BH Macro Limited
Annual Report and Audited Financial Statements 2015

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
31 December 2015

Chairman's Statement

In a year that offered few opportunities for macro-trading strategies, BH Macro Limited (the "Company") achieved a gain in net asset value ("NAV") on its sterling shares of around 3% by the end of the first quarter of 2015, but ended with a marginal fall in NAV over the year as a whole of just under 1% (0.86%).

The stronger performance in the first quarter reflected the more active market conditions prevailing at the start of the year: NAV gains were made from the ECB's move to quantitative easing while avoiding losses on the de-pegging of the Swiss franc. Thereafter, however, for much of the remainder of the year markets retreated into a more cautious pattern of trading. Market activity was dampened by heightened uncertainties flowing from strains in the Eurozone, the fall in oil and commodity prices, weakness in the Chinese economy and the impact of disturbance in the Middle East. In this environment, there was little scope for macro-directional trading until the final months of the year, when gains were made in November in anticipation of further monetary easing by the ECB. These gains were, however, reversed in December when the ECB's action proved less substantial than markets had expected.

A full account of NAV performance is provided in the report by the Company's manager, Brevan Howard Capital Management LP (the "Manager"), later in this Annual Report. An important feature of the year's performance is the focus the Manager has continued to direct to preserving Shareholders' capital when markets have turned adverse, while remaining alert to opportunities for gains when market trends develop more favourably. The setback at the end of the year in the wake of the ECB's minimalist monetary action was plainly disappointing, but nonetheless heralds an important prospect for the future: after several years of universally accommodative monetary policies, the divergence between faster-growing economies starting to raise rates, and weaker-performing economies moving through the zero bound into outright negative rates, offers the prospect of underlying macro-economic trends becoming a more dominant influence on markets and thereby generating a more fertile environment for macro-trading strategies.

In line with its stated purpose, the Company invests all of its assets (net of working capital) in Brevan Howard Master Fund Limited (the "Master Fund"). The Master Fund's stated objective has been, and remains, to seek to generate consistent long-term appreciation through active leveraged trading and investment on a global basis. Through the investment it provides in the Master Fund, the Company has an established track record of preserving Shareholders' capital and achieving positive returns, uncorrelated with other markets and with low volatility. Over the nine years since its launch in 2007, the Company has more than doubled its NAV (a gain of 112.1% on the sterling shares) and has achieved an annualised rate of return of 8.9% with an annualised Sharpe ratio of 1.1.

The Company's shares have traded over the past year at a small discount – close to par at the start of the year on the stronger NAV performance, but widening somewhat later in the year. To moderate the discount, the Board has undertaken market purchases of the Company's shares as necessary as the discount has approached 5%. During the year the equivalent of US$176.7 million of shares were repurchased; this amounted to around half the scale of repurchases required in the previous year. The repurchases added approximately 12 pence (0.57%) to the NAV per share of the sterling shares, 20 cents (0.96%) of the dollar shares and 10 euro cents (0.49%) for the euro shares. Authority for market purchases was renewed at the Company's AGM in June 2015 and again at an EGM in February 2016. The Board will continue to be ready to undertake discount management actions where necessary so that as far as possible the share prices properly reflect the Company's underlying performance and prospects.

The Company's assets remain substantial, with NAV totalling the equivalent of US$1.49 billion at end-2015, making it one of the largest single-manager hedge funds listed on the London Stock Exchange. The listing of the Company's shares on the Main Market of the London Stock Exchange continues to provide an active secondary market for Shareholders to trade shares. The sterling shares have maintained their place in the FTSE 250 and the Company has also maintained its listings in Dubai and Bermuda.

The Board maintains regular dialogue with the Company's 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, supplemented by additional contacts with the Manager at intervals during the 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. In December 2015 the Directors held a Board meeting in New York and held briefing meetings with Brevan Howard's US trading team. Earlier in the year, a similar round of meetings was held with the Brevan Howard team in Geneva. 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. Regular communication is maintained with Shareholders and presentations are made to keep analysts, financial journalists and the wider investment community informed of the Company's progress. To supplement this programme, an extended presentation for professional investors was held in London in April 2015; a further such event is planned for April 2016. 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, whose members are 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 in the Directors' Report. The Board has implemented the recommendations of the Davies Report on women on boards.

Talmai Morgan retired from the Board at the Company's AGM on 25 June 2015 after eight years' distinguished service as a Director. The Board has benefited immensely from the wisdom and insights he brought to its work and has greatly valued his significant contribution to the success of the Company from its inception. In his place, the Directors were delighted to appoint Colin Maltby, who brings to the Board extensive experience of a career at senior level in investment management.

David Barton retired from the Board on 29 February 2016 on taking up a new career appointment. The Board has greatly appreciated the significant role he played in establishing the Company and the expertise and support he contributed to its subsequent development.

In the more active market conditions seen at the start of 2016, the Master Fund demonstrated its ability to capitalise on favourable opportunities. Increased divergence between the major economies, as manifest in the contrasting monetary actions taken by the Federal Reserve and the ECB at the end of the year, suggests that opportunities for macro-trading may be more in evidence in the future than has been the case for the past two years or more. In such conditions, the Board believes that the Master Fund has the capability to deliver positive performance over time and that the Company's investment in the Master Fund offers good prospects for Shareholders to achieve sustainable and uncorrelated returns while preserving capital.

Ian Plenderleith
Chairman

21 March 2016

Board Members

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

Ian Plenderleith (Chairman), age 72
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 was a non-executive director of BMCE Bank International in London until his resignation on 31 January 2016. He is also Chairman of the Governors of Reed's School in Surrey. Mr Plenderleith has held the role of Chairman of the Board since 2007.

Huw Evans, age 57
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.

David Barton, age 36 *(resigned 29 February 2016)*
During the reporting period, David Barton was Jersey resident. He joined Brevan Howard in July 2007. He was the Head of Legal at Brevan Howard Capital Management LP, the Company's manager, and a director of a number of the group's global entities. Prior to joining Brevan Howard, David worked as a transactional lawyer in the Corporate group of Freshfields Bruckhaus Deringer in London (2005 - 2007), advising on the structuring and launch of listed and unlisted hedge, private equity and other investment funds. Prior to Freshfields, David worked as a solicitor in the Corporate and Finance groups of Freehills in Sydney (2002-2005) advising on a wide range of M&A, ECM/DCM and investment fund transactions. David holds a Bachelor of Commerce (Economics and Finance) and Bachelor of Laws (Hons) from Macquarie University in Sydney and is admitted to practice as a solicitor in England and Wales and a solicitor and barrister in New South Wales, Australia. David is Series 3 (Commodities and Futures) qualified with the United States, National Association of Securities Dealers (NASD). Mr Barton was appointed to the Board in April 2014 and resigned on 29 February 2016.

Christopher Legge, (Senior Independent Director), age 60
Christopher Legge is Guernsey resident and has over 25 years experience in the financial services industry. He qualified in London in 1980 with Pannell Kerr Forster and subsequently moved to Guernsey in 1983 to work for Ernst & Young, progressing from audit manager to Managing Partner in the Channel Islands. Mr Legge retired from Ernst & Young in 2003 and currently holds a number of directorships in the financial sector. Mr Legge is an FCA and holds a BA (Hons) in Economics from the University of Manchester. Mr Legge was appointed to the Board in 2007.

Colin Maltby, age 65
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. He 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. Colin 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 is currently an Investment Advisor to Wolfson College, Oxford. Colin 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. Mr Maltby is a Fellow of Wolfson College, Oxford, a Fellow of the Royal Institution of Great Britain 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 60
Claire Whittet is Guernsey resident and has over 38 years' experience in the financial services industry. After obtaining a MA (Hons) in Geography from the University of Edinburgh, she joined the Bank of Scotland for 19 years and undertook a wide variety of roles including running two city centre offices. She moved to Guernsey in 1996 and was Global Head of Private Client Credit for Bank of Bermuda before joining Rothschild Bank International Limited where she is now Managing Director and Co-Head. Mrs Whittet 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 four other listed investment funds and holds various directorships in addition to these. 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	
None	
David Barton *(resigned 29 February 2016)*	
None	
Huw Evans	
Standard Life Investments Property Income Trust Limited	London

Christopher Legge	
Ashmore Global Opportunitites Limited	London
Baring Vostok Investments PCC Limited	Channel Islands
John Laing Environmental Assets Group Limited	London
Schroder Global Real Estate Securities Limited	London
Sherborne Investors (Guernsey) B Limited	SFM
Third Point Offshore Investors Limited	London
TwentyFour Select Monthly Income Fund Limited	London
Colin Maltby	
BACIT Limited	London
BBGI SICAV SA	London
Ocean Wilsons Holdings Limited	London and Bermuda
Claire Whittet	
Eurocastle Investment Limited	Euronext
International Public Partnerships Limited	London
Riverstone Energy Limited	London
TwentyFour Select Monthly Income Fund Limited	London

Directors' Report

31 December 2015

The Directors submit their Report together with the Company's Audited Statement of Assets and Liabilities, Audited Statement of Operations, Audited Statement of Changes in Net Assets, Audited Statement of Cash Flows and the related notes for the year ended 31 December 2015. The Directors' Report together with the Audited 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"), are in accordance with any relevant enactment for the time being in force 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 a Secondary Listing (Chapter 14) on the Official List of the London Stock Exchange ("LSE") on 14 March 2007. On 11 March 2008, the Company migrated from the Secondary Listing to a Primary Listing pursuant to Chapter 15 of the Listing Rules of the UK Listing Authority. As a result of changes to the UK Listing Regime, the Company's Primary Listing became a Premium Listing with effect from 6 April 2010.

As of 20 October 2008 the Company obtained a Secondary Listing on the Bermuda Stock Exchange and with effect from 11 November 2008, the US Dollar Shares of the Company were admitted to a Secondary Listing on NASDAQ Dubai.

The proceeds from the original issue of shares on listing amounted to approximately US$1.1 billion. On 26 October 2007 the Company issued further shares in a cash placing amounting to approximately US$0.1 billion.

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 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 Audited Statement of Operations. The Directors do not recommend the payment of a dividend.

The figures stated in note 9 of the Notes to the Audited 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 year.

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

Viability statement
The investment objective of the Company is to seek to generate consistent long-term capital appreciation through an investment policy of investing all of its assets (net of funds required for its short-term working capital) in the ordinary US Dollar, Euro and Sterling denominated Class B shares issued by the Master Fund.

The Company's investment performance depends upon the performance of the Master Fund and the Manager as manager of the Master Fund. The Directors, in assessing the viability of the Company, paid particular attention to the risks facing the Master Fund. The Manager operates a risk management framework which is intended to identify, measure, monitor, report and where appropriate, mitigate key risks identified by it or its affiliates in respect of the Master Fund.

The Company's assets exceed its liabilities by a considerable margin. Further, the majority of the Company's most significant liabilities, being the fees owing to the Manager and to the Company's administrator, fluctuate by reference to the Company's investment performance and net asset value.

The Directors confirm that their assessment of the principal risks facing the Company was robust and that they have assessed the viability of the Company over the period to 31 December 2018. The viability statement covers a period of three years, which the Directors consider sufficient given the inherent uncertainty of the investment world and the strategy period. In selecting this period the Directors considered the environment within which the Company operates, its liabilities, the performance of the Master Fund and the risks associated with the Company.

The continuation of the Company in its present form is dependent on the Management Agreement with the Manager remaining in place. The Directors note that the Management Agreement with the Manager is terminable on two years' notice by either party. The Directors know of no current reason why either the Company or the Manager might serve notice of termination of the Management Agreement during the three year period covered by this viability statement. To ensure that the Company maintains a constructive and informed relationship with the Manager, the Directors meet regularly with the Manager to review the Master Fund's performance, and through the Management Engagement Committee, they review the nature of the Company's relationship with the Manager.

Besides the possible termination of the Management Agreement, at the Company level the main risk to the Company's continuation would be that adverse investment performance by the Master Fund could precipitate extended downwards pressure on the Company's share prices from shareholders seeking to liquidate their investment in the Company by selling their shares. The Company's shares could consequently trade at a more significant discount to NAV, which, if it persisted, could in turn increase selling pressure.

The Company's discount management programme is described within Note 8, including details as to when class closure resolutions would have to be put to shareholders. The Company actively undertakes discount management actions, including share buybacks, so that as far as possible the share prices properly reflect the Company's underlying performance; such actions mitigate the risk of a class closure resolution being triggered. But buybacks necessarily reduce the size of the Company's market capitalisation, with some consequent diminution in the liquidity of the Company's shares and if, in the face of larger-scale selling by shareholders, the Board were to determine that it would be in the interests of shareholders as a whole to initiate a more structured operation to offer shareholders a partial return of capital, the reduction in the Company's capitalisation and in the liquidity of its shares could be more substantial.

The Directors having considered the above risks and reviewed budgeted ongoing expenses and on the assumption that they are managed or mitigated in the ways noted above, have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three-year period of their assessment.

Going concern

After making enquiries and given the nature of the Company and its investment, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these Financial Statements and, after due consideration, the Directors consider that the Company is able to continue for the foreseeable future. In reaching this conclusion the Board is mindful of the nature of the assets that underlie its investment in the Master Fund, including the Master Fund's liquidity, and has concluded that adverse investment performance would not have a material impact on the Company's ability to meet its liabilities as they fall due.

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 the Board Members section 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 year, is detailed in the Directors' Remuneration Report.

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. In addition to these scheduled meetings, 14 ad hoc meetings were held to deal with matters that were of a fundamentally administrative nature, the majority being the conversions between share classes. These meetings were attended by those Directors available at the time.

Directors

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 year ended 31 December 2015 and the number of such meetings attended by each Director.

Scheduled Board Meetings	Held	Attended
Ian Plenderleith	4	4
David Barton	4	4
Huw Evans	4	4
Colin Maltby	*2	2
Christopher Legge	4	4
Talmai Morgan	*2	2
Claire Whittet	4	4

Audit Committee Meetings	Held	Attended
Huw Evans	5	5
Christopher Legge	5	5
Claire Whittet	5	5

Management Engagement Committee Meetings	Held	Attended
Ian Plenderleith	1	1
Huw Evans	1	1
Christopher Legge	1	1
Claire Whittet	1	1

* Indicates the meetings held during their membership of the Board during the year ended 31 December 2015.

Directors' independence

In January 2016 the Chairman and Christopher Legge will both have served on the Board for over nine years and under the AIC Code may not be considered to be independent of the Company. The Board however, takes the view that independence is not necessarily compromised by the length of tenure on the Board and experience can add significantly to the Board's strength. It has therefore determined that in performing their role as Directors, the Chairman and Christopher Legge remain wholly independent and all the Directors except for David Barton (who resigned from the Board on 29 February 2016) are considered to be independent of the Company. As noted below Christopher Legge will be retiring as Chairman of the Audit Committee in June 2016. David Barton was an employee of the Manager and therefore deemed not to be independent of the Manager for the purposes of LR15.2.12-A and served as a Director until his resignation on 29 February 2016.

Directors' interests

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

		US Dollar Shares
	31.12.15	**31.12.14**
Ian Plenderleith	Nil	Nil
David Barton	Nil	Nil
Huw Evans	Nil	Nil
Christopher Legge	Nil	Nil
Colin Maltby	Nil	N/A
Talmai Morgan	N/A	Nil
Claire Whittet	Nil	Nil

		Euro Shares
	31.12.15	**31.12.14**
Ian Plenderleith	Nil	Nil
David Barton	Nil	Nil
Huw Evans	Nil	Nil
Christopher Legge	Nil	Nil
Colin Maltby	Nil	N/A
Talmai Morgan	N/A	Nil
Claire Whittet	Nil	Nil

		Sterling Shares
	31.12.15	**31.12.14**
Ian Plenderleith	Nil	Nil
David Barton	Nil	Nil
Huw Evans	710	710
Christopher Legge	Nil	Nil
Colin Maltby	Nil	N/A
Talmai Morgan	N/A	1,200
Claire Whittet	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 of Corporate Governance ("AIC Code") is deemed to comply with both the UK Corporate Governance Code and the Guernsey Code of Corporate Governance.

The Financial Reporting Council (the "FRC") issued a revised UK Corporate Governance Code in September 2014 for accounting periods beginning on or after 1 October 2014. The AIC updated the AIC Code (including the Guernsey edition) and its Guide to Corporate Governance to reflect the relevant changes to the FRC document in February 2015. The Board has adopted this revised code.

The Board has considered the principles and recommendations of the AIC Code by reference to the AIC Corporate Governance Guide for Investment Companies ("AIC Guide"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to the Company.

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders. To ensure ongoing compliance with these principles 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 shares, which is based on the Model Code for Directors' dealings contained in the LSE's Listing Rules.

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 these 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, as the Company is a FTSE 250 listed company, 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 25 June 2015, Shareholders re-elected all the Directors of the Company with the exception of Talmai Morgan 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.

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.

Christopher Legge, as Senior Independent Director, takes the lead in reviewing the performance of the Chairman. The Chairman also has responsibility for assessing the individual Board members' training requirements.

In accordance with the AIC Code which requires external evaluation of the Board every three years, the Board commissioned an external evaluation of its performance by Optimus Group Limited at the end of 2014. The report of the evaluation confirmed that the Company applies a high standard of corporate governance and is compliant with relevant Codes in all areas. The report indicated that there were no significant issues to raise; some helpful procedural suggestions were offered, which the Board has implemented.

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 Annual 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 year ended 31 December 2015 and year ended 31 December 2014 have been prepared in accordance with the AIC's recommended methodology.

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

31.12.15

	US Dollar Shares	Euro Shares	Sterling Shares
Company – Ongoing Charges	1.98%	1.99%	1.96%
Master Fund – Ongoing Charges	0.62%	0.60%	0.62%
Performance fee	0.01%	0.03%	0.02%
Ongoing Charges plus performance fee	2.61%	2.62%	2.60%

31.12.14

	US Dollar Shares	Euro Shares	Sterling Shares
Company – Ongoing Charges	1.94%	1.94%	1.94%
Master Fund – Ongoing Charges	0.60%	0.58%	0.61%
Performance fee	0.00%	0.00%	0.00%
Ongoing Charges plus performance fee	2.54%	2.52%	2.55%

The Master Fund 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, Euro 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 service fee payable to the Manager of 1/12 of 0.5% per month of the NAV.

Audit Committee
The Company's Audit Committee conducts formal meetings at least four 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.

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, Christopher Legge, Ian Plenderleith and Claire Whittet. Huw Evans is the Chairman 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 14 September 2015, 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 continued to be of the same opinion.

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 register functions including the independent calculation of the Company's NAV and the production of the Annual report and Financial Statements, which are independently audited. 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. Om 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 is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board is satisfied that by using the Company's risk matrix in establishing the Company's system of internal controls while monitoring the Company's investment objective and policy the Board has carried out a robust assessment of the principal risks and uncertainties facing the Company. 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.

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.

Foreign Account Tax Compliance Act
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 Company is subject to Guernsey regulations and guidance based on reciprocal information sharing inter-governmental agreements which Guernsey has entered into with the United Kingdom and the United States of America. The Board will take the necessary actions to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

Common Reporting Standard
The CRS is a standard developed by the Organisation for Economic Co-operation and Development (OECD) and is a global approach to the automatic exchange of tax information.
Guernsey has now adopted the CRS which came into effect on 1 January 2016.

The CRS has replaced the UK Inter-Governmental Agreement (IGA) from 1 January 2016. However, it will still be necessary to submit the 2014 and 2015 reports for the UK IGA by 30 June 2016. The first report for CRS will be made to the Director of Income Tax by 30 June 2017.

The Company is subject to Guernsey regulations and guidance on the automatic exchange of tax information and the Board will therefore take the necessary actions to ensure that the Company is compliant in this regard.

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. In addition, Board members are available to respond to Shareholders' questions at Annual General Meetings. Shareholders who wish to communicate with the Board should contact the Administrator in the first instance.

Significant Shareholders
As at 21 March 2016, the following Shareholders had significant shareholdings in the Company:

	Total Shares Held	**% holding in class**
Significant Shareholders		
US Dollar Shares		
Chase Nominees Limited	4,076,111	25.88%
Nortrust Nominees Limited	2,733,351	17.36%
Vidacos Nominees Limited	1,478,153	9.39%
Morstan Nominees Limited	1,175,315	7.46%
J P Morgan Clearing Corporation	914,256	5.81%
Luna Nominees Limited	836,796	5.31%
State Street Nominees Limited	627,352	3.98%
The Bank of New York Nominees Limited	509,267	3.23%
Lynchwood Nominees Limited	481,488	3.06%

	Total Shares Held	**% holding in class**
Significant Shareholders		
Euro Shares		
Nordea Bank Danmark A/S	1,268,571	33.69%
State Street Nominees Limited	342,867	9.11%
Lynchwood Nominees Limited	216,055	5.74%
Vidacos Nominees Limited	211,149	5.61%
Computershare Investor Services Plc	163,213	4.33%
Smith & Williamson Nominees Limited	142,390	3.78%
Aurora Nominees Limited	134,750	3.58%
HSBC Global Custody Nominee (UK) Limited	132,578	3.52%
Goodbody Stockbrokers Nominees Limited	120,825	3.21%
Securities Services Nominees Limited	113,399	3.01%

	Total Shares Held	**% holding in class**
Significant Shareholders		
Sterling Shares		
Luna Nominees Limited	6,009,896	19.24%
Chase Nominees Limited	4,497,491	14.40%
Nutraco Nominees Limited	2,749,617	8.80%
The Bank of New York (Nominees) Limited	1,818,508	5.82%
HSBC Global Custody Nominee (UK) Limited	1,645,032	5.27%
Ferlim Nominees Limited	1,449,711	4.64%
State Street Nominees Limited	1,131,220	3.62%

Rathbone Nominees Limited	1,119,079	3.58%
Pershing Nominees Limited	996,600	3.19%

Signed on behalf of the Board by:

Ian Plenderleith
Chairman

Christopher Legge
Director

21 March 2016

Statement of Directors' Responsibility in Respect of the Annual Report and Audited Financial Statements

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with applicable laws and regulations.

Guernsey company law requires the Directors to prepare Financial Statements for each financial year. Under that law they have elected to prepare the Financial Statements in conformity with accounting principles generally accepted in the United States of America.

The Financial Statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these Financial Statements the Directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Financial Statements comply with the Companies (Guernsey) Law, 2008. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the BH Macro Limited website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements or audit report since they were initially presented on the website.

Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

We confirm to the best of our knowledge that:

- so far as each of the Directors is aware, there is no relevant audit information of which the Company's Independent Auditor is unaware, and each has taken all the steps they ought to have taken as a Director to make themself aware of any relevant information and to establish that the Company's Independent Auditor is aware of that information;
- these Financial Statements have been prepared in conformity with accounting principles generally accepted in the United States of America and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- these 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; and
- these Financial Statements include information detailed in the Chairman's Statement, the Directors' Report and the Manager's Report, which provides a fair view of the information required by:

(a) DTR 4.1.8 of the Disclosure and Transparency Rules, being a fair review of the Company's business and a description of the principal risks and uncertainties facing the Company; and

(b) DTR 4.1.12 of the Disclosure and Transparency Rules, being that the Financial Statements are prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and that the Annual Report includes a fair review of the development and performance of the business and position of the Company together with a description of the principal risks and uncertainties that it faces.

Signed on behalf of the Board by:

Ian Plenderleith
Chairman

Christopher Legge
Director

21 March 2016

Directors' Remuneration Report
31 December 2015

Introduction
An ordinary resolution for the approval of the directors' remuneration report will be put to the Shareholders at the Annual General Meeting to be held in 2016.

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 Chairmen of the Audit Committee and the Management Engagement Committee. 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 Mr Barton, Mrs Whittet and Mr Maltby received their letters of appointment on joining the Board on 17 April 2014, 16 June 2014 and 25 June 2015 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, as the Company is a FTSE 250 listed company, 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 25 June 2015, Shareholders re-elected all the Directors with the exception of Talmai Morgan 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, with the exception of Mr Barton who resigned on 29 February 2016, 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 period 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. The Chairman is entitled to an annual fee of £167,000, the Chairmen of both the Audit Committee and the Management Engagement Committee are entitled to an annual fee of £37,500 and all other Directors are entitled to an annual fee of £34,000, excluding David Barton who was not paid a fee.

The fees payable by the Company in respect of each of the Directors who served during the year ended 31 December 2015 and the year ended 31 December 2014, were as follows:

	Year ended 31.12.15 £	Year ended 31.12.14 £
Ian Plenderleith	167,000	167,000
David Barton	Nil	Nil
Huw Evans	37,500	35,898
Anthony Hall	Nil	**17,158
Christopher Legge	37,500	37,500
Colin Maltby	*17,469	Nil
Talmai Morgan	*16,530	34,000
Stephen Stonberg	*Nil	**8,384
Claire Whittet	34,000	**18,537
Total	**309,999**	**318,477**

* Fees are pro rata for length of service during the year ended 31 December 2015.
** Fees are pro rata for length of service during the year ended 31 December 2014.

Signed on behalf of the Board by:

Ian Plenderleith
Chairman

Christopher Legge
Director
21 March 2016

Report of the Audit Committee
31 December 2015

On the following pages, we present the Audit Committee's (the "Committee") Report for 2015, setting out the Committee's structure and composition, principal duties and key activities during the year. As in previous years, the Committee has reviewed the Company's financial reporting, the independence and effectiveness of the Independent Auditor and the internal control and risk management systems of the service providers.

Structure and Composition
The Committee is chaired by Christopher Legge and its other members are Huw Evans and Claire Whittet.

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. Christopher Legge has served his third term of three years. Huw Evans is currently serving his second term and Claire Whittet is serving her first term.

Recognising that Christopher Legge would reach the end of his third term of three years as Chairman of the Audit Committee in January 2016, the Board determined at its meeting in December 2015 that, to ensure continuity of oversight of the 2015 Annual Report and Financial Statements, his term as Chairman of the Audit Committee should be extended to June 2016, when Huw Evans will succeed him in that appointment.

The Committee conducts formal meetings at least four times a year. The table on the Directors' Report sets out the number of Committee meetings held during the year ended 31 December 2015 and the number of such meetings attended by each committee member. The Independent Auditor is invited to attend those meetings at which the annual and interim reports are considered. The Independent Auditor and the Committee will meet together without representatives of either the Administrator or Manager being present if the Committee considers this to be necessary.

Principal duties
The role of the Committee includes:

- monitoring the integrity of the published Financial Statements of the Company;

- reviewing and reporting to the Board on the significant issues and judgements made in the preparation of the Company's published Financial Statements, (having regard to matters communicated by the Independent Auditor), significant financial returns to regulators and other financial information;
- monitoring and reviewing the quality and effectiveness of the Independent Auditor and their independence;
- considering and making recommendations to the Board on the appointment, reappointment, replacement and remuneration to the Company's Independent Auditor; and
- monitoring and reviewing the internal control and risk management systems of the service providers.

The complete details of the Committee's formal duties and responsibilities are set out in the Committee's Terms of Reference, which can be obtained from the Company's Administrator.

Independent Auditor
KPMG Channel Islands Limited ("KPMG") has been the Independent Auditor from the date of the initial listing on the London Stock Exchange. Lee Clark was appointed as the audit engagement partner and opinion signatory after the conclusion of the 2011 audit. In accordance with normal audit rotation requirements Lee Clark will be succeeded by another audit engagement partner and opinion signatory following the conclusion of the 2015 audit.

The independence and objectivity of the Independent Auditor is reviewed by the Committee, which also reviews the terms under which the Independent Auditor is appointed to perform non-audit services. The Committee has also established pre-approval policies and procedures for the engagement of the auditor to provide audit, assurance and tax services. These are that the Independent Auditor may not provide a service which:

- places them in a position to audit their own work
- creates a mutuality of interest
- results in the Independent Auditor functioning as a manager or employee of the Company
- puts the Independent Auditor in the role of advocate of the Company

The audit and non-audit fees proposed by the Independent Auditor each year are reviewed by the Committee taking into account the Company's structure, operations and other requirements during the period and the Committee makes recommendations to the Board.

The recent revisions to the UK Corporate Governance Code introduced a recommendation that the external audit be put out to tender every ten years. During the year, the Audit Committee initiated and completed the process of tendering the external audit for the financial year ending December 2016. The Audit Committee issued a request for a proposal to four firms in September 2015 following a review by the Audit Committee to determine which firms to invite to tender.

The members of the Audit Committee met in September 2015 with three of the four firms who were invited to tender. The fourth firm was unable to tender due to a conflict of interest. Proposals were subsequently submitted from two firms whilst the third firm decided to withdraw from the process.

Following review of the submissions, the Audit Committee members resolved to recommend the continuing appointment of KPMG as auditors, deeming this course of action to be in the best interests of shareholders, by virtue of the strength of the KPMG audit team and the greater cost effectiveness resulting from the audit work that other KPMG member firms perform on Brevan Howard vehicles.

The Audit Committee has examined the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the Independent Auditor, with particular regard to non-audit fees, and considers KPMG Channel Islands Limited, as Independent Auditor, to be independent of the Company.

The recent revisions to the UK Corporate Governance Code introduced a recommendation that the independent audit be put out to tender every ten years. During the year, the Audit Committee arranged a competitive audit tender process and on completion recommended to the Board that KPMG continue as the Company's Independent Auditor.

Key Activities in 2015
The following sections discuss the assessment made by the Committee during the year:

Significant Financial Statement Issues
The Committee's review of the interim and annual Financial Statements focused on the following area:

The Company's investment in the Master Fund had a fair value of US$1.42 billion as at 31 December 2015 and represents substantially all the net assets of the Company. This investment is valued in accordance with the Accounting Policies set out in note 3 to the Audited Financial Statements. The Financial Statements of the Master Fund for the year ended 31 December 2015 were audited by KPMG Cayman who issued an unmodified audit opinion dated 18 March 2016. The Audit Committee has reviewed the Financial Statements of the Master Fund and the Accounting Policies and determined the fair value of the investment as at 31 December 2015 is reasonable.

This matter was discussed during the planning and final stage of the audit and there was no significant divergence of views between the management and the Independent Auditor.

Effectiveness of the Audit
The Committee held formal meetings with KPMG during the course of the year: 1) before the start of the audit to discuss formal planning, to discuss any potential issues and to agree the scope that will be covered and 2) after the audit work was concluded to discuss the significant issues such as those stated above.

The Committee considered the effectiveness and independence of KPMG by using a number of measures, including but not limited to:

- Reviewing the audit plan presented to them before the start of the audit;
- Reviewing and challenging the audit findings report including variations from the original plan;
- Reviewing any changes in audit personnel; and
- Requesting feedback from both the Manager and the Administrator.

Further to the above, during the year, the Committee performed a specific evaluation of the performance of the Independent Auditor. This was supported by the results of questionnaires completed by the Committee covering areas such as the quality of the audit team, business understanding, audit approach and management. This questionnaire was part of the process by which the Committee assessed the effectiveness of the audit.

There were no significant adverse findings from the 2015 evaluation.

Audit fees and Safeguards on Non-Audit Services
The tables below summarises the remuneration paid by the Company to KPMG and to other KPMG member firms for audit and non-audit services during the years ended 31 December 2015 and 31 December 2014.

	Year ended 31.12.15 £	**Year ended 31.12.14 £**
KPMG Channel Islands Limited		
Annual audit	27,500	27,000
Interim review	8,750	8,750
Other KPMG member firms		
US Tax Services	–	13,358

US Tax services were provided in relation to investor tax reporting requirements in the United States.

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

Internal Control
The Audit Committee has also reviewed the need for an internal audit function. The Committee has concluded that the systems and procedures employed by the Manager and the Administrator, including their own internal audit functions, currently 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.

The Committee examined externally prepared assessments of the control environment in place at the Manager and the Administrator, with each providing a Service Organisation Control (“SOC1”) report. In addition, the Chairman also visited the offices of the Manager and conducted discussions with its internal auditor. No significant findings have been noted during the year.

Conclusion and Recommendation

After reviewing various reports such as the operational and risk management framework and performance reports from the Manager and Administrator, consulting where necessary with KPMG, and assessing the significant Financial Statement issue listed on the Report of the Audit Committee, the Committee is satisfied that the Financial Statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised and challenged and are sufficiently robust. At the request of the Board, the Audit Committee considered whether the 2015 Annual Report and Audited Financial Statements were fair, balanced and understandable and whether they provided the necessary information for Shareholders to assess the Company's performance, business model and strategy.

The Audit Committee are satisfied that, taken as a whole, the Annual Report and Audited Financial Statements are fair, balanced and understandable and provide the necessary information for Shareholders to assess the Company's performance.

The Independent Auditor reported to the Committee that no material misstatements were found in the course of its work. Furthermore, both the Manager and the Administrator confirmed to the Committee that they were not aware of any material misstatements including matters relating to the presentation of the Financial Statements. The Committee confirms that it is satisfied that the Independent Auditor has fulfilled its responsibilities with diligence and professional scepticism.

Consequent to the review process on the effectiveness of the independent audit and the review of audit and non-audit services, the Committee has recommended that KPMG be reappointed for the coming financial year.

For any questions on the activities of the Committee not addressed in the foregoing, a member of the Audit Committee remains available to attend each Annual General Meeting to respond to such questions.

Christopher Legge
Audit Committee Chairman
21 March 2016

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 1.42% in 2015, while the NAV per share of the Euro shares depreciated by 0.77% and the NAV per share of the Sterling shares depreciated by 0.86%.

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)

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)

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)

Source: Fund NAV data is provided by the administrator of the Fund, International Fund Services (Ireland) Limited. BH Macro Limited ("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 fees (as described in note 4) and all other fees and expenses payable by BHM.

Shares in the Company do not necessarily trade at a price equal to the prevailing NAV per Share.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

The Fund's largest exposures at the start of the year were short positions in both the Swiss Franc and the Euro currencies, which were held in expectation of further European Central Bank easing.

In aggregate, gains in FX trading were more than offset by losses in other areas.

The Fund successfully avoided the turmoil caused by the Swiss National Bank unexpectedly de-pegging the Swiss Franc from the Euro in January 2015, whilst profiting from the European Central Bank's subsequent Quantitative Easing announcement, to finish up approximately 3% at the end of the first quarter. Roughly half of these gains were given back in the second quarter, as positions held in anticipation of an increase in market volatility due to the Greek crisis led to losses.

During the second half of the year the Fund's positions increasingly reflected the view that the economic slowdown in Europe, and the likelihood that inflation expectations would start to decline substantially, would lead the European Central Bank to ease much more aggressively than already discounted for by market expectations. Market anticipation of increased European Central Bank easing led to gains on those positions in November. However, in the event, the European Central Bank disappointed the market at its December meeting and the gains made in November were negated by losses in December. Overall the view cost the Fund a little more than 1% over the two months.

Commentary and Outlook

The central bank policy divergence that we have been anticipating for over a year has now finally arrived, which we believe should materially improve the opportunity set for macro trading.

In December, after 6 years at zero interest rates the US Federal Reserve ("the Fed") started a hiking cycle. However, the brief period of unity among Federal Reserve policy makers following lift off appears to be fraying. On the one hand, hawks see an economy making progress on both the employment and inflation mandates with financial market volatility that has done little to dent the expansion. On the other hand, doves worry that inflation has been too low for too long and the risks from the unsettled international environment threaten to derail the expansion when the Fed would have few attractive easing options. The debate seems poised to continue until one group gains the upper hand.

At the same time, the zero bound for rates has been well and truly broken which means that the European Central Bank and the Bank of Japan, amongst others, have room to further cut interest rates if they deem it necessary.

In addition, the low volatility environment prevailing since the end of 2011 appears to have come to an end. The slowdown of global growth seems to be accelerating and disinflationary pressures appear to be intensifying. Should these trends continue, major central banks may in the future find it increasingly difficult to offer the level of support to capital markets that investors have come to expect.

The European Central Bank seems to have fallen into a reactive mode. With price developments in the Eurozone continuing to undershoot both European Central Bank and market expectations, the risks of fully fledged deflation have not gone away.

In the UK, business surveys have fallen markedly, in part due to concerns over the referendum on whether the UK should remain in the European Union. Uncertainty around the referendum may hinder investment and hiring, providing a dampener to growth whilst also contributing to increased market volatility.

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 March 2016

Independent Auditor's Report to the Members of BH Macro Limited

Opinions and conclusions arising from our audit

Opinion on financial statements
We have audited the financial statements of BH Macro Limited (the "Company") for the year ended 31 December 2015 which comprise the Audited Statement of Assets and Liabilities, the Audited Statement of Operations, the Audited Statement of Changes in Net Assets, the Audited Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and accounting principles generally accepted in the United States of America. In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its net decrease in net assets resulting from operations for the year then ended;
- are in conformity with accounting principles generally accepted in the United States of America; and
- comply with the Companies (Guernsey) Law, 2008.

Our assessment of risks of material misstatement
The risks of material misstatement detailed in this section of this report are those risks that we have deemed, in our professional judgement, to have had the greatest effect on: the overall audit strategy; the allocation of resources in our audit; and directing the efforts of the engagement team. Our audit procedures relating to these risks were designed in the context of our audit of the financial statements as a whole. Our opinion on the financial statements is not modified with respect to any of these risks, and we do not express an opinion on these individual risks.

In arriving at our audit opinion above on the financial statements, the risk of material misstatement that had the greatest effect on our audit was as follows:

Valuation of Investment in the Master Fund (US$1,424,795,000)
Refer to the Report of the Audit Committee and note 3 'Significant Accounting Policies'

- **The risk** – The Company, which is a multi-class feeder fund, invested 95.3% of its net assets at 31 December 2015 into the ordinary US Dollar, Euro and Sterling denominated Class B Shares issued by Brevan Howard Master Fund Limited (the "Master Fund"), which is an open ended investment company. The Company's investment holdings in the Master Fund are valued using the respective net asset value per share class as provided by the Master Fund's administrator. The valuation of the Company's investment in the Master Fund, given it represents the majority of the net assets of the company, is a significant area of our audit.
- **Our response** – Our audit procedures with respect to the Company's investment in the Master Fund included, but were not limited to, obtaining the net asset value per share and holdings per share confirmations for each respective share class directly from the administrator of the Master Fund, reviewing the audit work performed by the auditor of the Master Fund and holding discussions on key audit findings with the auditor of the Master Fund and the examination of the Master Fund's coterminous audited financial statements. We also considered the Company's investment valuation policies as disclosed in note 3 to the financial statements for compliance with accounting principles generally accepted in the United States of America.

Our application of materiality and an overview of the scope of our audit
Materiality is a term used to describe the acceptable level of precision in the financial statements. Auditing standards describe a misstatement or an omission as "material" if it could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The auditor has to apply judgement in identifying

whether a misstatement or omission is material and to do so the auditor identifies a monetary amount as “materiality for the financial statements as a whole”.

The materiality for the financial statements as a whole was set at $44,800,000. This has been calculated using a benchmark of the Company’s net asset value.

We agreed with the Audit Committee to report to it all corrected and uncorrected misstatements we identified through our audit with a value in excess of $2,240,000, in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas detailed above. The audit was performed at the offices of the administrator.

Whilst the audit process is designed to provide reasonable assurance of identifying material misstatements or omissions it is not guaranteed to do so. Rather we plan the audit to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements does not exceed materiality for the financial statements as a whole. This testing requires us to conduct significant depth of work on a broad range of assets, liabilities, income and expense as well as devoting significant time of the most experienced members of the audit team, in particular the Responsible Individual, to subjective areas of the accounting and reporting process.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Disclosures of principal risks
Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Viability statement on the Directors’ Report, concerning the principal risks, their management and, based on that, the directors’ assessment and expectations of the Company’s continuing operation over the three years to 31 December 2018; or
- the disclosures in note 1 of the financial statements concerning the use of the going concern basis of accounting.

Matters on which we are required to report by exception
Under International Standards on Auditing (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the Annual Report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our audit and the directors’ statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for members to assess the Company’s performance, business model and strategy; or
- the Report of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

Under the Companies (Guernsey) Law, 2008, we are required to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

Under the Listing Rules we are required to review the part of the Corporate Governance Statement on the Directors' Report relating to the Company's compliance with the eleven provisions of the UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

The purpose of this report and restrictions on its use by persons other than the Company's members as a body
This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008 and, in respect of any further matters on which we have agreed to report, on terms we have agreed with the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the UK Ethical Standards for Auditors.

Lee C Clark
For and on behalf of KPMG Channel Islands Limited
Chartered Accountants and Recognised Auditors
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WR

21 March 2016

Audited Statement of Assets and Liabilities
As at 31 December 2015

	31.12.15 US$'000	**31.12.14 US$'000**
Assets		
Investment in the Master Fund	1,424,795	1,716,965
Investment sales receivable	39,175	3,650
Prepaid expenses	91	84
Cash and bank balances denominated in US Dollars	17,224	11,108
Cash and bank balances denominated in Euro	2,216	2,774
Cash and bank balances denominated in Sterling	16,147	33,756
Total assets	**1,499,648**	**1,768,337**
Liabilities		
Performance fees payable (note 4)	273	3
Management fees payable (note 4)	2,413	2,785
Redemptions in respect of buybacks payable	1,698	2,393
Accrued expenses and other liabilities	184	136
Directors' fees payable	114	120
Administration fees payable (note 4)	73	82
Total liabilities	**4,755**	**5,519**
Net assets	**1,494,893**	**1,762,818**

Number of shares in issue (note 5)		
US Dollar shares	17,202,974	18,332,029
Euro shares	4,163,208	5,112,916
Sterling shares	33,427,871	37,717,793

Net asset value per share (notes 7 and 9)		
US Dollar shares	US$20.33	US$20.62
Euro shares	€20.56	€20.72
Sterling shares	£21.21	£21.40

See accompanying notes to the Financial Statements.

Signed on behalf of the Board by:

Ian Plenderleith
Chairman

Christopher Legge
Director

21 March 2016

Audited Statement of Operations
For the year ended 31 December 2015

	01.01.15 to 31.12.15 US$'000	01.01.14 to 31.12.14 US$'000
Net investment income allocated from the Master Fund		
Interest	34,955	48,829
Dividend income (net of withholding tax:		
31 December 2015: US$23,737; 31 December 2014: US$43,487)	127	101
Other income	–	136
Expenses	(32,710)	(43,680)
Net investment income allocated from the Master Fund	**2,372**	**5,386**
Company expenses		
Performance fees (note 4)	280	48
Management fees (note 4)	31,610	37,232
Other expenses	877	970
Directors' fees	468	524
Administration fees (note 4)	309	359
Foreign exchange losses (note 3)	67,384	96,653
Total Company expenses	**100,928**	**135,786**
Net investment loss	**(98,556)**	**(130,400)**
Net realised and unrealised gain on investments allocated from the Master Fund		
Net realised gain/(loss) on investments	64,311	(11,766)
Net unrealised (loss)/gain on investments	(56,975)	19,308
Net realised and unrealised gain on investments allocated from the Master Fund	**7,336**	**7,542**
Net decrease in net assets resulting from operations	**(91,220)**	**(122,858)**

See accompanying notes to the Financial Statements.

Audited Statement of Changes in Net Assets
For the year ended 31 December 2015

	01.01.15 to 31.12.15 US$'000	01.01.14 to 31.12.14 US$'000
Net decrease in net assets resulting from operations		
Net investment loss	(98,556)	(130,400)
Net realised gain/(loss) on investments allocated from the Master Fund	64,311	(11,766)
Net unrealised (loss)/gain on investments allocated from the Master Fund	(56,975)	19,308
	(91,220)	**(122,858)**
Share capital transactions		
Purchase of own shares		
US Dollar shares	(37,111)	(105,167)
Euro shares	(17,434)	(32,243)
Sterling shares	(122,160)	(223,769)
Total share capital transactions	**(176,705)**	**(361,179)**
Net decrease in net assets	**(267,925)**	**(484,037)**
Net assets at the beginning of the year	**1,762,818**	**2,246,855**
Net assets at the end of the year	**1,494,893**	**1,762,818**

See accompanying notes to the Financial Statements.

Audited Statement of Cash Flows
For the year ended 31 December 2015

	01.01.15 to 31.12.15 US$'000	01.01.14 to 31.12.14 US$'000
Cash flows from operating activities		
Net decrease in net assets resulting from operations	(91,220)	(122,858)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:		
Net investment income allocated from the Master Fund	(2,372)	(5,386)
Net realised (gain)/loss on investments allocated from the Master Fund	(64,311)	11,766
Net unrealised loss/(gain) on investments allocated from the Master Fund	56,975	(19,308)
Purchase of investment in the Master Fund	(29,424)	(19,803)
Proceeds from sale of investment in the Master Fund	228,382	465,739
Foreign exchange losses	67,384	96,653
(Increase)/decrease in prepaid expenses	(8)	2
Increase/(decrease) in performance fees payable	270	(4,256)
Decrease in management fees payable	(372)	(768)
Increase in accrued expenses and other liabilities	48	17
Decrease in directors' fees payable	(6)	(23)
Decrease in administration fees payable	(9)	(18)
Net cash provided by operating activities	**165,337**	**401,757**
Cash flows from financing activities		
Purchase of own shares	(177,399)	(358,786)

Net cash used in financing activities	**(177,399)**	**(358,786)**
Change in cash	**(12,062)**	**42,971**
Cash, beginning of the year	**47,638**	**4,688**
Effect of exchange rate fluctuations	11	(21)
Cash, end of the year	**35,587**	**47,638**
Cash, end of the year		
Cash and bank balances denominated in US Dollars	17,224	11,108
Cash and bank balances denominated in Euro[1]	2,216	2,774
Cash and bank balances denominated in Sterling[2]	16,147	33,756
	35,587	**47,638**
1. Cash and bank balances in Euro (EUR'000)	2,030	2,280
2. Cash and bank balances in Sterling (GBP'000)	10,887	21,693

See accompanying notes to the Financial Statements.

Notes to the Audited Financial Statements
For the year ended 31 December 2015

1. The Company

The Company is a limited liability closed-ended investment company incorporated in Guernsey on 17 January 2007 for an unlimited period, with registration number 46235.

The Company was admitted to a Secondary Listing (Chapter 14) on the Official List of the London Stock Exchange on 14 March 2007. On 11 March 2008, the Company migrated from the Secondary Listing to a Primary Listing pursuant to Chapter 15 of the Listing Rules of the UK Listing Authority. As a result of changes to the UK Listing Regime, the Company's Primary Listing became a Premium Listing with effect from 6 April 2010.

As of 20 October 2008 the Company obtained a Secondary Listing on the Bermuda Stock Exchange and with effect from 11 November 2008, the US Dollar shares of the Company were admitted to a Secondary Listing on NASDAQ Dubai.

The Company offers multiple classes of ordinary shares, which differ in terms of currency of issue. To date, ordinary shares have been issued in US Dollar, Euro and Sterling.

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 and Sterling denominated Class B shares issued by 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 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 Financial Statements of the Company should be read in conjunction with the 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 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, DW Partners, LP and BH-DG Systematic Trading LLP.

3. Significant accounting policies

The 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. 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.

Going Concern
After making enquiries and given the nature of the Company and its investment, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these Financial Statements and, after due consideration, the Directors consider that the Company is able to continue for the foreseeable future and at least twelve months from the date of this report. In reaching this conclusion the Board is mindful of the nature of the assets that underlie its investment in the Master Fund, including the Master Fund's liquidity and has concluded that adverse investment performance will not have a material impact on the Company's ability to meet its liabilities as they fall due.

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 31 December 2015 the Company is the sole investor in the Master Fund's ordinary US Dollar, Euro 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 Audited 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
31 December 2015					
US Dollar	1.79%	$2,749.69	121,238	$333,368	333,368
Euro	0.46%	€2,785.92	28,364	€79,020	86,223
Sterling	5.40%	£2,910.39	232,880	£677,772	1,005,204
					1,424,795
31 December 2014					
US Dollar	1.86%	$2,752.91	134,064	$369,066	369,066
Euro	0.62%	€2,783.48	36,282	€100,990	122,860
Sterling	6.14%	£2,900.35	271,442	£787,276	1,225,039
					1,716,965

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.

Level 2 – Valuations based on quoted prices in markets that are not active and 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 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 and Euro share classes are translated into US Dollars, the Company's reporting currency, using exchange rates at the reporting date. Transactions reported in the Audited 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 Audited 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.

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. The Manager receives a management fee of 1/12 of 2% (or a pro rata proportion thereof) per month of 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 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. 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. During the year ended 31 December 2015, US$31,610,219 (31 December 2014: US$37,231,780) was earned by the Manager as net management fees. At 31 December 2015, US$2,413,156 (31 December 2014: US$2,785,469) of the fee remained outstanding.

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. 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 Manager will be paid an estimated performance fee on the last day of the calculation period. Within 15 business days following 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.

The investment in the Class B shares of the Master Fund is not subject to performance fees. The portion of any performance fee accrued in respect of a class of shares that relates to the portion of shares of the relevant class which are redeemed, repurchased or cancelled during the calculation period will crystallise and shall be paid to the Manager as at the date of redemption, repurchase or cancellation. Where a portion of any performance fee accrued in respect of a class of shares crystallises as a result of the conversion of shares of that class into shares of another class, that portion of the performance fee shall be paid to the Manager at the same time as any performance fees in respect of the entire relevant calculation period. During the year ended 31 December 2015, US$279,728 (31 December 2014: US$47,598) was earned by the Manager as performance fees. At 31 December 2015 US$272,773 (31 December 2014: US$3,174) of the fee remained outstanding.

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.

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. 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 out-of-pocket expenses incurred in the course of carrying out its duties as Administrator. During the year ended 31 December 2015, US$309,021 (31 December 2014: US$358,585) was earned by the Administrator as administration fees. At 31 December 2015, US$72,649 (31 December 2014: US$81,691) of the fee remained outstanding.

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 three classes denominated in US Dollars, Euro and Sterling. 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.

For the year to 31 December 2015

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2015	**18,332,029**	**5,112,916**	**37,717,793**
Share conversions	760,006	(147,742)	(373,415)
Purchase of shares into Treasury	(1,889,061)	(801,966)	(3,916,507)
In issue at 31 December 2015	**17,202,974**	**4,163,208**	**33,427,871**
Number of treasury shares			
In issue at 1 January 2015	**1,797,974**	**507,757**	**3,321,662**
On market purchases*	1,889,061	801,966	3,916,507
Shares cancelled	(2,150,000)	(947,000)	(4,295,000)
In issue at 31 December 2015	**1,537,035**	**362,723**	**2,943,169**
Percentage of class	**8.20%**	**8.01%**	**8.09%**

* On market purchases for the year ended 31 December 2015

Treasury shares	Number of shares purchased	Cost (US$)	Cost (in currency)
US Dollar shares	1,889,061	37,110,607	$37,110,607
Sterling shares	3,916,507	122,159,741	£79,876,060
Euro shares	801,966	17,434,000	€15,830,882

For the year to 31 December 2014

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2014	**24,967,761**	**6,792,641**	**43,602,671**
Share conversions	(1,101,234)	(418,981)	979,189

Purchase of shares into Treasury	(5,534,498)	(1,260,744)	(6,864,067)
In issue at 31 December 2014	**18,332,029**	**5,112,916**	**37,717,793**

Number of treasury shares			
In issue at 1 January 2014	**2,208,476**	**522,013**	**877,595**
On market purchases*	5,534,498	1,260,744	6,864,067
Shares cancelled	(5,945,000)	(1,275,000)	(4,420,000)
In issue at 31 December 2014	**1,797,974**	**507,757**	**3,321,662**
Percentage of class	**8.93%**	**9.03%**	**8.09%**

* On market purchases for the year ended 31 December 2014

Treasury shares	**Number of shares purchased**	**Cost (US$)**	**Cost (in currency)**
US Dollar shares	5,534,498	105,166,979	$105,166,979
Sterling shares	6,864,067	223,768,879	£135,318,623
Euro shares	1,260,744	32,243,040	€24,109,666

Share capital account

	US Dollar shares US$'000	**Euro shares €'000**	**Sterling shares £'000**	**Company Total US$'000**
At 31 December 2014	53,883	31,754	17,188	133,549
Share capital reduction	(53,883)	(31,754)	(17,188)	(133,549)
At 31 December 2015	**–**	**–**	**–**	**–**

At the Audit Committee meeting held 13 March 2015, it was decided during the year to transfer the balance of the Share Capital Account to reserves as it had effectively reduced to zero through the cumulative on market purchases to date. There has been no impact on the net assets of the Company.

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, Master Fund Euro 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.

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 wind-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, a single Euro ordinary share has one vote and a single Sterling ordinary share has 1.4710 votes.

Treasury shares do not have any voting rights.

Repurchase of ordinary shares

The Directors have been granted authority to purchase in the market up to 14.99% of each class of shares which was last granted on 18 February 2016. The Directors may, at their discretion, utilise this share repurchase authority to address any imbalance between the supply of and demand for shares.

Under the Company's Articles, Shareholders of a class of shares also 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 25 June 2015, the Directors have the power to issue further shares totalling 6,083,412 US Dollar shares, 1,667,628 Euro shares and 12,340,442 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 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.

Annual offer of partial return of capital
Once in every calendar year the Directors may, in their absolute discretion, determine that the Company shall make an offer of a partial return of capital in respect of such number of shares of the Company in issue as they may determine provided that the maximum amount distributed does not exceed 100% of the increase in NAV of the Company in the prior calendar year.

The Directors shall, in their absolute discretion, determine the particular class or classes of shares in respect of which a partial return of capital will be made, the timetable for that partial return of capital and the price at which the shares of each relevant class will be returned.

Whether a partial return of capital is made in any particular year and, if so, the amount of the return, may depend, 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.

Shareholders will be able to decide at that time whether to elect to participate in the capital return on the basis of the then prevailing market conditions.

The Directors determined not to make a partial return of capital during 2015.

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.

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 Financial Statements. Income tax and related interest and penalties would be recognised by the Company as tax expense in the 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's discount management programme includes the ability to make market purchases of shares and the 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 is 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 described more fully in the Company's principal documents.

In the event a class closure resolution is passed, Shareholders in the relevant class will have the following options offered to them:

(i) to redeem all or some of their shares at NAV per share less a proportion of the costs and expenses of the class closure vote and other outstanding costs and expenses of the Company attributable to the relevant class (including, if relevant, any redemption fees);

(ii) subject to certain limitations, to convert all or some of their shares into shares of another class, assuming that other class does not also pass a class closure resolution; or

(iii) subject to the class continuing, to remain in the class.

These provisions are disclosed in more detail in the Company's Articles.

If all classes vote in favour, the Company will be wound up.

The Annual Offer described in note 5 which enables a partial return of capital is also part of the discount management programme.

The discount management measures will be funded by partial redemptions of the Company's investment in the Master Fund.

During the year the Company utilised its ability to make market purchases of its shares as part of the discount management programme.

The total number of shares held in treasury at 31 December 2015 are as disclosed in note 5.

9. Financial highlights

The following tables include selected data for a single ordinary share of each of the ordinary share classes in issue at the year end 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.

	31.12.15 US Dollar shares US$	31.12.15 Euro shares €	31.12.15 Sterling shares £
Per share operating performance			
Net asset value at beginning of the year	**20.62**	**20.72**	**21.40**
Income from investment operations			
Net investment loss*	(0.41)	(0.47)	(0.44)
Net realised and unrealised (loss)/gain on investment	(0.01)	0.13	0.13
Other capital items**	0.13	0.18	0.12
Total return	**(0.29)**	**(0.16)**	**(0.19)**
Net asset value, end of the year	**20.33**	**20.56**	**21.21**
Total return before performance fee	(1.41%)	(0.74%)	(0.84%)
Performance fee	(0.01%)	(0.03%)	(0.02%)
Total return after performance fee	**(1.42%)**	**(0.77%)**	**(0.86%)**

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 2015 to 31 December 2015. An individual shareholder's return may vary from these returns based on the timing of their purchase or sale of shares.

	31.12.15 US Dollar shares US$'000	31.12.15 Euro shares €'000	31.12.15 Sterling shares £'000
Supplemental data			
Net asset value, end of the year	**349,737**	**85,593**	**709,164**
Average net asset value for the year	**379,774**	**100,773**	**787,293**

	31.12.15 US Dollar shares	31.12.15 Euro shares	31.12.15 Sterling shares
Ratio to average net assets			
Operating expenses			
Company expenses***	1.97%	1.99%	1.96%
Master Fund expenses****	0.90%	0.89%	0.90%
Master Fund interest expense*****	1.03%	1.02%	1.03%
Performance fee	0.01%	0.03%	0.02%
	3.91%	**3.93%**	**3.91%**
Net investment loss before performance fees*	**(1.83%)**	**(1.86%)**	**(1.82%)**
Net investment loss after performance fees*	**(1.84%)**	**(1.89%)**	**(1.84%)**

	31.12.14 US Dollar shares US$	31.12.14 Euro shares €	31.12.14 Sterling shares £
Per share operating performance			
Net asset value at beginning of the year	**20.60**	**20.74**	**21.34**
Income from investment operations			
Net investment loss*	(0.40)	(0.38)	(0.38)
Net realised and unrealised (loss)/gain on investment	(0.08)	(0.05)	0.15

Other capital items**	0.50	0.41	0.29
Total return	**0.02**	**(0.02)**	**0.06**
Net asset value, end of the year	**20.62**	**20.72**	**21.40**

Total return before performance fee	0.10%	(0.10%)	0.28%
Performance fee	0.00%	0.00%	0.00%
Total return after performance fee	**0.10%**	**(0.10%)**	**0.28%**

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 2014 to 31 December 2014. An individual shareholder's return may vary from these returns based on the timing of their purchase or sale of shares.

	31.12.14 US Dollar shares US$'000	**31.12.14 Euro shares €'000**	**31.12.14 Sterling shares £'000**
Supplemental data			
Net asset value, end of the year	**378,049**	**105,935**	**807,103**
Average net asset value for the year	**436,595**	**118,448**	**864,398**

	31.12.14 US Dollar shares	**31.12.14 Euro shares**	**31.12.14 Sterling shares**
Ratio to average net assets			
Operating expenses			
Company expenses***	1.93%	1.94%	1.94%
Master Fund expenses****	0.92%	0.90%	0.93%
Master Fund interest expense*****	1.22%	1.21%	1.25%
Performance fee	0.00%	0.00%	0.00%
	4.07%	**4.05%**	**4.12%**
Net investment loss before performance fees*	**(1.67%)**	**(1.68%)**	**(1.67%)**
Net investment loss after performance fees*	**(1.67%)**	**(1.68%)**	**(1.67%)**

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 year.

*** Company expenses are as disclosed in the Audited 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.

Directors' interests are disclosed in the Directors' Report and also the Board Members section.

11. Subsequent events

The Directors have evaluated subsequent events up to 21 March 2016, which is the date that the Financial Statements were available to be issued, and have concluded there are no further items that require disclosure or adjustment to Financial Statements other than those listed below.

Subsequent to the year end and up to the date of this report, the Company purchased the following amount of shares to be held as treasury shares:

Treasury shares	Number of shares purchased	Cost (US$)	Cost (in currency)
US Dollar shares	1,309,274	25,188,072	$25,188,072
Sterling shares	2,372,790	68,443,977	£47,862,874
Euro shares	292,396	6,198,506	€5,652,647

Subsequent to the year end and up to the date of this report, the Company cancelled 1,236,000 US Dollar shares, 2,235,000 Sterling shares and 237,000 Euro shares.

Following the purchases and cancellations of shares, the Company held 1,610,309 US Dollar shares, 3,080,959 Sterling shares and 418,119 Euro shares held as treasury shares as at 21 March 2016.

On 29 February 2016 David Barton retired from the Board.

No further subsequent events have occurred.

Historic Performance Summary
As at 31 December 2015

	31.12.15 US$'000	31.12.14 US$'000	31.12.13 US$'000	31.12.12 US$'000	31.12.11 US$'000
Net (decrease)/increase in net assets resulting from operations	**(91,220)**	**(122,858)**	**105,344**	**147,335**	**217,363**
Total assets	**1,499,648**	**1,768,337**	**2,255,031**	**2,194,398**	**2,046,365**
Total liabilities	**(4,755)**	**(5,519)**	**(8,176)**	**(8,723)**	**(5,324)**
Net assets	**1,494,893**	**1,762,818**	**2,246,855**	**2,185,675**	**2,041,041**
Number of shares in issue					
US Dollar shares	17,202,974	18,332,029	24,967,761	29,613,121	30,428,658
Euro shares	4,163,208	5,112,916	6,792,641	7,405,670	9,467,331
Sterling shares	33,427,871	37,717,793	43,602,671	41,675,441	39,634,764
Net asset value per share					
US Dollar shares	US$20.33	US$20.62	US$20.60	US$20.06	US$19.31
Euro shares	€20.56	€20.72	€20.74	€20.21	€19.50
Sterling shares	£21.21	£21.40	£21.34	£20.70	£19.92

Affirmation of the Commodity Pool Operator
31 December 2015

To the best of my knowledge and belief, the information detailed in this Annual Report and these Audited Financial Statements is accurate and complete.

By:

Name: Jonathan Wrigley
Title: Group Head of Finance and Authorised Signatory

Brevan Howard Capital Management Limited as general partner of Brevan Howard Capital Management LP, the manager and commodity pool operator of BH Macro Limited

21 March 2016

Company Information

Directors
Ian Plenderleith (Chairman)*

Huw Evans*

Christopher Legge (Senior Independent Director)*

Talmai Morgan
(resigned 25 June 2015)

Colin Maltby*
(appointed 25 June 2015)

David Barton
(resigned 29 February 2016)

Claire Whittet*

(All Directors are non-executive)

* *These Directors are independent for the purpose of Listing Rule 15.2.12-A.*

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For the latest information
www.bhmacro.com

The Annual Report and Audited Financial Statements of BH Macro Limited and the Annual Audited Financial Statements of Brevan Howard Master Fund Limited will shortly be available on BH Macro's website www.bhmacro.com.