period and is calculated as the change in the NAV per ordinary share are during the period from 1 January 2017 to 30 June 2017. An individual shareholder's return may vary from these returns based on the timing of their purchase or sale of shares. All figures contained herein in repeat of the period ended 30 June 2017 are not annualised.

	30.06.17 US Dollar shares US\$ '000	30.06.17 ^{^^} Euro shares US\$ '000	30.06.17 Sterling shares US\$ '000
Supplemental data			
Net asset value, end of the period	61,347	–	300,934
Average net asset value for the period	138,239	21,875	394,978

^{^^} The average Euro share class net asset value for the period is calculated based on published NAVs from the start of the period up to its closure.

	30.06.17 US Dollar shares	30.06.17 Euro shares	30.06.17 Sterling shares
Ratio to average net assets			
Operating expenses			
Company expenses***	3.09%	2.25%	1.95%
Master Fund expenses****	0.53%	0.53%	0.52%
Master Fund interest expense*****	1.53%	1.48%	1.38%
Performance fee	0.00%	0.00%	0.00%
	5.15%	4.26%	3.85%
Net investment loss*	(5.17%)	(4.28%)	(3.82%)

9. Financial highlights (continued)

	31.12.16 US Dollar shares US\$	31.12.16 Euro shares €	31.12.16 Sterling shares £
Per share operating performance			
Net asset value at beginning of the year	20.33	20.56	21.21
Income from investment operations			
Net investment loss*	(0.46)	(0.45)	(0.50)
Net realised and unrealised gain on investment	1.00	0.81	0.91
Other capital items**	0.81	0.95	0.82
Total return	1.35	1.31	1.23
Net asset value, end of the year	21.68	21.87	22.44
Total return before performance fee	6.63%	6.37%	5.84%
Performance fee	–	–	(0.05%)
Total return after performance fee	6.63%	6.37%	5.79%

Total return reflects the net return for an investment made at the beginning of the year and is calculated as the change in the NAV per ordinary share during the year from 1 January 2016 to 31 December 2016. An individual shareholder's return may vary from these returns based on the timing of their purchase or sale of shares.

	31.12.16 US Dollar shares US\$ '000	31.12.16 Euro shares € '000	31.12.16 Sterling shares £ '000
Supplemental data			
Net asset value, end of the year	216,252	33,128	502,083
Average net asset value for the year	261,058	55,907	560,351

	31.12.16 US Dollar shares US\$ '000	31.12.16 Euro shares € '000	31.12.16 Sterling shares £ '000
Ratio to average net assets			
Operating expenses			
Company expenses***	2.15%	2.21%	2.15%
Master Fund expenses****	1.02%	1.03%	1.04%
Master Fund interest expense*****	0.86%	0.82%	0.90%
Performance fee	0.00%	0.00%	0.05%
	4.03%	4.06%	4.14%
Net investment loss before performance fee*	(2.32%)	(2.26%)	(2.33%)
Net investment loss after performance fees*	(2.32%)	(2.26%)	(2.38%)

Notes to the Interim Unaudited Financial Statements continued

For the period from 1 January 2017 to 30 June 2017

9. Financial highlights (continued)

	30.06.16 US Dollar shares US\$	30.06.16 Euro shares €	30.06.16 Sterling shares £
Per share operating performance			
Net asset value at beginning of the period	20.33	20.56	21.21
Income from investment operations			
Net investment loss*	(0.22)	(0.25)	(0.22)
Net realised and unrealised loss on investment	(0.18)	(0.33)	(0.23)
Other capital items**	0.83	0.89	0.80
Total return	0.43	0.31	0.35
Net asset value, end of the period	20.76	20.87	21.56
Total return before performance fee	2.12%	1.52%	1.64%

Total return reflects the net return for an investment made at the beginning of the period and is calculated as the change in the NAV per ordinary share during the period from 1 January 2016 to 30 June 2016. An individual shareholder's return may vary from these returns based on the timing of their purchase or sale of shares. All figures contained herein in repeat of the period ended 30 June 2016 are not annualised.

	30.06.16 US Dollar shares US\$ '000	30.06.16 Euro shares € '000	30.06.16 Sterling shares £ '000
Supplemental data			
Net asset value, end of the period	231,119	51,527	498,130
Average net asset value for the period	302,519	71,080	639,776

	30.06.16 US Dollar shares US\$ '000	30.06.16 Euro shares € '000	30.06.16 Sterling shares £ '000
Ratio to average net assets			
Operating expenses			
Company expenses***	1.09%	1.11%	1.09%
Master Fund expenses****	0.53%	0.53%	0.54%
Master Fund interest expense*****	0.33%	0.33%	0.34%
Performance fee	0.00%	0.00%	0.00%
	1.95%	1.97%	1.97%
Net investment loss*	(0.82%)	(0.85%)	(0.79%)

Notes

* The net investment loss figures disclosed above, does not include net realised and unrealised gains/losses on investments allocated from the Master Fund.

** Included in other capital items are the discounts and premiums on conversions between share classes and on the sale of treasury shares as well as any partial capital return effected in the relevant period as compared to the NAV per share at the beginning of the period/year.

*** Company expenses are as disclosed in the Interim Unaudited Statement of Operations excluding the performance fee and Foreign Exchange.

**** Master Fund expenses are the operating expenses of the Master Fund excluding the interest and dividend expenses of the Master Fund.

***** Master Fund interest expense includes interest and dividend expenses on investments sold short.

10. Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial or operational decisions.

Management and performance fees are disclosed in note 4.

Directors' fees are disclosed in the Directors' Remuneration Report on page 13.

Directors' interests are disclosed in the Directors' Report on page 6 and also the Board Members section on page 3.

11. Subsequent events

The Directors have evaluated subsequent events up to 21 August 2017, which is the date that the Interim Unaudited Financial Statements were available to be issued, and have concluded there are no further items that require disclosure or adjustment to the Interim Unaudited Financial Statements.

Historic Performance Summary

As at 30 June 2017

	30.06.17 US\$'000	31.12.16 US\$'000	31.12.15 US\$'000	31.12.14 US\$'000	31.12.13 US\$'000
Net (decrease)/increase in net assets					
resulting from operations	(8,363)	(150,245)	(91,220)	(122,858)	105,344
Total assets	452,760	866,740	1,499,648	1,768,337	2,255,031
Total liabilities	(530)	(1,897)	(4,755)	(5,519)	(8,176)
Net assets	452,230	864,843	1,494,893	1,762,818	2,246,855
Number of shares in issue					
US Dollar shares	2,849,663	9,975,524	17,202,974	18,332,029	24,967,761
Euro shares	–	1,514,872	4,163,208	5,112,916	6,792,641
Sterling shares	13,995,456	22,371,669	33,427,871	37,717,793	43,602,671
Net asset value per share					
US Dollar shares	US\$21.53	US\$21.68	US\$20.33	US\$20.62	US\$20.60
Euro shares	–	€21.87	€20.56	€20.72	€20.74
Sterling shares	£21.50	£22.44	£21.21	£21.40	£21.34

Notes

Notes

Company Information

Directors

Huw Evans (*Chairman, from 23 June 2017*)

Ian Plenderleith (*Chairman, until 23 June 2017*)

Claire Whittet

Colin Maltby

John Le Poidevin

(All Directors are non-executive and independent for the purpose of Listing Rule 15.2.12-A)

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