

BH Global Limited

Annual Report and Audited Financial Statements 2015

31 December 2015

Chairman's Statement

Dear Shareholder,

After a strong start to the year, and positive performance through to the end of November, I have to report that, in the twelve months to 31 December 2015, the Net Asset Value ("NAV") per share of both classes of the shares of BH Global Limited (the "Company" or "BH Global") declined modestly over a calendar year for the first time since the Company was launched in May 2008. The US Dollar is the functional currency of the Company and the NAV per share of the US Dollar class declined by 1.73% and that of the much larger Sterling class by 1.32%.

The Manager's Report outlines the trading conditions during the year and my comments are confined to highlighting two points. Firstly that, at long last in December, the US Federal Reserve (the "Fed") increased interest rates by 0.25% thus heralding the long expected divergence of monetary policy between major economies which, the Manager has advised the Board should yield improved trading opportunities in 2016. Secondly that, the progress through to the end of November was reversed in December by a high conviction short exposure to the Euro in anticipation of more aggressive action by the European Central Bank which, in the event, was not forthcoming. Nevertheless the Manager's robust risk controls operated to curtail the drawdown.

2015 was a year where many equity markets struggled, with some reporting significant losses and substantial volatility. Despite the small decline in NAV, BH Global continues to function as a portfolio diversifier that is only moderately correlated with equity markets and the Board look forward to the resumption of positive NAV growth.

Investment Policy

Since 1 September 2014 the Company has been a feeder fund for Brevan Howard Multi-Strategy Master Fund Limited ("BHMS"). BHMS is an open-ended fund. As at 31 December 2015 it had assets of US\$2.490 billion. BH Global's investment in BHMS amounted to approximately US\$581.8 million being approximately 23.4% of the total of that fund.

During the year the Manager's Investment Committee made a number of material changes in allocations within BHMS, the most significant of which was to increase the allocation of funds to the Direct Investment Portfolio ("DIP") to 30.5%, up from 23.6% twelve months earlier. The DIP is allocated directly to traders and at the year-end, consisted of five active books. As is stated in the Manager's Report, Brevan Howard believe that this direct allocation will benefit the return profile of the fund. As reported in the monthly shareholder report for January 2016, the Manager is in the process of increasing further the allocation to, and the number of traders within the DIP. The Manager expects the allocation to the DIP to increase to between 40% and 50% and the number of traders to the order of ten. This development would further increase the diversification and differentiation of the Company's assets and the allocation to opportunities outside of Brevan Howard's core trading areas would likely increase further.

By the time that the second anniversary of the 2014 change of investment policy and concomitant simplification of the fee structure is reached in September 2016 the underlying assets of the Company will look very different to those that were held prior to the change. The percentage of assets invested in funds, including the Brevan Howard Master Fund, will have been reduced significantly as will the number of funds held. In contrast, the percentage allocated to the DIP will have increased substantially and the profile of the diversification will have changed materially. The Manager has indicated that it expects those changes to improve the outlook for positive NAV growth and thus returns to shareholders.

Discount Control and NAV Enhancement

Throughout the year the Board continued an active buy back programme aimed at stabilising and controlling the discount to NAV at which the two classes of shares traded in the market. During the year 2,599,086 Sterling shares were bought back at an average discount of 5.90% at a cost of £33.618 million together with 478,718 US Dollar shares at an average discount of 5.45% and a cost of \$6.063 million. These buy backs added approximately 9 pence (0.63%) and 8 cents (0.58%) per share to NAV per share respectively.

During the year the average discount for the Sterling class was 6.35% and by the year end the discount had narrowed to 4.54% from 8.96% a year earlier. The Board is committed to the policy as announced on 16 April 2015 whereby it continues to seek to narrow the discount at which the two classes of shares trade. It is disappointing that, despite a positive NAV result for the year to date, market uncertainties of recent weeks have seen a widening of the discount and,

should this persist, the Board will consider whether further steps might be taken to address the issue. In the meantime as announced on 9 March 2016, in the light of the significant buy backs that have taken place since the last Annual General Meeting on 29 June 2015, a General Meeting will be held on 6 April 2016 at which resolutions will be moved to grant the Company further authority to buy back up to 14.99% of each of the two classes of shares outstanding as at 3 March 2016.

The Board

The Board has recently considered its own performance and has composition and has appointed BoardAlpha Ltd to undertake an external evaluation of the functioning and effectiveness of the Board. I anticipate being able to report on the outcome of that evaluation to shareholders in my half year Statement in August 2016.

Shareholders will recall that in 2014 Stephen Stonberg, a founding director of the Company, left the Board when he took up a post with another hedge fund manager. John Hallam, Talmay Morgan and Nicholas Moss were founding directors in 2008. It is intended to move forward with the appointment of an additional director in the next few months. The Board's principal aim will be to make the most appropriate appointment in order to help guide the future of the Company. Nevertheless we will be mindful of the present lack of diversity although we consider experience and qualifications to be paramount. Again I will report further in August 2016.

Relationship with the Manager

The Board continues to have an active relationship with the Manager both at formal Board meetings and in between. The Board has requested, and the Manager has supplied, more information on the make up and performance of the underlying assets as held through BHMS and has encouraged the Manager to continue to make available to shareholders as much information as is commercially reasonable. Thus the monthly shareholder reports for each quarter end have been extended and enhanced.

During the year representatives of the Board have met with individual traders, analysts and risk controllers at Brevan Howard's offices in Jersey, London, Geneva and New York. The Board continues to have confidence in the Manager's systems and risk controls and, notwithstanding the modest decline in NAV in 2015, notes the confidence with which both individual traders and the Manager view the opportunity set as being favourable to deliver positive returns in the future.

Communication with Shareholders

In addition to the Annual and Half Year Reports and to the enhanced reporting by the Manager in the monthly reports, on behalf of the Board, I am always available should shareholders wish to contact me to discuss the Company. Indeed in recent weeks I have visited or otherwise contacted such shareholders that have indicated they would like to have contact with the Company's Chairman.

As in 2015, in April the Company, together with its sister company BH Macro Limited will be holding a presentation in London for professional shareholders and investors which will be addressed by representatives of the Manager.

Outlook

As noted in earlier statements, the future prosperity of the Company, and thus of its shareholders, is very largely in the hands of Brevan Howard. The Board trusts that the changes in the make up of the underlying assets, and in particular the further expansion of the DIP, together with improved trading conditions in 2016, will deliver a satisfactory outcome for the year. Thus far the year has started steadily at a time when many equity markets have exhibited considerable volatility. It is to be hoped that the Company's relatively stable trend of NAV growth will continue and that BH Global will meet its objective of providing a low correlation diversifier for portfolios at a time of renewed uncertainty for many economies.

As always my fellow directors and I will continue to act to the best of our abilities as the custodians of the interests of shareholders.

Yours sincerely,

Sir Michael Bunbury
Chairman

22 March 2016

Manager's Report

Brevan Howard Capital Management LP ("BHCM") is the Manager of the Company. BH Global Limited ("BHG or the "Company") invests all its assets (net of short-term working capital) in Brevan Howard Multi-Strategy Master Fund Limited ("BHMS" or the "Master Fund") a company managed by BHCM.

Performance Summary

The NAV per share of the USD shares depreciated by 1.73% in 2015, while the NAV per share of the GBP shares depreciated by 1.32%.

The month-by-month NAV performance of each currency class of BHG since it commenced operations in 2008 is set out below:

USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	—	—	—	—	—	1.16*	0.10	0.05	(3.89)	1.13	2.74	0.38	1.55
2009	3.35	1.86	1.16	1.06	2.79	(0.21)	1.07	0.27	1.49	0.54	0.11	0.04	14.31
2010	0.32	(0.85)	(0.35)	0.53	(0.06)	0.60	(0.79)	0.80	1.23	0.39	(0.21)	(0.06)	1.54
2011	0.09	0.42	0.34	1.20	0.19	(0.56)	1.61	3.51	(1.29)	(0.14)	0.19	(0.88)	4.69
2012	1.22	1.02	(0.54)	(0.10)	(0.65)	(1.53)	1.46	0.70	1.47	(0.72)	0.81	1.26	4.44
2013	1.33	0.49	0.33	1.60	(0.62)	(1.95)	(0.14)	(0.86)	0.09	(0.13)	0.95	0.75	1.79
2014	(0.98)	(0.04)	(0.26)	(0.45)	0.90	0.70	0.60	0.05	1.56	(0.75)	0.71	0.44	2.49
2015	3.37	(0.41)	0.35	(1.28)	1.03	(1.49)	(0.06)	(1.56)	(0.58)	(0.67)	3.06	(3.31)	(1.73)

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	—	—	—	—	—	1.40*	0.33	0.40	(4.17)	1.25	3.27	0.41	2.76
2009	3.52	1.94	1.03	0.68	2.85	(0.28)	1.05	0.31	1.51	0.58	0.12	0.08	14.15
2010	0.35	(0.93)	(0.32)	0.58	(0.04)	0.62	(0.81)	0.84	1.17	0.37	(0.20)	(0.03)	1.61
2011	0.10	0.41	0.38	1.13	0.04	(0.59)	1.69	3.67	(1.41)	(0.15)	0.21	(0.84)	4.65
2012	1.23	1.05	(0.51)	(0.08)	(0.62)	(1.51)	1.50	0.70	1.44	(0.72)	0.72	1.31	4.55
2013	1.36	0.56	0.36	1.63	(0.48)	(1.91)	(0.11)	(0.84)	0.14	(0.11)	0.97	0.77	2.32
2014	(0.97)	(0.14)	(0.33)	(0.30)	0.56	0.48	0.42	0.03	1.85	(0.76)	0.78	0.48	2.09
2015	3.48	(0.34)	0.33	(1.26)	1.18	(1.50)	(0.03)	(1.44)	(0.64)	(0.79)	3.02	(3.16)	(1.32)

Source: BHG NAV and NAV per Share data is provided by BHG's administrator, Northern Trust. BHG NAV per Share % Monthly Change calculations are made by BHCM.

BHG NAV data is unaudited and net of all investment management fees and all other fees and expenses payable by BHG. NAV performance is provided for information purposes only. Shares in BHG do not necessarily trade at a price equal to the prevailing NAV per Share.

* Performance is calculated from a base NAV per Share of 10 in each currency. The opening NAV in May 2008 was 9.9 (after deduction of the IPO costs borne by BHG).

The total performance fee charged during the year related solely to fees crystallised upon conversion and upon buy-back of shares at points when the NAV of the shares exceeded their high water mark. Refer to note 4 for further information.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Allocations review

The investment exposures of BHG as at 31 December 2015 were as follows:

Investment	Allocation (% NAV)
Brevan Howard Master Fund Limited ("BHMF")	46.7
Direct Investment Portfolio ("DIP")	31.8
Brevan Howard Asia Master Fund Limited ("BHA")	13.1
Brevan Howard Systematic Trading Master Fund Limited ("BHST")	8.8
DW Catalyst Offshore Fund, Ltd ("DWC")*	3.9
Cash and Other	(4.4)

Source: BHCM; figures rounded to one decimal place. Data may differ from those published for BHMS, as BHG may hold cash for short-term working capital purposes or obtain financing under a note purchase agreement. *DW Catalyst Offshore Fund, Ltd is a feeder fund to DW Catalyst Master Fund, Ltd. DW Catalyst Offshore Fund, Ltd also has the ability to make other investments. Prior 1 January 2015, DW Catalyst Master Fund, Ltd was named Brevan Howard Credit Catalysts Master Fund Limited.

Performance Review

EUR interest rate and FX trading were the main positive contributors over the year while equity index, USD interest rate and corporate credit trading were the main detractors.

The Master Fund had a strong start to the year with all of the underlying allocations generating positive returns for the first quarter, BHMF, BHST and the DIP being the main contributors. The majority of Q1 gains were generated in January from anticipating policy action by the European Central Bank ("ECB"). The Quantitative Easing ("QE") announcement pushed European interest rates lower, the EUR currency lower and European stocks higher – all of which benefitted the main discretionary trades at the time. Additional gains were generated in equity index and credit trading. Systematic trading had a strong first quarter, driven by long exposures to the USD against a large number of other currencies, as well as long exposure to global bond markets and equity indices.

The early gains were subsequently lost throughout the year, in part from continuing to hold onto the European theme of weaker EUR and stronger European stocks. As these trends abated and reversed, the Master Fund incurred losses. Additional smaller losses came from option exposures around the Greek referendum. Other losses were incurred from short interest rate positioning expressing the view that the Fed was at the cusp of a rate hiking cycle, which materialised later than expected (in December 2015). Additional losses were generated in corporate credit trading and in systematic trading. During this period, the Master Fund generated gains in other areas including exposure to increased volatility in the Chinese FX market, long exposure to selected Asian interest rates markets and short exposures to currencies such as CAD and AUD against the USD, but the gains were not sufficient to offset the losses.

During the second half of the year one of the main themes was the economic slowdown in Europe, and the likelihood that inflation expectations would start to decline substantially, leading the ECB to ease much more aggressively than already elevated market expectations. The Master Fund consequently held relatively large, highly convex positions to gain exposure to that view, and these positions generated solid gains in November. However, these gains were negated by losses in December after the ECB disappointed the market at its December meeting. Overall, the Master Fund lost approximately 0.35% over the two months.

A summary of the contribution to NAV performance broken down by trading strategy and share buy-backs is detailed below:

Monthly, quarterly and annual contribution (%) to the performance of BHG USD Shares (net of fees and expenses) by asset class

	Rates	FXCommodity	Credit	Equity	Discount Management	TOTAL	
December	(1.00%)	(1.90%)	0.05%	0.01%	(0.54%)	0.08%	(3.31)
Q1 2015	0.17%	2.18%	(0.09%)	0.23%	0.81%	0.01%	3.31
Q2 2015	(0.16%)	(1.13%)	(0.12%)	0.11%	(0.48%)	0.04%	(1.75)
Q3 2015	(0.49%)	(0.32%)	0.07%	(0.45%)	(1.18%)	0.18%	(2.19)
Q4 2015	(0.57%)	0.06%	0.04%	(0.24%)	(0.62%)	0.35%	(1.02)
YTD 2015	(1.05%)	0.77%	(0.11%)	(0.35%)	(1.46%)	0.58%	(1.73)

Monthly, quarterly and annual figures are calculated by BHCM as at 31 December 2015, based on performance data for each period provided by BHG's administrator, Northern Trust. Figures rounded to two decimal places.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Monthly, quarterly and annual contribution (%) to the performance of BHG USD Shares (net of fees and expenses) by strategy group*

	Rates	FXCommodity	Credit	Equity	Discount Management	EMG	Macro	Systematic	TOTAL	
December	(0.04)	(0.09)	(0.00)	0.00	(0.00)	0.08	(0.23)	(2.77)	(0.26)	(3.31)
Q1 2015	0.36	0.08	(0.00)	0.32	0.02	0.01	(0.12)	1.97	0.68	3.31
Q2 2015	0.06	0.04	(0.00)	0.10	(0.00)	0.04	(0.05)	(1.24)	(0.69)	(1.75)
Q3 2015	0.34	(0.03)	(0.00)	(0.47)	0.00	0.18	(0.25)	(1.93)	(0.02)	(2.19)
Q4 2015	0.03	0.01	(0.00)	(0.32)	(0.00)	0.35	(0.23)	(0.55)	(0.28)	(1.02)
YTD 2015	0.79	0.10	(0.00)	(0.36)	0.01	0.58	(0.66)	(1.78)	(0.32)	(1.73)

Monthly, quarterly and annual figures are calculated by BHCM as at 31 December 2015, based on performance data for each period provided by BHG's administrator, Northern Trust. Figures rounded to two decimal places.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Methodology and Definition of Contribution to Performance:

*Attribution is approximate and has been derived by allocating each underlying trader book in each Underlying Fund to a single category. In cases where a trader book has activity in more than one category, the most relevant category has been selected.

The above strategies are categorised as follows:

"Rates": developed interest rates markets

"FX": global FX forwards and options

"Commodity": liquid commodity futures and options

"Credit": corporate and asset-backed indices, bonds and CDS

"Equity": global equity markets including indices and other derivatives

"Discount Management": buyback activity for discount management purposes

"EMG": global emerging markets

"Macro": multi-asset global markets, mainly directional (for BHG, the majority of risk in this category is in rates)

"Systematic": rules-based futures trading

Allocation Review

The Investment Committee ("IC") continued to increase and diversify the exposure within the DIP throughout the year. At the end of 2015, the allocation to the DIP stood at approximately 32%. Although the DIP was down marginally for the year, its increased allocation will give the IC even greater flexibility to allocate capital directly to traders, which it believes will benefit the return profile of the Master Fund in the medium to longer term. Other meaningful allocation changes during 2015 were an increase to BHA, which proved to be the highest contributor to the Master Fund's return, and a reduction to DWC.

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 ECB 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 ECB seems to have fallen into a reactive mode. With price developments in the Eurozone continuing to undershoot both ECB 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

22 March 2016

Directors' Report

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 (together the "Financial Statements") for the year ended 31 December 2015. The Directors' Report together with the Audited Financial Statements give a true and fair view of the financial position of the Company. They have been prepared properly, in conformity with United States Generally Accepted Accounting Principles ("US GAAP") and are in 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 which was incorporated in Guernsey on 25 February 2008.

It was admitted to the Official List of the London Stock Exchange on 29 May 2008 when it raised approximately US\$1 billion. It currently has a Premium Listing.

It also has a Secondary Listing on the Bermuda Stock Exchange, with the US Dollar shares of the Company also having 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.

On 27 February 2014 the shareholders of the Euro Share Class voted in favour of the Class Closure Resolution and closure of the Euro Share Class was completed in August 2014, as discussed in note 8.

Investment Policy

Prior to 1 September 2014, the Company's investment objective was to seek to generate consistent long-term capital appreciation through an investment policy of investing all of its assets (net of those expenses of the initial public offering borne by the Company and funds required for its short-term working capital requirements) in Brevan Howard Global Opportunities Master Fund Limited ("BHGO"), an open-ended investment company with limited liability formed under the laws of the Cayman Islands. On 17 July 2015, the Company realised its residual holding in BHGO, during its orderly liquidation, for US\$186,297.

On 28 August 2014 the shareholders voted in favour of changing the investment policy and effective 1 September 2014, the Company's investment objective 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 requirements) in Brevan Howard Multi-Strategy Master Fund Limited ("BHMS" or the "Master Fund"), an open-ended investment company with limited liability formed under the laws of the Cayman Islands.

BHMS spreads investment risk by providing exposure to a range of strategies, asset classes and geographies.

BHMS 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 or vehicles (which may be open-ended or closed-ended, listed or unlisted, regulated or unregulated and may employ leverage (each an "Investment Fund")), currencies, commodities, futures, options, warrants, swaps and other derivative instruments. Derivative instruments may be exchange-traded or OTC.

BHMS may engage in short sales. BHMS may retain amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or if this is considered appropriate to the investment objective.

Subject to the investment restrictions and investment approach disclosed in any prospectus for BHMS that may be published from time to time and subsequent BHMS directors' resolutions, BHMS employs an investment process which empowers the Manager to allocate assets to both Investment Funds and directly to the investment managers of BHMS from time to time on an opportunistic basis.

As a result of the change in investment policy, the Company's Management Agreement was amended to provide for the management fee and performance fee to be paid to the Manager, as discussed in note 4.

Results and dividends

The results for the year are set out in the Audited Statement of Operations. The Directors do not recommend the payment of a dividend.

Share capital

The number of shares in issue at the year end and the changes during the year are disclosed in note 5 to the Audited Financial Statements.

International Tax Reporting

For the 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 (U2S6ID.99999.SL.831), and can be found on the IRS FFI list.

The Common Reporting Standard ("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 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.

Discount Management Programme

The Directors review the share price in relation to NAV on a regular basis. For additional information refer to note 8 of the Financial Statements. Shareholders with any queries in relation to the above should contact the Administrator in the first instance, whose contact details can be found on the Company's website, www.bhglobal.com/contacts.

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 requirements) in the ordinary US Dollar and Sterling denominated Class G 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 one year's 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 the Company's shares trading at a significant and/or persistent discount to NAV. 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.

The Directors, have considered the above risks and reviewed budgeted ongoing expenses and on the assumption 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 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 moderate adverse investment performance would not have a material impact on the Company's ability to meet its liabilities as they fall due.

Signed on behalf of the Board by:

Sir Michael Bunbury
Chairman

John Hallam
Director

22 March 2016

Corporate Governance Statement

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 and Guernsey Codes of Corporate Governance.

The Financial Reporting Council (the "FRC") issued a revised UK Corporate Governance Code in September 2014, for reporting periods beginning on or after 1 October 2014. The AIC updated the AIC Code of Corporate Governance (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 the revised code.

The Board has considered the principles and recommendations of the AIC Code, by reference to the guidance notes provided by the AIC ("AIC Guide"), and considers that reporting against these will provide appropriate information to shareholders. To ensure ongoing compliance with these principles the Board reviews a report from the Corporate Secretary, at each quarterly meeting, identifying how the Company is in compliance and identifying any changes that might be necessary.

The Company has complied with the recommendations of the AIC Code throughout the accounting period and thus 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
- the 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. The Company has therefore not reported further in respect of these provisions. The Directors are non-executive and the Company does not have employees, hence no whistle-blowing policy is required. Details of compliance are noted in the succeeding sections. There have been no instances of non-compliance, other than those noted above.

The Company has adopted a policy that the composition of the Board of Directors, which is required by the Company's Articles to comprise of at least two persons, is at all times such that a majority of the Directors are independent of the Manager and any company in the same group as the Manager; the Chairman of the Board of Directors is free from any

conflicts of interest and is independent of the Manager and of any company in the same group as the Manager; and that no more than one director, partner, employee or professional adviser to the Manager or any company in the same group as the Manager may be a Director of the Company at any one time.

The Company's risk exposure and the effectiveness of its risk management and internal control systems are reviewed by the Audit Committee at its quarterly meetings and annually by the Board. 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.

The Board

The Board, which consists solely of non-executive directors, 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 and should be 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, 13 ad-hoc meetings were held in 2015, 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.

On 29 June 2015 at the Annual General Meeting of the Company, shareholders re-elected all Directors of the Company. Section 21.3 of the Company's Articles requires all Directors at the date of the notice convening the annual general meeting, shall retire from office and may offer themselves for re-election.

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 Manager and the other service providers and for the Company's activities. The Directors are listed on the Board Members section and on the Management and Administration section.

The Board needs to ensure that information presented is fair, balanced and understandable, and provide information necessary for the shareholders to assess the Company's performance, business model and strategy. In achieving this, the Directors have explained the Company's investment objective and policy, how the Board operates through its structure of reserved powers of the Board, its delegated Committees and how the Directors consider and explain the risk environment within which the Company operates. Further, through the Annual Report and ancillary documents the Board has sought to provide information to enable shareholders to have a fair, balanced and understandable view.

Board diversity

The Board has also given careful consideration to the recommendations of the Davies Report on women on boards and as recommended in that report has reviewed its composition and believes that it has available an appropriate range of skills and experience. In order to extend its diversity, the Board is committed to implementing the recommendations of the Davies Report, if possible within the timescales proposed in the Davies Report, and to that end will ensure that a diverse range of candidates are considered when appointments to the Board are under consideration, as indeed has always been its practice.

Board evaluation and succession planning

The AIC Code requires external evaluation of Board performance every three years. The Board undertook its first externally facilitated evaluation in early 2012, having commissioned it late the previous year. The report of the evaluation confirmed that the Company observes a high standard of Corporate Governance and, accordingly, the Board conducted self-appraisals in 2013 and 2014 and have commissioned a further independent study by BoardAlpha to be reported on later in 2016.

The Board, Audit Committee, Management Engagement Committee and Nominations 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 its members. This process is conducted by the respective Chairman reviewing each members' performance, contribution and commitment to the Company. John Hallam, as Senior Independent Director, takes the lead in reviewing the performance of the Chairman. Each Board member provides proof of ongoing training and maintenance of continuing professional development requirements.

The Board considers it 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 has been prepared for any future Director appointments.

Board and committee meetings

The table below sets out the number of Board, Audit, Management Engagement and Nominations Committee scheduled meetings held during the year ended 31 December 2015 and, where appropriate, the number of such meetings attended by each Director.

Attendance at scheduled Board and Committee meetings:

	Board	Audit	Management Engagement	Nominations
No of meetings	4	5	1	1
Attendance				
Sir Michael Bunbury	4	2*	1	1
John Hallam	4	5	1	1
Graham Harrison	4	4	1	1
Talmai Morgan**	4	1*	1*	1
Nicholas Moss	4	5	1	1

* in attendance

** Talmai Morgan was appointed to the Management Engagement Committee on 16 September 2015.

Directors' independence

The Company has five non-executive Directors, all of whom are independent of the Manager. Talmai Morgan was a non-executive Director of BH Macro Limited until 25 June 2015. BH Macro Limited is managed by the Company's Manager, and is a feeder fund for Brevan Howard Master Fund Limited into which BHMS invests.

Under the AIC Code Directors may not be considered to be independent of the Company if they have served for over nine years. The Board however, takes the view that independence is not necessarily compromised by the length of tenure on the Board and considers experience to significantly add to the Board's strength.

Directors' interests

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

	31.12.2015		31.12.2014	
	US Dollar Shares	Sterling Shares	US Dollar Shares	Sterling Shares
Sir Michael Bunbury	–	4,000	–	4,000
John Hallam	5,000	–	5,000	–
Graham Harrison	–	1,500	–	1,500
Talmai Morgan	5,000	–	5,000	–
Nicholas Moss	–	839	–	839

The Company has adopted a Code of Directors' dealings in shares, which is based on the Model Code for Directors' dealings contained in the London Stock Exchange's Listing Rules.

Further Directors' interests in other public companies are disclosed in the Board Members' report.

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.

COMMITTEES OF THE BOARD

The Board has established Audit, Management Engagement and Nominations Committees and approved their terms of reference, copies of which can be obtained from the Administrator.

Audit Committee

The Audit Committee is chaired by John Hallam, and its other members are Graham Harrison and Nicholas Moss. The Committee meets formally at least twice a year and each meeting is attended by the external auditor and Administrator.

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. John Hallam and Nicholas Moss are currently serving the final year of their third term of three years. At the date of this report, Graham Harrison will be in the final year of his second term of three years.

The table above sets out the number of Audit Committee Meetings held during the year ended 31 December 2015 and the number of such meetings attended by each Committee member.

A report of the Audit Committee detailing its responsibilities and its key activities is presented in the Audit Committee Report.

Management Engagement Committee

The Management Engagement Committee meets formally at least once a year, is chaired by Nicholas Moss, and its other members are Sir Michael Bunbury, John Hallam, Graham Harrison, and Talmai Morgan, who was appointed on 16 September 2015.

The Board has established a Management Engagement Committee with formal duties and responsibilities. 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 external auditors).

The Committee also reviews annually the performance of the Manager with a view to determining whether to recommend to the Board that the Manager's mandate be renewed, subject to the specific notice period requirement of the agreement. The other third party service providers are also reviewed on an annual basis.

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

The Manager has wide experience in managing and administering investment companies and has access to extensive investment management resources. At its meeting of 16 September 2015, the Management Engagement Committee concluded that the continued appointment of the Manager on the terms agreed would be in the best interests of the Company's shareholders as a whole. At the date of this report the Board continues to be of the same opinion.

Nominations Committee

The Nominations Committee comprises all Directors of the Board, with the Chairman being appointed as Chairman of the Nominations Committee. For new appointments to the Board, nominations are sought from the Directors and from other relevant parties and candidates are then interviewed by the Nominations Committee. In the event that a replacement for the Chairman is being sought it would normally be expected that the Senior Independent Director would chair the Committee.

The other duties of the Committee include:

1. To review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board
2. To consider succession planning
3. To consider the performance of individual directors and determine whether to recommend to the Board that they be put forward for re-election; and
4. To consider the ongoing terms of appointment of each director.

At its meeting of 16 September 2015, the Nominations Committee recommended the appointment of Talmai Morgan to the Management Engagement Committee, and concluded that the continued appointment of the Board would be in the best interests of the Company's shareholders as a whole. At the date of this report the Board is considering the appointment of an additional director.

Remuneration Committee

In view of its non-executive and independent nature, the Board considers that it is not appropriate for there to be a separate Remuneration Committee as anticipated by the AIC Code. The Board as a whole fulfils the functions of the Remuneration Committee, although the Board has included a separate Remuneration Report in these Financial Statements.

Internal Controls

The Board is ultimately responsible for establishing and maintaining the Company's system of internal control and for maintaining and reviewing its effectiveness. 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; and
- Ensure no override of controls by its service providers, the Manager and the Administrator.

The Company's risk matrix continues to be used as the basis for analysing the Company's system of internal control. The risk matrix is prepared and maintained by the Audit Committee which initially identifies the risks facing the Company and then collectively assesses the likelihood of each risk, the impact of those risks and the strength of the controls operating over each risk. The Company's system of internal control is designed to manage rather than to eliminate the risk of failure to achieve business objectives and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

These controls aim to ensure that assets of the Company are safeguarded, proper accounting records are maintained and the financial information for publication is reliable. The Board confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company.

The AIC Code requires the Board to conduct at least annually a review of the Company's system of internal control, covering all controls, including financial, operational, compliance and risk management. The Board has evaluated the systems of internal controls of the Company. In particular, it has prepared a process for identifying and evaluating the significant risks affecting the Company and the policies by which these risks are managed.

The Board has delegated the management of the Company, the administration, corporate secretarial and registrar functions including the independent calculation of the Company's NAV and the production of the Annual Report and Financial Statements, 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 providers of these services. On an ongoing basis Board reports are provided at each quarterly Board meeting from the Manager, Administrator and Company Secretary and Registrar. A representative from the Manager is asked to attend these meetings.

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

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

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

Anti-Bribery and Corruption Policy

The Board has adopted a formal Anti-bribery and Corruption Policy. The policy applies to the Company and to each of its Directors. Furthermore, the policy is shared with each of the Company's main service providers.

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 that 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 accounting records prepared by the Administrator are reviewed by the Manager. 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 seeks to mitigate and manage these risks through continual review, policy-setting and enforcement of contractual obligations and will update the risk assessment matrix to reflect any changes to the control environment.

Relations with Shareholders

The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Board receives regular reports on the views of its shareholders from its brokers, JP Morgan Cazenove and Canaccord Genuity, marketing consultants, Kepler Partners LLP and from its Manager. In addition the Chairman has conducted and continues to conduct meetings with a number of major shareholders in order to receive their view on the Company. The Chairman and other Directors are available to shareholders if requested and 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 the NAVs, month-end unaudited NAVs and a monthly newsletter. These are published via RNS and are also available on the Company's website, www.bhgglobal.com. Risk reports are also available on the Company's website.

In addition to the Company's brokers, the Manager maintains regular dialogue with institutional shareholders, the feedback from whom is reported to the Board.

Significant Shareholders

As at 21 March 2016, the following registered shareholders had significant shareholdings in the Company:

Significant shareholders	Total shares held	% holdings in class
US Dollar shares		
Wealth Nominees Limited	1,159,629	25.06
Euroclear Nominees Limited	608,473	13.15
Rathbone Nominees Limited	573,184	12.39
Vidacos Nominees Limited	397,901	8.60
Pershing Nominees Limited	261,679	5.66
The Bank of New York (Nominees) Limited	254,300	5.50
Securities Services Nominees Limited	242,395	5.24
BNP Paribas Arbitrage SNC	238,790	5.16

Significant shareholders	Total shares held	% holdings in class
Sterling Shares		
Rathbone Nominees Limited	3,113,653	12.97
Quilter Nominees Limited	2,653,608	11.06
The Bank Of New York (Nominees) Limited	2,354,318	9.81
Cheviot Capital (Nominees) Limited	1,870,640	7.79
Securities Services Nominees Limited	1,580,731	6.59

HSBC Global Custody Nominee (UK) Limited	1,156,145	4.82
Pershing Nominees Limited	1,121,448	4.67
Smith & Williamson Nominees Limited	1,069,707	4.46
Brooks MacDonald Nominees Limited	1,058,767	4.41
Wealth Nominees Limited	969,755	4.04

Ongoing charges

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

The Ongoing Charges figures include the ongoing charges of BHMS and BHGO for the portion of the relevant year the Company invested in them.

BHGO underlying investments were subject to management fees and operational services fees ranging in aggregate from 1% to 2.5% per annum as well as normal administrative expenses. None of the costs, fees or performance fees of BHGO's underlying funds are included in the Ongoing Charges set out below.

BHMS underlying investments are not subject to management fees, operational services fees or performance fees but do bear normal administrative expenses.

Since 1 September 2014 all management fees are borne solely at Company level meaning that these charges are now included in the Ongoing Charges.

The following table presents the Ongoing Charges and the Company's performance fees for each share class and any comparison between the Ongoing Charges for the year ended 31 December 2015 and the year ended 31 December 2014 must therefore bear these changes in mind:

31.12.15

	US Dollar Shares	Sterling Shares
Company – Ongoing Charges	2.35%	2.31%
BHMS – Ongoing Charges	0.08%	0.08%
BHGO – Ongoing Charges	0.00%	0.00%
Performance fee	0.16%	0.03%
Total Ongoing Charges plus performance fees	2.59%	2.42%

31.12.14

	US Dollar Shares	Euro Shares	Sterling Shares
Company – Ongoing Charges	1.33%	0.70%	1.28%
BHMS – Ongoing Charges	0.01%	–	0.01%
BHGO – Ongoing Charges	0.02%	0.02%	0.02%
Total Ongoing Charges	1.36%	0.72%	1.31%

With effect from 1 September 2014, the Company invests substantially all of its investable assets in the Ordinary Shares issued by BHMS.

Signed on behalf of the Board by:

Sir Michael Bunbury
Chairman

John Hallam
Director

22 March 2016

Audit Committee Report

Dear Shareholder,

On the following sections, we present the Audit Committee's Report for 2015, setting out the responsibilities of the Audit Committee and its key activities in 2015. As in previous years, the Audit 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 Company's service providers. In order to assist the Audit Committee in discharging these responsibilities, regular reports are received and reviewed from the Manager, Administrator and independent auditor. Following the conclusion of the audit tender process and its review of the independence, objectivity and effectiveness of the Company's independent auditor, the Audit Committee has recommended to the Board that KPMG Channel Islands Limited be reappointed as independent auditor, which the Board will submit to the Company's Members for approval.

A member of the Audit Committee will continue to be available at each Annual General Meeting to respond to any shareholder questions on the activities of the Audit Committee.

John Hallam

Chairman, Audit Committee

Responsibilities

The Audit Committee reviews and recommends to the Board, the Financial Statements of the Company and is the forum through which the independent auditor reports to the Board of Directors. The independent auditor and the Audit Committee are able to meet together, without representatives of either the Administrator or Manager being present, if either consider this to be necessary.

The role of the Audit 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) 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;
- reviewing the Company's procedures for prevention, detection and reporting of fraud, bribery and corruption; and
- monitoring and reviewing the internal control and risk management systems of the service providers.

The Audit Committee's full terms of reference can be obtained by contacting the Administrator.

Key activities of the Audit Committee:

The following sections discuss the activities of the Audit Committee during the year:

Financial Reporting:

The Audit Committee's review of the annual financial statements focused on what it believes to be the only significant issue:

The Company's investment in BHMS had a fair value of US\$581,841,659 as at 31 December 2015 and represents the majority of the net assets of the Company and as such is the biggest factor in relation to the accuracy of the Financial Statements. The valuation of the investment is determined in accordance with the accounting policy in note 3 to the Financial Statements. The financial statements of BHMS for the year ended 31 December 2015 were audited by KPMG Cayman who issued an unqualified audit opinion dated 18 March 2016. The Audit Committee considered the financial statements of BHMS and its accounting policies in determining that the fair value of the investment in BHMS at 31 December 2015 is reasonable.

The independent auditor reported to the Committee that no material misstatements were found in the course of their work. Furthermore, the Manager and Administrator confirmed to the Committee that they were not aware of any material misstatements including matters relating to financial statement presentation. The Audit Committee confirms that it is satisfied that the independent auditor has fulfilled its responsibilities with diligence and professional scepticism. At the

request of the Board the Audit Committee considered whether the 2015 Annual Report and Audited Financial Statements, taken as a whole, are 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 the Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced and understandable, and provide the necessary information for the shareholders to assess the Company's performance.

Following a review of the presentations and reports from the Administrator and consulting where necessary with the independent auditor, the Audit 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 Audit Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Risk Management:

The Audit Committee continued to consider the process for managing the risk faced by the Company and its service providers. Risk management procedures for the Company, as detailed in the Company's risk assessment matrix, were reviewed and approved by the Audit Committee.

Fraud, Bribery and Corruption:

The Audit Committee continued to monitor and review the procedures of the Company to combat fraud, bribery and corruption. The Board receives a confirmation from all major service providers that they are not aware of any instances of fraud, bribery or corruption.

The Independent Auditor

Independence, objectivity and fees:

The independence and objectivity of the independent auditor is regularly reviewed by the Audit Committee which also reviews the terms under which the independent auditor is appointed to perform non-audit services. The Audit Committee has established pre-approval policies and procedures for the engagement of the independent auditor to provide audit, assurance and tax services.

These are that the independent auditors 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 developing close relationships with service providers of the Company;
- results in the independent auditor functioning as a manager or employee of the Company; or
- puts the independent auditor in the role of advocate of the Company.

As a general rule, the Audit Committee does not utilise the independent auditor for internal audit purposes, secondment or valuation advice. Services such as tax compliance, tax restructuring, quarterly reviews and disclosure advice are normally permitted but must be pre-approved by the Audit Committee where fees are likely to be in excess of £25,000.

The Audit Committee considered reports from the independent auditor on their procedures to identify and mitigate any threats to independence and concluded that the procedures were sufficient to identify any threats to independence. The Audit Committee together with the Chairman and the Administrator completed a questionnaire covering areas such as quality of audit team, business understanding, audit approach and management. The results of the questionnaire indicated that the independent auditor performed effectively during the period.

The following table summarises the remuneration paid to KPMG Channel Islands Limited and to other KPMG member firms for audit and non-audit services provided to the Company during the years ended 31 December 2015 and 31 December 2014:

	01.01.15 to 31.12.15	01.01.14 to 31.12.14
KPMG Channel Islands Limited		
– Annual audit	£27,500	£27,000
– Auditor's interim review	£8,750	£8,750

– Specified procedures relating to the Euro redemption price	£Nil	£5,000
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Other KPMG member firms

– Specified procedures relating to the change in investment policy	£Nil	£9,400
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In line with the policies and procedures above, the Audit Committee does not consider that the provision of these non-audit services, which in 2014 comprised specified procedures relating to the Euro share class closure and change in investment policy, to be a threat to the objectivity and independence of the independent auditor. The Audit Committee has also considered the overall level of services provided by KPMG member firms to the wider Brevan Howard organisation and does not consider these to pose a threat to the independent auditor's independence.

KPMG Channel Islands Limited ("KPMG") has been the Company's independent auditor from the date of the initial listing on the London Stock Exchange. 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.

John Hallam, as Chair of the Audit Committee, Graham Harrison and Nicholas Moss, 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 a review of the submissions, the Audit Committee members resolved to recommend the continuing appointment of KPMG as auditors. This course of action was deemed 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 other audit work KPMG offices perform on Brevan Howard vehicles as referred to earlier.

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.

Performance and effectiveness:

During the year, when considering the effectiveness of the independent auditor, the Audit Committee has taken into account the following factors:-

- The audit plan presented to them;
- The audit findings report including variations from the original plan;
- Changes in audit personnel;
- The independent auditor's own internal procedures to identify threats to independence; and
- Feedback from both the Manager and Administrator.

The Audit Committee reviewed the audit plan and the audit findings report of the independent auditor and concluded that a) the audit plan sufficiently identified audit risks; b) that the audit findings report indicated that the audit risks were sufficiently addressed; and c) there were no significant variations from the audit plan.

Reappointment:

Consequent to the tender process and the review discussed above, the Audit Committee has recommended to the Board that a resolution be put to the 2016 AGM for the reappointment of KPMG Channel Islands Limited as independent auditor. The Board has accepted this recommendation.

Internal control and risk management systems

As the Company's investment objective is to invest all of its assets in BHMS, the Audit Committee, after consultation with the Manager and independent auditor, considers the key risk of misstatement in its financial statements to be the valuation of its investment in BHMS, but are also mindful of the risk of the override of controls by its service providers, the Manager and Administrator.

The Audit Committee reviews and examines externally prepared assessments of the control environment in place at the Manager and the Administrator, with each providing a Service Organisation Report ("SOC1") on an ongoing basis. No significant failings or weaknesses were identified in these reports by the Audit Committee.

The Audit Committee periodically reviews the need for an internal audit function. The Committee is of the view that the systems, procedures and internal audit functions in operation at both the Manager and Administrator provide sufficient assurance that a sound system of internal control is being maintained. An internal audit function, specific to the Company, is therefore considered unnecessary.

The Audit Committee Report was approved by the Board on 22 March 2016 and signed on its behalf by:

John Hallam

Chairman, Audit Committee

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 United States Generally Accepted Accounting Principles.

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 Global 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 he ought to have taken as a Director to make himself aware of any relevant information and to establish that the Company's Independent Auditor is aware of that information;
- the Financial Statements have been prepared in conformity with United States Generally Accepted Accounting Principles and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;

- the Annual Report and 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
- the Financial Statements include information detailed in the Chairman's Statement, the Directors' Report, and the Manager's Report, which provides a fair view of information required by:
 - (a) DTR 4.1.8 of the Disclosure and Transparency Rules, being a fair review of the Company 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:

Sir Michael Bunbury
Chairman

John Hallam
Director

22 March 2016

Directors' Remuneration Report

As at 31 December 2015

Introduction

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to the shareholders at the forthcoming 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. An external assessment of Directors' remuneration has not been undertaken.

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 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. The Directors were appointed to the Board for an initial term of three years and Section 21.3 of the Company's Articles requires all of the Directors to retire at each Annual General Meeting. In line with the AIC Code each Director will put themselves up for re-election at each Annual General Meeting. At the Annual General Meeting of the Company, on 29 June 2015, shareholders re-elected all the Directors of the Company. Director appointments can also be terminated in accordance with the Articles. Should shareholders vote against a Director standing for re-election, the Director affected will not be entitled to any compensation. There are no set notice periods and a Director may resign by notice in writing to the Board at any time.

Directors are remunerated in the form of fees, payable quarterly in arrears, to the Director personally. In 2014, John Hallam, Graham Harrison, Talmai Morgan and Nicholas Moss each received a further payment of £15,000 for additional work undertaken during that year in relation to the Euro share class closure and the change in investment policy. No other remuneration or compensation was paid or payable by the Company during the year to any of the Directors apart from the reimbursement of allowable expenses.

Directors' fees

The Company's Articles limit the fees payable to Directors in aggregate to £500,000 per annum.

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

	01.01.15 to 31.12.15 £	01.01.14 to 31.12.14 £
Sir Michael Bunbury	150,000	150,000
John Hallam	36,000	51,000
Graham Harrison	33,000	48,000
Talmai Morgan	33,000	48,000
Nicholas Moss	36,000	51,000
Stephen Stonberg*	—	8,250
Total	288,000	356,250

* Stephen Stonberg resigned from the Board on 31 March 2014.

Signed on behalf of the Board by:

Sir Michael Bunbury

Chairman

John Hallam

Director

22 March 2016

Board Members

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

Sir Michael Bunbury (Chairman), age 69

Sir Michael Bunbury is Chairman and non-executive director of the Company. He is an experienced director of listed and private investment, property and financial services companies and trustee for high net worth families. He is currently the Chairman of HarbourVest Global Private Equity Limited, a director of Invesco Perpetual Select Trust plc, a consultant to Smith & Williamson, former chairman of JP Morgan Claverhouse Investment Trust plc, and a former director of Foreign & Colonial Investment Trust plc. Sir Michael began his career in 1968 at Buckmaster & Moore, before joining Smith & Williamson, Investment Managers and Chartered Accountants, in 1974 as a Partner. He later served as director and chairman and remains a consultant to the firm. Sir Michael was appointed to the Board in 2013.

John Hallam, (Senior Independent Director), age 66

John Hallam is resident in Guernsey, is a Fellow of the Institute of Chartered Accountants in England and Wales and qualified as an accountant in 1971. He is a former partner of PricewaterhouseCoopers having retired in 1999 after 27 years with the firm both in Guernsey and in other countries. He is Chairman of NB Distressed Debt Investment Fund Ltd as well as being a director of a number of financial services companies, some of which are listed on the London Stock Exchange. He served for many years as a member of the Guernsey Financial Services Commission from which he retired in 2006 having been its Chairman for the previous three years. Mr. Hallam was appointed to the Board in 2008.

Graham Harrison, age 50

Graham Harrison is a Guernsey resident and a Chartered Fellow of the Chartered Institute for Securities and Investment. Mr Harrison is co-founder and Group Managing Director of Asset Risk Consultants ("ARC"). After obtaining a post graduate degree from the London School of Economics, Mr Harrison worked for HSBC in its corporate finance division where he specialised in financial engineering. Following a secondment with the Caribbean Development Bank he moved to Guernsey to work for the Bachmann Group with a brief to develop asset management and investment consultancy services. In 2002 he led the management buy-out of ARC, taking the company independent. Mr Harrison is a director of a number of investment vehicles some of which are listed. Mr Harrison was appointed to the Board in 2010.

Talmai Morgan, age 63

Talmi Morgan qualified as a Barrister in 1976. He holds a MA in Economics and Law from Cambridge University. He moved to Guernsey in 1988 where he worked for Barings and then for the Bank of Bermuda. From 1999 to 2004, he was Director of Fiduciary Services and Enforcement at the Guernsey Financial Services Commission (Guernsey's financial regulatory agency) where he was responsible for the design and subsequent implementation of Guernsey's law relating to the regulation of fiduciaries, administration businesses and company directors. He was also particularly involved in the activities of the Financial Action Task Force and the Offshore Group of Banking Supervisors. For the last ten years, Mr Morgan has been the non-executive chairman or a non-executive director of a number of publicly listed investment companies. He is presently Chairman of NB Private Equity Partners Limited, Sherborne Investors (Guernsey) B Limited and Global Fixed Income Realisation Limited. He also sits on the board of John Laing Infrastructure Fund Limited. Mr. Morgan was appointed to the Board in 2008.

Nicholas Moss, age 56

Nicholas Moss is a Guernsey resident and a Fellow of the Institute of Chartered Accountants in England & Wales. He is a founder director of the Virtus Trust Group, a Guernsey based fiduciary, corporate services and investment consulting business. Prior to establishing Virtus Trust, Mr Moss was a managing director within the Rothschild Trust Group in Guernsey where he spent 16 years structuring and administering complex onshore and offshore trusts for corporates and ultra high net worth families. He has wide experience in the selection of investment managers for his clients and the subsequent evaluation and monitoring of these portfolios. He holds a number of non-executive Board appointments including some London listed companies. Mr Moss was appointed to the Board in 2008.

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

Company Name	Exchange
Sir Michael Bunbury	
HarbourVest Global Private Equity Limited	Amsterdam and London
Invesco Perpetual Select Trust plc	London
John Hallam	
HICL Infrastructure Co Limited	London
NB Distressed Debt Investment Fund Limited	SFM and Channel Islands
Partners Group Global Opportunities Limited	Ireland
Real Estate Credit Investments PCC Limited	London
Graham Harrison	
Real Estate Credit Investments PCC Limited	London
Volta Finance Limited	Amsterdam and London
Talmi Morgan	
Global Fixed Income Realisation Limited	Ireland
John Laing Infrastructure Fund Limited	London
NB Private Equity Partners Limited	Amsterdam, SFM and Channel Islands
Sherborne Investors (Guernsey) B Limited	SFM
Nicholas Moss	
BACIT Limited	London
Carador Income Fund PLC	London

Certain Directors hold additional directorships in companies that are listed on various exchanges but are not actively traded. Details of these may be obtained from the Company Secretary.

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

Opinions and conclusions arising from our audit

Opinion on the financial statements

We have audited the financial statements of BH Global 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 BHMS (US\$581,842,000)

Refer to the Audit Committee Report and note 3 'Significant accounting policies'.

- **The risk** – The Company, which is a multi-class feeder fund, had invested 98.0% of its total assets at 31 December 2015 into the ordinary US Dollar and Sterling denominated Class G Shares issued by Brevan Howard Multi-Strategy 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 \$16,950,000. This has been calculated using a benchmark of the Company's net assets.

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 \$840,000, 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 Company's 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 in 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 3 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 Audit Committee Report 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 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

22 March 2016

Audited Statement of Assets and Liabilities

31 December 2015

	31.12.15 US\$'000	31.12.14 US\$'000
Assets		
Investment in BHMS	581,842	673,396
Investment in BHGO	–	197
Other debtors	68	86
Cash and bank balances denominated in US Dollars	1,236	3,276
Cash and bank balances denominated in Sterling	10,742	5,739
Total assets	593,888	682,694
Liabilities		
Cash and bank balances denominated in Euro	–	1
Loan notes payable (notes 3 and 9)	25,247	6,668
Redemptions in respect of buybacks payable	943	1,584
Management fees payable (note 4)	963	1,145
Performance fees payable (note 4)	274	–
Accrued expenses and other liabilities	659	234
Directors' fees and expenses payable	107	112
Administration fees payable (note 4)	38	43
Total liabilities	28,231	9,787
Net assets	565,657	672,907
Number of shares in issue (note 5)		
US Dollar shares	4,850,613	6,994,093
Sterling shares	25,161,387	27,313,033
Net asset value per share (notes 7 and 10)		
US Dollar shares	US\$13.21	US\$13.44
Sterling shares	£13.44	£13.62

See accompanying notes to the Financial Statements.

Signed on behalf of the Board by:

Sir Michael Bunbury

Chairman

John Hallam

Director

22 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 gain allocated from BHMS		
Interest	11,279	2,620
Expenses	(1,418)	(230)
Net investment gain allocated from BHMS	9,861	2,390
Net investment loss allocated from BHGO		
Interest	–	3
Expenses	(10)	(202)
Net investment loss allocated from BHGO	(10)	(199)
Company expenses		
Management fees (note 4)	12,852	7,809
Performance fees (note 4)	279	–
Other expenses	1,886	2,317
Directors' fees and expenses	439	587
Administration fees (note 4)	248	315
Foreign exchange losses (note 3)	25,494	46,164
Total Company expenses	41,198	57,192
Net investment loss	(31,347)	(55,001)
Net realised and unrealised (losses)/gains on investments allocated from BHMS		
Net realised gain on investments	55,426	22,743
Net unrealised loss on investments	(61,442)	(5,048)
Net realised and unrealised foreign exchange gain		
– on hedging	1,291	603
Net realised and unrealised (losses)/gains on investments allocated from BHMS	(4,725)	18,298
Net realised and unrealised losses on investments allocated from BHGO		
Net realised loss on investments	–	(10,760)
Net realised and unrealised foreign exchange gain/(loss)		
– on hedging	(2)	530
– on capital (note 3)	1	4,171
Net realised and unrealised losses on investments allocated from BHGO	(1)	(6,059)
Net decrease in net assets resulting from operations	(36,073)	(42,762)

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	(31,347)	(55,001)
Net realised gain on investments allocated from BHGO and BHMS	55,426	11,983
Net unrealised loss on investments allocated from BHGO and BHMS	(61,442)	(5,048)
Net realised and unrealised foreign exchange gain allocated from BHGO and BHMS	1,290	5,304
	(36,073)	(42,762)

Share capital transactions

Purchase of own shares (note 5)		
US Dollar shares	(6,063)	(18,021)
Sterling shares	(51,493)	(65,529)
	(57,556)	(83,550)

Partial capital return

US Dollar shares	(1,840)	–
Sterling shares	(11,390)	–
	(13,230)	–

Repayment of Offer Costs

US Dollar shares	(6)	(47)
Euro shares	–	(6,031)
Sterling shares	(385)	(400)
	(391)	(6,478)

Redemption of Euro share class	–	(207,777)
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Net decrease in net assets	(107,250)	(340,567)
Net assets at the beginning of the year	672,907	1,013,474
Net assets at the end of the year	565,657	672,907

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	(36,073)	(42,762)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash provided by operating activities:		
Net investment gain allocated from BHGO and BHMS	(9,851)	(2,191)
Net realised gain on investments allocated from BHGO and BHMS	(55,426)	(11,983)
Net unrealised loss on investments allocated from BHGO and BHMS	61,442	5,048
Net realised and unrealised foreign exchange gain allocated from BHGO and BHMS	(1,290)	(5,304)
Purchase of investment in BHGO and BHMS	–	(26,212)
Proceeds from sale of investment in BHGO and BHMS	70,507	331,205
Interest expense on short term loan	505	241
Foreign exchange losses	25,494	46,164
Decrease in other debtors	18	31
(Decrease)/increase in management fees payable	(182)	697
Increase in performance fees payable	274	–
(Decrease)/increase in accrued expenses and other liabilities	(67)	58

Decrease in Directors' fees payable	(5)	(21)
Decrease in administration fees payable	(5)	(17)
Net cash provided by operating activities	55,341	294,954
Cash flows from financing activities		
Purchase of own shares	(58,197)	(81,967)
Partial capital return	(13,230)	–
Proceeds of borrowings from short term loan	23,993	48,849
Repayment of borrowings from short term loan	(4,516)	(41,363)
Interest paid on short term loan	(13)	(236)
Repayment of Offer Costs	(391)	(6,478)
Redemption of euro share class	–	(207,777)
Net cash used in financing activities	(52,354)	(288,972)
Change in cash	2,987	5,982
Cash, beginning of the year	9,014	3,045
Effect of exchange rate fluctuations	(23)	(13)
Cash, end of the year	11,978	9,014
Cash, end of the year		
Cash and bank balances denominated in US Dollars	1,236	3,276
Cash and bank balances denominated in Euro ¹	–	(1)
Cash and bank balances denominated in Sterling ²	10,742	5,739
	11,978	9,014
1. Cash and bank balances in Euro (EUR'000)	–	(1)
2. Cash and bank balances in Sterling (GBP'000)	7,243	3,688
Supplemental disclosure of non-cash financing activities:		
<i>In specie divestment in BHGO (note 11)</i>	–	666,408
<i>In specie investment in BHMS (note 11)</i>	–	(666,408)

See accompanying notes to the Financial Statements.

Notes to the Audited Financial Statements

For the year ended 31 December 2015

1. The Company

BH Global Limited (the "Company") is a limited liability closed-ended investment company incorporated in Guernsey on 25 February 2008 for an unlimited period, with registration number 48555.

The Company was admitted to a Primary Listing on the Official List of the London Stock Exchange on 29 May 2008. 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.

On 27 February 2014 the shareholders of the Euro Share Class voted in favour of the Class Closure Resolution and closure of the Euro Share Class which was completed in August 2014, as discussed in note 8.

2. Organisation

Prior to 1 September 2014, the Company's investment objective was to seek to generate consistent long-term capital appreciation through an investment policy of investing all of its assets (net of those expenses of the initial public offering borne by the Company and funds required for its short-term working capital requirements) in Brevan Howard Global Opportunities Master Fund Limited ("BHGO"). On 17 July 2015, the Company realised its residual holding in BHGO, during its orderly liquidation, for US\$186,297.

On 28 August 2014 the shareholders voted in favour of changing the investment policy and effective 1 September 2014, the Company's investment objective 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 requirements) in Brevan Howard Multi-Strategy Master Fund Limited ("BHMS" or the "Master Fund").

The Company is organised as a feeder fund and invests substantially all of its investable assets in the ordinary US Dollar and Sterling denominated Class G shares issued by BHMS, and, as such, the Company is directly and materially affected by the performance and actions of BHMS.

As such the Financial Statements of the Company should be read in conjunction with the Annual Audited Financial Statements of BHMS, which can be found on the Company's website, www.bhglobal.com.

BHMS is an open-ended investment company incorporated with limited liability in the Cayman Islands on 21 January 2008.

BHMS's underlying investments in funds at 31 December 2015 and the percentage that BHMS's investment represented of the underlying fund's NAV are as follows:

Brevan Howard Master Fund Limited	6.13%
Brevan Howard Asia Master Fund Limited	11.94%
DW Catalyst Offshore Fund, Ltd.	4.63%
Brevan Howard Systematic Trading Master Fund Limited	54.38%

BHMS's allocation between these vehicles is disclosed in the Manager's Report.

BHMS 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 or vehicles (which may be open-ended or closed-ended, listed or unlisted, regulated or unregulated and may employ leverage (each an "Investment Fund")), currencies, commodities, futures, options, warrants, swaps and other derivative instruments. Derivative instruments may be exchange traded or OTC. BHMS may engage in short sales. BHMS may retain amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or if this is considered appropriate to the investment objective.

Subject to the investment restrictions and investment approach disclosed in any prospectus for BHMS that may be published from time to time and subsequent BHMS directors' resolutions, BHMS employs an investment process which empowers the Manager to allocate assets to both Investment Funds and directly to the investment managers of BHMS from time to time on an opportunistic basis.

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 BHMS.

Off-balance sheet, market and credit risks of BHMS's investments and activities are discussed in the notes to the Annual Audited Financial Statements of BHMS. The Company's investment in BHMS exposes it to various types of risk, which are associated with the financial instruments and markets in which the Brevan Howard 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 sole 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 and is the Alternative Investment Fund Manager ("AIFM") of the Company for the purposes to the European Union Alternative Investment Fund Manager Directive ("AIFMD").

The Manager also manages BHMS and the Brevan Howard underlying funds, including BHGO until its orderly liquidation.

3. Significant accounting policies

The 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 moderate 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 significant accounting policies adopted by the Company:

Valuation of investments

The Company records its investment in the Class G shares of BHMS at fair value. Fair value is determined as the Company's proportionate share of BHMS's net assets. At 31 December 2015, the Company's US Dollar and Sterling capital account represents 2.52%, and 20.27% respectively of BHMS's capital. The net asset value of BHMS is used as a measure of fair value as this is the price at which the Company may redeem its investment. On 17 July 2015, the Company realised its residual holding in BHGO, during its orderly liquidation, for US\$186,297.

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 including such a pricing model and/or the risk inherent in the inputs to the valuation technique. 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 developed 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 "Board"). After consultation with the Administrator and Manager, the Board considers

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 Board's 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 Board's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date.

The Board uses 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 BHMS is discussed in the notes to their respective Financial Statements which are available on the Company's website, www.bhgglobal.com. The Company's investment in BHMS is classified as a level 2 investment.

Income and expenses

The Company records monthly its proportionate share of BHMS's and previously, BHGO'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 the Board 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.

Share issue expenses

Share issue expenses of US\$10,552,146 were borne by the Company and were charged against the Share capital account at launch.

In accordance with the Placing Agreement dated 28 April 2008, the Manager paid the costs and expenses of, and incidental to, the Offer (including all costs related to the establishment of the Company) (the "Offer Costs") which were in excess of 1% of the gross proceeds of the Offer. The Offer Costs paid by the Manager amounted to US\$26,559,274.

Pursuant to the terms of the Management Agreement, the Company was required to repay to the Manager a fraction of these Offer Costs for every US Dollar by which repurchases, redemptions or cancellations of the Company's shares reduced the current US Dollar NAV of the Company below its NAV at the time of the Company's listing, being US\$1,044,631,308. The amount of these Offer Costs to be repaid was 2.55 cents for every US Dollar by which the Company's NAV was reduced, being the figure obtained by dividing the Offer Costs by the NAV of the Company at the time of its listing.

During the year ended 31 December 2015, US\$391,142 (31 December 2014: US\$6,478,122) was repayable to the Manager as Offer Costs. At 31 December 2015, US\$Nil (31 December 2014: US\$105,003) of the Offer Cost reclaim remained outstanding.

In addition, the Management Agreement required the Company to pay the Manager an amount equal to all or part of the Offer Costs in the following circumstances: (i) payment was required in full if the Company was wound up on or before 29 May 2015, or (ii) in part if shares are redeemed as a result of a Class Closure Resolution passed on or before 29 May 2015 (with the percentage of the Offer Costs that were repayable being equal to the percentage that the number of shares redeemed represented of the total number of the Company's shares in issue).

Any repurchases, redemptions or cancellations were priced to take into account any fractional Offer Cost repayments and therefore ensured that continuing shareholders were not prejudiced.

These provisions expired on 29 May 2015.

In respect of the Euro Class closure during 2014, the Articles of the Company required that (i) the Company deducted from the NAV per share payable on redemption of the Euro Class shares a fractional amount of the costs of the Euro Class Closure Meeting and (ii) the amount payable to the Manager in partial reimbursement of the Offer Costs which are

attributable to the shares that were redeemed. This meant that the redemption price received by redeeming Euro Class shareholders was 97.12% of the 31 July 2014 NAV per share on redemption.

Foreign exchange

For the purposes of an aggregated Audited Statement of Assets and Liabilities, investment securities and other assets and liabilities denominated in foreign currencies are translated into US Dollars using exchange rates at the reporting date. Share capital denominated in foreign currencies is translated into US Dollars using exchange rates on the date of issue. The resulting presentational foreign exchange gains or losses are included in the Audited Statement of Operations.

Transactions denominated in foreign currencies are translated into US Dollars using exchange rates at the date of such transactions.

All currency gains and losses are included in the Audited Statement of Operations.

Cash and Bank Balances

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

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 Share capital account. 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 or in the Financial Highlights in note 10.

Allocation of results of BHGO and BHMS

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

Loan notes payable

Loans are classified in the Statement of Assets and Liabilities as Loan notes payable and are accounted for at amortised cost using the effective interest method.

Under a Note Purchase Agreement (note 9), the Company is obliged to pay back the total outstanding amount and any relevant fees and expenses, reimbursements and indemnities by the stated maturity date, unless the Note is previously terminated. Interest shall accrue daily on each Note at the applicable rate. The Company's obligations under the Agreement are secured by charges over a portion of its shares in BHMS. The purpose of the Note Purchase Agreement is to permit the Company to draw funds to finance the acquisition of the Company's own shares and for other working capital purposes.

4. Management, Performance, and Administration agreements

Management and Performance fees

The Company has entered into a management agreement with the Manager to manage the Company's investment portfolio. Prior to 1 September 2014, the Manager received a management fee of 1/12 of 0.50% (or a pro rata proportion thereof) per month of the NAV of each share class (before deduction of that month's management fee) as at the last business day in each month, payable monthly in arrears.

As a result of the change in investment policy, the Company's Management Agreement was amended to provide for the management fee and performance fee to be paid to the Manager as follows. Effective 1 September 2014, the Manager receives a management fee of 1/12 of 2% (or a pro rata proportion thereof) per month of the NAV of each share class (before deduction of that month's management fee and before making any deduction for any accrued performance fee) calculated as at the last business day in each month and payable monthly in arrears.

BHGO itself was not subject to management fees, however BHGO's investments were subject to management fees and operational services fees ranging in aggregate from 1% to 2.5% per annum, in addition to performance fees in certain of the underlying investments.

There are no fees charged by the Manager at the level of BHMS or any of its underlying funds.

During the year ended 31 December 2015, US\$12,851,768 (31 December 2014: US\$7,808,551) was charged by the Manager as management fees to the Company. At 31 December 2015, US\$962,510 (31 December 2014: US\$1,145,005) of the fee remained outstanding.

Effective 1 September 2014, the Manager is also entitled to a semi annual performance fee for each share class, accrued in arrears on a monthly basis. The performance fee is equal to 20% of the appreciation in the NAV per share (adjusted for any increases or decreases in NAV arising from issues (including the sale or re issue of Shares held in treasury), repurchases or redemptions of Shares and calculated before deduction of the performance fee in respect of the relevant 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 1 September 2014 and the highest NAV per share achieved as at the end of any previous calculation period. However, for the purposes of calculating the performance fee payable to the Manager following reinvestment of the Company into BHMS, the base NAV per share of the Company's Sterling and US Dollar shares as at 1 September 2014 were set at £13.69 and \$13.56 respectively to take into account the extent to which any of the Company's underlying investments were performing below existing high water marks immediately prior to their contribution to BHMS.

Any accrued performance fee in respect of Shares which are repurchased, redeemed or cancelled prior to the date on which the performance fee would otherwise have become payable in respect of those Shares will crystallise and become payable on the date of such repurchase, redemption or cancellation. The performance fee is accrued on an on-going basis and is reflected in the Company's published NAV.

On the business day preceding the last business day of each period in respect of which a performance fee is payable, the Company shall pay an estimated performance fee to the Manager in respect of that period. The estimated fee shall be the performance fee payable to the Manager in respect of that period as estimated by the Company's administrator on the basis of the estimated NAV of each class of Shares as at the close of business on the tenth business day in June and December in each year. The difference between the estimated fee paid in respect of any period and the actual performance fee payable in respect of that period shall be paid to the Manager within 15 business days of the end of the period, provided that if the difference is a negative amount then it shall be repaid by the Manager to the Company at such time.

During the year ended 31 December 2015, US\$279,031 (31 December 2014: US\$Nil) was charged as performance fees of which, US\$274,429 (31 December 2014: US\$Nil) remained payable at year end. The total performance fee charged during the year related solely to fees crystallised upon conversion and upon buy-back of shares at points when the NAV of the shares exceeded their high water mark (being £13.69 (Sterling shares) and \$13.56 (US dollar shares) for the entire calendar year 2015, see below).

Of the total crystallised performance fee charged during the year ended 31 December 2015, \$142,341 (31 December 2014: US\$Nil) related to share conversions and \$136,690 (31 December 2014: US\$Nil) related to the buy-back of shares.

In establishing the parameters for the execution of buybacks, account is taken of the impact of any performance fees that would become payable so as to ensure that such buy backs are still accretive to net asset value.

The performance fee of \$1,398,085 for the six month period to 30 June 2015 which would otherwise have been payable has been waived by the Manager. As a consequence the high water marks to be applied in 2015 and 2016 remained and will remain (respectively) at the level set at 1 September 2014, namely £13.69 for Sterling shares and \$13.56 for US dollar shares.

Effective 1 January 2016, the Manager is entitled to an annual performance fee. Refer to note 12 for further information.

The Management Agreement can be terminated by either the Company or the Manager on the giving of 12 months' written notice to the other party, or alternatively the Company may terminate the Management Agreement on 90 days' notice by payment to the Manager of an amount equal to the aggregate of the Management Fee during such twelve month period. The Company may terminate the management agreement forthwith by notice in the event of specified acts of default by the Manager without payment of compensation.

The Company is also entitled to terminate the management agreement without payment of compensation if a resolution is passed to wind up the Company in accordance with its discount control mechanism or if the net asset value of BHMS is more than 25 per cent lower than the average net asset value of BHMS over the previous twelve month period.

Prior to 1 September 2014, the management agreement could be terminated by either party on not less than 24 months' notice without payment of compensation, although the Company would have been required to reimburse the Offer Costs if

termination were to have occurred before 29 May 2015. The Company could have terminated the management agreement forthwith by notice in the event of specified acts of default by the Manager without payment of compensation.

The Company was also entitled to terminate the management agreement without payment of compensation if a resolution was passed to wind up the Company in accordance with its discount control mechanism or if the net asset value of BHGO was more than 25 per cent lower than the average net asset value of BHGO over the previous twelve month period, although the Company would have been required to reimburse the Offer Costs if termination in those circumstances were to have occurred before 29 May 2015.

In addition, the Company could have terminated the management agreement on less than 24 months' notice without cause, but the Company would have had to pay compensation to the Manager equivalent to the aggregate management fees that would otherwise directly or indirectly have been paid by the Company during the 24 months following notice of termination. The Company would also have been required to reimburse the Offer Costs if termination in those circumstances were to have occurred before 29 May 2015.

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 monthly in arrears. The fee is at a rate of 0.03% of the first US\$1 billion of net assets of the Company and then 0.01% per annum thereafter, subject to a minimum fee of £115,000 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\$247,679 (31 December 2014: US\$314,716) was earned by the Administrator as administration fees. At 31 December 2015, US\$38,040 (31 December 2014: US\$43,159) of the fee remained outstanding.

5. Share capital

Issued and authorised share capital

On 28 August 2014 the Company's Articles were amended to authorise the company to issue an unlimited number of ordinary shares with no par value which may be divided into at least two classes denominated in US Dollars and Sterling. Prior to the amendment, the Company also had the authority to issue Euro shares. The treasury shares have arisen as a result of the discount management programme as described in note 8.

	US Dollar shares	Sterling shares
Number of ordinary shares		
In issue at 1 January 2015	6,994,093	27,313,033
Share conversions	(1,529,218)	977,308
Partial capital return	(135,544)	(529,868)
Purchase of own shares into Treasury	(478,718)	(2,599,086)
In issue at 31 December 2015	4,850,613	25,161,387

Number of treasury shares		
In issue at 1 January 2015	570,806	2,535,319
Shares purchased and held in Treasury during the year:		
– On market purchases	478,718	2,599,086
Shares cancelled	(512,000)	(2,885,000)
In issue at 31 December 2015	537,524	2,249,405
Percentage of class	9.98%	8.21%

	US\$'000	£'000	Company Total US\$'000
Share capital account			
At 1 January 2015	20,575	259,998	528,816
Share conversions	(21,316)	13,822	–
Partial capital return	(1,840)	(7,300)	(13,230)
Purchase of own shares into Treasury	(6,063)	(33,618)	(57,556)
Repayment of offer costs	(6)	(253)	(391)

Transfer from realised investment reserve	8,650	–	8,650
At 31 December 2015	–	232,649	466,289

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2014	11,447,780	8,987,596	31,727,417
Share conversions	(2,926,987)	3,468,418	(1,149,243)
Purchase of own shares into Treasury	(1,526,700)	–	(3,265,141)
Redemption of Euro class	–	(12,456,014)	–
In issue at 31 December 2014	6,994,093	–	27,313,033
Number of treasury shares			
In issue at 1 January 2014	1,209,106	197,180	2,770,178
Shares purchased and held in treasury during the year:			
– On market purchases	1,526,700	–	3,265,141
– Shares cancelled	(2,165,000)	(197,180)	(3,500,000)
In issue at 31 December 2014	570,806	–	2,535,319
Percentage of class	7.55%	0.00%	8.49%

	US\$'000	€'000	£'000	Company Total US\$'000
Share capital account				
At 1 January 2014	76,833	98,647	314,987	832,528
Share conversions	(38,190)	45,909	(15,527)	–
Purchase of own shares into Treasury	(18,021)	–	(39,219)	(83,550)
Repayment of offer costs	(47)	(4,574)	(243)	(6,478)
Redemption of Euro Class	–	(139,982)	–	(183,131)
Foreign exchange loss on Euro Class closure	–	–	–	(30,553)
At 31 December 2014	20,575	–	259,998	528,816

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 NAVs of each of the share classes in either master fund as calculated by BHMS or BHGO are 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

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

As prescribed in the Company's Articles, the different classes of ordinary shares have different values attributable to their votes. The attributed values have been calculated on the basis of the Weighted Voting Calculation (as described in the Articles) which takes into account the prevailing exchange rates on the date of initial issue of ordinary shares. Currently, on a vote, a single US Dollar ordinary share has one vote and a single Sterling ordinary share has 1.97950 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 811,701 US Dollar shares, and 4,183,520 Sterling shares respectively and they intend to seek annual renewal of this authority from shareholders which was last granted on 29 June 2015. 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, the Directors are required to convene a shareholders' meeting to consider the repurchase of a 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 29 June 2015 (the "AGM"), the Directors have the power to issue further shares on a non pre-emptive basis for cash in respect of 541,495 US Dollar shares, and 2,790,874 Sterling shares respectively.

This power expires on the date falling fifteen months after the date of the AGM or the conclusion of the next Annual General Meeting of the Company, whichever is the earlier.

Distributions

BHMS has not previously paid dividends to its investors. Therefore, the Directors of the Company do not expect to declare any dividends. 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 that its shares are not categorised as non-mainstream pooled investments. This may mean that the Company 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 redemption offer

Each calendar year the Directors may, in their absolute discretion, determine that the Company should make an offer to redeem 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 the 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 an Annual Redemption Offer will be made, the timetable for that Annual Redemption Offer and the price at which the shares of each relevant class will be redeemed.

Whether a 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.

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 the other class. From 31 October 2008 shareholders at the discretion of the Board have been able to convert ordinary shares on the last business day of every month. Each conversion will be based on NAV (note 7) of the share classes to be converted.

The Company announced on 13 December 2013, that in light of the Class Closure Resolution process, the Share Conversion Scheme would be suspended following the December 2013 conversion date. After the completion of the Class Closure Resolution process, the Share Conversion Scheme was reinstated for the March 2014 conversion date for the US Dollar and Sterling Shares.

6. Taxation

Overview

The Company is exempt from taxation in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989. Accordingly, no provision for Guernsey income taxes is included in these Financial Statements.

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-percent) 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 a tax expense in the Statement of Operations if the tax positions were deemed to not meet the more-likely-than-not threshold.

The Company analyses all open tax years for all major tax 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 Board has analysed the Company's tax positions, and has concluded that no liability for unrecognised tax benefits should be recorded related to uncertain tax positions. Further, the Board is 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 share class 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 BHMS, 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 BHMS, 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 (generally the last business day of each month) in that fixed discount management period, as described more fully in the Company's principal documents, which are available from the Administrator on request.

During the year to 31 December 2015 the Company recorded an average discount to NAV of 5.45% and 5.90% for US Dollar shares and Sterling shares respectively (year to 31 December 2014: 9.52% and 9.70% for US dollar shares, and Sterling shares respectively).

Due to the discounts of each share class exceeding the 10% threshold in 2013, the Company convened a meeting of the shareholders of each class to vote on the Class Closure Resolutions. The resolution in respect of the Euro class was passed whereas those for the Sterling and Dollar classes were not.

Following the Class Closure Resolution vote, the Company under the Articles of Incorporation was required to make the following Class Closure Options available to the shareholders of the Euro class:

- a) to redeem all or some of their shares at NAV per share less the costs and expenses of the Class Closure vote and other outstanding costs and expenses of the Company, attributable to the relevant class (including any redemption fees and repayment of Offer Costs as described in note 3 to the Financial Statements);
- b) subject to certain limitations, to convert all or some of their shares into shares of another class; or
- c) subject to the class continuing and remaining viable, to remain in the class.

A notice of election for these Class Closure Options was sent to shareholders of the Euro class on 12 March 2014 requiring a response by 25 April 2014.

Further to the decision to close the Company's Euro share class and the additional notice sent to holders of Euro shares on 13 May 2014, a total of 12,456,014 Euro shares were elected to be redeemed; 249,178 Euro shares were elected to be converted into Sterling shares and 57,867 Euro shares were elected to be converted into US dollar shares.

The remaining 388,017 Euro shares in respect of which an election was not received were converted into Sterling shares.

The Euro shares elected for redemption were redeemed following the announcement of the Euro redemption price as at 31 July 2014 on 22 August 2014, with payment of the redemption proceeds on 2 September 2014.

Euro shares that were elected to be converted into shares of another class on or before 25 April 2014 were converted with effect from 27 May 2014.

Euro shares that were elected to be converted into shares of another class after 25 April 2014 or in respect of which no election was received were converted with effect from 30 June 2014.

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

The discount management measures are funded by partial redemptions of the Company's investment in BHMS.

9. Note Purchase Agreement

The Company is party to a Note Purchase Agreement with JP Morgan Chase Bank dated 17 August 2012, amended and restated on 1 September 2014 and amended on 26 August 2015, pursuant to which the Company may obtain financing of up to US\$11 million and £39 million, if required inter alia, to finance share buybacks pending receipt of the proceeds of redemption from its underlying investments. As at 31 December 2015, an amount of US\$25,246,500 (31 December 2014: US\$6,668,149) was used under the Note Purchase Agreement, with US\$497,564 (31 December 2014: US\$4,812) of loan interest payable at the year end.

10. Financial Highlights

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

	01.01.15 to 31.12.15 US Dollar shares US\$	01.01.15 to 31.12.15 Sterling shares £
Per share operating performance		
Net asset value at beginning of the year	13.44	13.62
Income from investment operations		
Net investment loss*	(0.17)	(0.13)
Net realised and unrealised gain/(loss) on investment	0.02	(0.13)
Other capital items**	(0.08)	0.08
Total return	(0.23)	(0.18)
Net asset value, end of the year	13.21	13.44
Total return before performance fees	(1.55%)	(1.29%)
Performance fees	(0.18%)	(0.03%)
Total return after performance fees	(1.73%)	(1.32%)

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 ended 31 December 2015. An individual shareholder's return may vary from these returns based on their timing of purchases and sales of Shares.

	01.01.15 to 31.12.15 US Dollar shares US\$'000	01.01.15 to 31.12.15 Sterling shares £'000
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Supplemental data		
Net asset value, end of the year	64,089	338,189
Average net asset value for the year	72,689	371,818

	01.01.15 to 31.12.15 US Dollar shares	01.01.15 to 31.12.15 Sterling shares
Ratio to average net assets		
Operating expense		
Company expenses ***	2.44%	2.41%
Master Fund expenses****	0.21%	0.22%
Performance fees	0.16%	0.03%
	2.81%	2.66%

Net investment loss*	(1.13%)	(0.89%)
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	01.01.14 to 31.12.14 US Dollar shares US\$	01.01.14 to 31.12.14^ Euro shares €	01.01.14 to 31.12.14 Sterling shares £
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Per share operating performance			
Net asset value at beginning of the year	13.12	13.19	13.34

Income from investment operations			
Net investment loss*	(0.16)	(0.07)	(0.15)
Net realised and unrealised gain/(loss) on investment	0.17	(0.11)	0.29
Other capital items**	0.31	(0.35)	0.14

Total return	0.32	(0.53)	0.28
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Redemption of Euro Share Class	–	12.66	–
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Net asset value, end of the year	13.44	–	13.62
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Total return^	2.49%	(4.02%)	2.09%
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^ Returns of the Euro Share Class have been calculated up to the date of the final redemption.

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 ended 31 December 2014. An individual shareholder's return may vary from these returns based on the timing of their purchases and sales of Shares.

	01.01.14 to 31.12.14 US Dollar shares US\$'000	01.01.14 to 31.12.14^^ Euro shares €'000	01.01.14 to 31.12.14 Sterling shares £'000
Supplemental data			
Net asset value, end of the year	94,033	–	372,016
Average net asset value for the year	95,752	168,194	381,539

^^ The average Euro Share Class net asset value for the period is calculated based on published NAVs from the start of the period up to 31 July 2014.

	01.01.14 to 31.12.14 US Dollar shares	01.01.14 to 31.12.14^^^ Euro shares	01.01.14 to 31.12.14 Sterling shares
Ratio to average net assets			

Operating expense			
Company expenses***	1.45%	0.70%	1.39%
Master Fund expenses****	0.05%	0.03%	0.05%
	1.50%	0.73%	1.44%
Net investment loss*	(1.17%)	(0.49%)	(1.06%)

^^^ Ratios of the Euro Share Class have been annualised.

* The net investment loss figure shown above does not include net realised and unrealised gains and losses on investments allocated from BHGO and BHMS.

** Included in other capital items are the discounts and premiums on conversions between share classes during the year, share buybacks and partial capital returns, 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 performance fees and foreign exchange gains and losses on aggregation.

**** Master Fund expenses are the operating expenses of BHGO and BHMS.

11. Related Party Transactions

On 1 September 2014, BHGO transferred underlying portfolio funds of \$75,305,070 and £355,935,974 to BHMS in exchange for shares in that company. In addition, on 1 September 2014, the Company redeemed, in specie, \$77,334,645 of the US Dollar shares and £354,713,853 of the Sterling shares it held in BHGO and in return received Ordinary Shares of BHMS (a company managed by the Manager).

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over that 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 Corporate Governance Statement.

12. Subsequent Events

Management has evaluated subsequent events up to 22 March 2016, which is the date that the Financial Statements were available to be issued.

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

Treasury shares	Number of shares purchased	Cost (US\$)	Cost (in currency)
US Dollar shares	224,455	2,788,431	US\$2,788,431
Sterling shares	1,162,053	20,979,947	£14,662,472

In addition to the buyback of the above shares, 268,000 US Dollar Treasury shares and 1,180,000 Sterling Treasury shares were also cancelled.

Following the purchase and cancellation of shares, the Company has 4,626,496 US Dollar, and 23,999,108 Sterling ordinary shares in issue.

The Board and the Manager have agreed that with effect from 1 January 2016 the Manager is entitled to an annual performance fee for each share class, accrued monthly in arrears. Prior to this date the performance fee was computed and payable on a semi annual basis, again accrued monthly in arrears.

Following the announcement on 9 March 2016, the Company will seek to renew the authority to purchase the Company's shares in the market up to 705,933 US Dollar shares and 3,621,450 Sterling shares respectively at an Extraordinary General Meeting to be held on 6th April 2016. Further information can be found on the Company's website, www.bhglobal.com.

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	(36,073)	(42,762)	35,409	81,252	39,147
Total assets	593,888	682,694	1,014,286	1,038,961	1,000,993
Total liabilities	(28,231)	(9,787)	(812)	(7,766)	(628)
Net assets	565,657	672,907	1,013,474	1,031,195	1,000,365

Number of shares in issue

US Dollar shares	4,850,613	6,994,093	11,447,780	13,171,761	15,185,614
Euro shares	–	–	8,987,596	2,298,992	2,919,762
Sterling shares	25,161,387	27,313,033	31,727,417	39,018,709	39,910,912

Net asset value per share

US Dollar shares	US\$13.21	US\$13.44	US\$13.12	US\$12.89	US\$12.34
Euro shares	–	–	€13.19	€13.00	€12.46
Sterling shares	£13.44	£13.62	£13.34	£13.04	£12.47

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:

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 Global Limited

22 March 2016

Glossary of Acronyms

Detailed below are the underlying funds and their acronyms used within this report:

BHGO	Brevan Howard Global Opportunities Master Fund Limited
BHMS	Brevan Howard Multi-Strategy Master Fund Limited
BHMF	Brevan Howard Master Fund Limited
BHA	Brevan Howard Asia Master Fund Limited
BHST	Brevan Howard Systematic Trading Master Fund Limited
DWC	DW Catalyst Offshore Fund, Ltd.
DIP	Direct Investment Portfolio

Management and Administration

Directors

Sir Michael Bunbury (Chairman)
(appointed 1 January 2013)

John Hallam (Senior Independent Director)

(appointed 28 February 2008)

Graham Harrison
(appointed 17 March 2010)

Talmay Morgan
(appointed 25 February 2008)

Nicholas Moss
(appointed 28 February 2008)

(All Directors are non-executive and are independent for the purpose of LR15.2.12-A.)

Registered Office

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GY1 3QL

Manager

Brevan Howard Capital Management LP
6th Floor
37 Esplanade
St Helier
Jersey
JE2 3QA

Administrator and Corporate Secretary

Northern Trust International Fund
Administration Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL

Independent Auditor

KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey
GY1 1WR

Registrar and CREST Service Provider

Computershare Investor Services (Guernsey) Limited
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Natwest House
Le Truchot
St Peter Port
Guernsey
GY1 1WD

Legal Advisors (Guernsey Law)

Carey Olsen
Carey House
Les Banques
St. Peter Port
Guernsey

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Legal Advisors (UK Law)

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65 Fleet Street
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Corporate Brokers

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25 Bank Street
Canary Wharf
London
E14 5JP

Canaccord Genuity Limited
88 Wood Street
London
EC2V 7QR

For the latest information
www.bhglobal.com