

BH Global Limited

Interim Report and Unaudited Financial Statements 2014

INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS
30 June 2014

Chairman's Statement

Dear Shareholder,

The six months to 30 June 2014 were not easy ones in which to make positive returns for many hedge fund managers, particularly for those pursuing a core macro strategy. The continuing influence on markets of the activities of the developed world's central banks has resulted in a difficult trading environment and BH Global Limited (the "Company") has not been immune. However, the diversification of the Company's underlying portfolio with its exposure to strategies other than macro has, for this six month period, been of significant positive benefit. The Company publishes a monthly shareholder report which sets out in detail the performance of the various fund allocations and comments on the environment and the market outlook.

Included in this Interim Report is the Manager's Report giving details of the contributions towards the Net Asset Value ("NAV") performance over the six months. Overall as at 30 June 2014 the NAV per share of the US Dollar class, being the base currency on which your Board focuses, was effectively flat, having declined by a modest 0.14% to \$13.10. Over the same period the share price of the USD class rose by 1.52% to end on 30 June at \$12.00 narrowing the discount to NAV from 9.90% to 8.40%.

My last Chairman's Statement was published on 26 March. Since that date the Company has published a number of announcements and circulars all of which are available on the Company's website www.bhglobal.com. I would particularly draw attention to that of 4 April announcing the proposal to amend the Company's Investment Policy, that of 5 June announcing both the consequences of the Board's decision to close the Euro class and giving a further update on the proposal, and the Circular released on 18 July giving fuller details in relation to the amendment of Investment Policy and announcing the date of the Extraordinary General Meeting which took place on 28 August. The balance of this Chairman's Statement will concentrate on the various developments and will draw points out from the various announcements.

The Company is undergoing significant change. Once implemented, it is to be hoped that the Company will enter calmer waters and benefit from Brevan Howard's long term track record of making money for investors.

Closure of the Euro Class

As announced on 5 June, the holders of 12,456,014 Euro class shares elected for their shares to be redeemed for cash. Following the announcement on 21 August that the Euro share class NAV per share as at 31 July was €13.03, the Company announced on 22 August that, after deducting the costs of closure of the class, which included the repayment to Brevan Howard of a proportion of its outstanding IPO costs as further described in the circular dated 12 March 2014 and in previous Annual Reports, redeeming Euro shareholders will receive €12.6591 per share (the "Redemption Price"), being approximately 97.12% of NAV.

Although the Company is responsible for the calculation of the Redemption Price, KPMG Channel Islands Limited, being the Company's auditor, was engaged to check the mathematical accuracy and verify items in the calculation to source documentation.

Following the announcement of the Redemption Price for the Euro shares, the Euro class shareholders ceased to be shareholders and became creditors of the company. The Company expects to commence payment of the redemption proceeds in accordance with those former shareholders' requests during the week commencing 1 September 2014.

Discount Control and NAV Enhancement

In discussions with shareholders over the last year it was clear that there was a desire that the Company should be active in its discount control. I reported on 5 February and again in my Chairman's Statement in March that the Board would take appropriate steps to manage the discount. Consequently in the six months to 30 June, the Company bought back shares in the market for placing into treasury or for cancellation. 2,097,723 Sterling shares were bought back at an average discount to NAV of 9.0% at a cost of £25,121,881. For the US Dollar class the figures were 995,666 shares at an average discount of 9.3% and a cost of \$11,669,404. These buy backs added approximately 8 pence per share (0.7%) and 17 cents per share (1.3%) to NAV per share respectively.

In the first instance the majority of these buy backs were funded by drawing on the Company's borrowing facility, with repayment of the debt being satisfied from subsequent redemption of shares in Brevan Howard Global Opportunities Master Fund Limited. To ensure that the Company has sufficient capacity to continue with buy backs, the facility has been increased to \$75 million, and the facility will continue to be available following implementation of the revised Investment Policy.

It remains your Board's intention to continue to be active in managing the discount. That, though, cannot be a totally unqualified commitment and will be subject to periodic review in the light of market conditions.

The future shape and strategy of the Company

As of 31 July the US Dollar equivalent of the net assets of the Company's three share classes was \$942 million. The redemption of the Euro class and continuing buy backs have resulted in the US Dollar equivalent net assets reducing to approximately \$725 million. The Sterling class will remain the larger of the two ongoing classes with assets of the Dollar equivalent of \$638 million, with the balance of \$87 million of assets being invested in the US Dollar class. Those two classes will be the only two classes of shares that will exist under the revised Investment Policy.

As was initially foreshadowed in the announcement of 4 April 2014, the Company entered discussions with Brevan Howard to amend the Company's Investment Policy and become a feeder fund for investment in Brevan Howard Multi-Strategy Master Fund Limited ("BHMS"). The Board has spent a considerable amount of time considering this proposal and undertaking a due diligence process. We were satisfied that the proposal is in the interests of the ongoing shareholders and thus with the Manager's support recommended that shareholders should approve the proposal at the EGM held earlier today. All of the resolutions were passed with the requisite majorities and thus the amendment will take effect from 1 September.

Full details are set out in the circular dated 18 July which is available on the Company's website. The key points to note are:-

- BHMS is an open-ended fund with assets of \$4.029 billion at 31 July.
- The investment composition of BHMS is decided by the same investment committee at the Manager as has been responsible for the investment composition of the Company's underlying investments. In addition to investing in a largely similar mix of Brevan Howard funds as at present, BHMS allocates a proportion of its funds to individual traders' strategies. As at 31 July that proportion amounted to approximately 19.9% of BHMS's assets. As set out in the Manager's letter of 18 July, Brevan Howard believes that the changes to the Investment Policy will strengthen the investment proposition.
- When the change in Investment Policy is implemented, from 1 September the Manager will carry the netting risk on performance fees and from that date the fee burden on the Company will be a 2% management fee and 20% performance fee, the latter being subject to a high water mark.

The future

The Board hopes that the redemption of the Euro class, the ongoing buy backs and the changes that have been negotiated over the last six months will place the Company on a sound footing from 1 September. However, the key to the future will be the NAV per share performance which in its turn leads to satisfactory share price performance and delivers the needs of portfolio managers and shareholders in the construction of their portfolios. There is certainly a place in portfolio construction for a low volatility, low risk and relatively uncorrelated asset and the Manager aspires that a holding of shares in the Company should be that asset. The Board will continue close dialogue with the Manager and will regularly review the investment proposition and its delivery.

Investors in the Company are there for one over-riding reason – to benefit from the experience and expertise of Brevan Howard. It is on that experience and expertise that the Company rests and it is very much to be hoped that the future will deliver for shareholders and all concerned.

As always I welcome feedback from shareholders. I can be contacted through the Company's Administrator whose details can be found on the inside back cover.

Yours sincerely,

Sir Michael Bunbury
Chairman

28 August 2014

Manager's Report

Brevan Howard Capital Management LP is the Manager of the Company and of BHGO.

Performance Summary

The NAV of the USD shares depreciated by 0.14% in the first half of 2014, while the NAV of the EUR shares and the GBP shares depreciated by 1.46% and 0.70% respectively in the first half of 2014.

The month-by-month NAV performance of each currency class of the Company 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							(0.14)

EUR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008	–	–	–	–	–	1.28*	0.25	0.29	(4.34)	1.15	3.01	0.44	1.93
2009	3.57	1.94	1.13	1.05	2.54	(0.21)	1.11	0.27	1.50	0.50	0.08	0.08	14.36
2010	0.37	(0.90)	(0.35)	0.58	(0.02)	0.69	(0.81)	0.86	1.06	0.36	(0.14)	0.04	1.73
2011	0.06	0.43	0.35	1.30	0.27	(0.63)	1.78	3.77	(1.44)	(0.14)	0.19	(0.91)	5.04
2012	1.21	1.01	(0.56)	(0.12)	(0.61)	(1.45)	1.45	0.63	1.40	(0.76)	0.98	1.13	4.35
2013	1.25	0.58	0.27	1.49	(0.64)	(1.91)	(0.15)	(0.89)	0.06	(0.14)	0.93	0.67	1.47
2014	(0.94)	(0.21)	(0.47)	(0.51)	0.45	0.22							(1.46)

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							(0.70)

Source: The Company's NAV and NAV per Share data is provided by the Company's administrator, Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust"). Monthly NAV data is unaudited and net of all investment management fees and all other fees and expenses payable by the Company. Shares in the Company 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 the Company).

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

BHGO – Allocations and Investment Performance

The allocations of BHGO to each of its underlying fund investments were as follows:

Investment	Allocation as at 30 June 2014 (% NAV)	Allocation as at 31 December 2013* (% NAV)
Brevan Howard Master Fund Limited ("BHMF")	53.8%	45.8%
Brevan Howard Asia Master Fund Limited ("BHA")	10.1%	9.5%
Brevan Howard Emerging Markets Strategies Master Fund Limited ("BHEMS")	–	8.2%
Brevan Howard Credit Catalysts Master Fund Limited ("BHCC")	17.0%	14.8%
Brevan Howard Commodities Strategies Master Fund Limited ("BHCS")	6.5%	5.7%

Brevan Howard Systematic Trading Master Fund Limited ("BHST")	8.0%	9.3%
Brevan Howard Emerging Markets Local Fixed Income Leveraged Master Fund Limited ("BEL")	3.5%	3.2%
Brevan Howard Credit Value Master Fund Limited ("BHCV")	2.6%	2.3%
Cash/Other	(1.6%)	1.2%

* Inclusive of subscriptions/redemptions in Underlying Funds for 31 December 2013.

Source: Brevan Howard.

Allocations are subject to change.

The underlying funds performed as follows during the first half of 2014:

Investment	YTD Performance (%) as at 30 June 2014*
Brevan Howard Master Fund Limited Class Y (USD)	(4.43)
Brevan Howard Asia Master Fund Limited Class X (USD)	(1.24)
Brevan Howard Credit Catalysts Master Fund Limited Class Y (USD)	7.22
Brevan Howard Systematic Trading Master Fund Limited Class B (USD)	(3.07)
Brevan Howard Commodities Strategies Master Fund Limited Class X (USD)	6.98
Brevan Howard Emerging Markets Local Fixed Income Leveraged Master Fund Limited Class Y (USD)	0.66
Brevan Howard Credit Value Master Fund Limited Class Y (USD)	6.73

* USD currency class of each underlying fund is used as a proxy for the performance of each of the underlying funds; the Company also invests in the EUR and GBP of the underlying funds.

Source: Performance data for the underlying funds is provided by their respective administrators. Performance data is net of all investment management fees and all other fees and expenses payable.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Performance Review

As detailed above, the USD share class posted a loss of 0.14% in the first half of the year. During the first half of the year, NAV volatility remained below 3%.

Credit trading was the main positive performance contributor during the first half of 2014. All aspects of credit produced gains over the period, with the bulk of the performance coming from mortgage-backed and asset-backed exposures. In particular the representation and warranty related positions (so called "put back" trades) in the residential mortgage space performed particularly well. In interest rates, BHGO made money in EUR interest rates trading based on expectations that Europe would continue to experience deflationary pressure and muted growth which would push the European Central Bank towards a further easing of monetary conditions. Returns were also generated in commodities where most of the gains came from long exposures to crude oil and relative value trades principally in WTI and Brent crude markets.

The performance generated in these strategies was offset by trading losses in the Macro, FX and Equity strategies. Losses were driven predominantly by exposures to short positions in US interest rates as well as a long position in the US\$ versus a basket of other currencies on the expectation that the US economy was set to continue its improvement. A combination of factors including winter weather-related disruptions, a realignment of inventories with final sales and technical factors around the accounting for health care outlays led to US Gross Domestic Product growth significantly undershooting expectations which caused a US bond market rally and underperformance of the US\$. Small losses were also suffered in January as a result of long positioning in the Nikkei and short positions in the JPY. These positions were based on expectations that steady, if not additional, support measures from fiscal, monetary and structural reform policies, along with the possibility of domestic allocation shifts into equities, would combine to drive Japanese equity markets higher and the currency weaker.

The large volume of treasury buy-backs carried out as part of the Company's discount management programme positively contributed to the Company's NAV performance over the period. A summary of the contribution to NAV performance broken down by trading strategy and share buybacks is detailed below:

Quarterly and semi-annual contribution (%) to the performance of BH Global USD Shares (net of fees and expenses) by strategy group

	Macro	Rates	FX	EMG	Equity	Commodity	Credit	Systematic	Discount Management	TOTAL
Q1 2014	(1.64)	(0.02)	(0.02)	(0.16)	(0.03)	0.15	0.76	(0.66)	0.36	(1.27)
Q2 2014	(1.15)	0.06	(0.03)	0.04	(0.05)	0.24	0.74	0.35	0.96	1.15
2014 YTD	(2.77)	0.03	(0.05)	(0.12)	(0.07)	0.39	1.51	(0.31)	1.32	(0.14)

Monthly, quarterly and annual figures are calculated by BHCM as at 30 June 2014, based on performance data for each period provided by the Company's administrator, Northern Trust. Figures rounded to two decimal places.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Methodology and Definition of Monthly 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:

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

"Rates": developed interest rates markets

"FX": global FX forwards and options

"EMG": global emerging markets

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

"Commodity": liquid commodity futures and options

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

"Systematic": rules-based futures trading

Allocation Review

Towards the end of 2013, the Investment Committee ("IC") had looked to increase BHGO's allocation to BHMF to gain additional exposure to G7 macro and interest rates trading. This shift was achieved primarily by the redeployment of the capital returned from BHGO's investments in Brevan Howard Investment Fund II – Macro FX Fund and Brevan Howard Emerging Markets Strategies Master Fund Limited. These shifts also accelerated the rotation away from emerging markets to developed markets which had begun in late 2013. BHGO's allocation to credit also increased during the first half of the year through the strong performance of both BHCC and BHCV. At the end of June, the allocation to credit strategies was just under 20% and the combined allocation to BHMF and BHA stood at approximately 64% of BHGO's portfolio.

Looking forward, the allocation themes detailed above are most likely to continue. The IC believes that, despite a difficult first half of the year, the continued accommodative monetary policies in a number of countries and the end of tapering of the US Federal Reserve's asset purchase programme will deliver good rates trading opportunities (as detailed further in the outlook section below). BHGO also continues to see strong returns from its credit allocations so further allocations remain under consideration subject to managing concentration to the asset class. The IC will continue to seek consistent risk adjusted returns through a diversified exposure to the underlying funds, strategies, asset classes and traders available to BHGO.

Commentary and Outlook

In Europe, the Manager believes that at a minimum, official rates are unlikely to move higher for an extended period of time, and might eventually require further easing. As a consequence, BHMF maintains interest rate exposures designed to profit from a "low-for-longer" rate environment. If the European Central Bank does eventually resort to quantitative easing, then that should open up additional trading opportunities.

In the US, the Manager expects the tension between improvements in the labour market and weakness in the Gross Domestic Product data to ultimately be resolved through sustained improvements in the economic outlook.

Entering the second half of 2014, there is very limited exposure to the Japan theme mentioned in the performance review above. The Manager awaits further evidence of additional reflationary measures by policy makers.

Recently, the Manager has started to see greater opportunity in the UK rates and FX markets, as the beginning of a hiking cycle by the Bank of England approaches. The Manager has also been seeking to take greater advantage of opportunities in fixed income relative value and tactical trading.

Brevan Howard Capital Management, LP,
acting by its sole general partner,
Brevan Howard Capital Management Limited
28 August 2014

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

We confirm to the best of our knowledge that:

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

Signed on behalf of the Board by:

Nicholas Moss
Director

John Hallam
Director

28 August 2014

Independent Review Report to BH Global Limited

We have been engaged by the Company to review the Interim Unaudited Financial Statements included in the Interim Report for the six month period to 30 June 2014 which comprises the Unaudited Statement of Assets and Liabilities, the Unaudited Statement of Operations, the Unaudited Statement of Changes in Net Assets, the Unaudited Statement of Cash Flows and the related explanatory notes. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the Interim Unaudited Financial Statements.

This Report is made solely to the Company in accordance with the terms of our engagement letter dated 20 June 2014 to assist the Company in meeting the requirements of the Disclosure and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA"). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this Report and for no other purpose. To the fullest extent permitted by law,

we do not accept or assume responsibility to anyone other than the Company for our review work, for this Report, or for the conclusions we have reached.

Directors' responsibilities

The Interim Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the DTR of the UK FCA.

As disclosed in note 3, the Annual Audited Financial Statements of the Company are prepared in conformity United States Generally Accepted Accounting Principles and applicable law.

The Interim Unaudited Financial Statements have been prepared following the same basis as the most recent Annual Audited Financial Statements.

Our responsibility

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

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Interim Unaudited Financial Statements included in the Interim Report for the six month period to 30 June 2014 do not give a true and fair view of the financial position of the Company as at 30 June 2014 and of its financial performance and its cash flows for the six month period then ended, in conformity with United States Generally Accepted Accounting Principles and the DTR of the UK FCA.

Lee C Clark

For and on behalf of KPMG Channel Islands Limited
Chartered Accountants

28 August 2014

Unaudited Statement of Assets and Liabilities

As at 30 June 2014

	30.06.14 (Unaudited) US\$'000	31.12.13 (Audited) US\$'000	30.06.13 (Unaudited) US\$'000
Assets			
Investment in BHGO	984,163	1,011,124	930,500
Amounts due from BHGO	3,479	–	–
Other debtors	123	117	91
Cash and bank balances denominated in US Dollars	3,555	471	2,581
Cash and bank balances denominated in Euro	139	921	936
Cash and bank balances denominated in Sterling	9,734	1,653	4,496
Total assets	1,001,193	1,014,286	938,604
Liabilities			
Loan notes payable (Notes 3, 10)	32,938	–	–
Redemptions in respect of buybacks payable	1,354	–	–
Management fees payable (Note 4)	397	448	386
Accrued expenses and other liabilities	599	171	217

Directors' fees and expenses payable	124	133	122
Administration fees payable (Note 4)	59	60	57
Total liabilities	35,471	812	782
Net assets	965,722	1,013,474	937,822

Number of shares in issue (Note 6)

US Dollar shares	6,867,652	11,447,780	12,141,817
Euro shares	12,456,014	8,987,596	1,892,704
Sterling shares	28,877,578	31,727,417	37,230,418

Net asset value per share (Notes 8, 12)

US Dollar shares	US\$13.10	US\$13.12	US\$13.03
Euro shares	€13.00	€13.19	€13.13
Sterling shares	£13.25	£13.34	£13.23

See accompanying notes to the Interim Unaudited Financial Statements.

Signed on behalf of the Board by:

Nicholas Moss
Director

John Hallam
Director

28 August 2014

Unaudited Statement of Operations

For the period from 1 January 2014 to 30 June 2014

	01.01.14 to 30.06.14 (Unaudited) US\$'000	01.01.13 to 31.12.13 (Audited) US\$'000	01.01.13 to 30.06.13 (Unaudited) US\$'000
Net investment loss allocated from BHGO			
Interest	5	15	4
Expenses	(106)	(235)	(132)
Net investment loss allocated from BHGO	(101)	(220)	(128)
Company income			
Foreign exchange gains (Note 3)	20,346	17,065	–
Total Company income	20,346	17,065	–
Company expenses			
Management fees (Note 4)	2,443	4,890	2,439
Other expenses	1,158	1,429	735
Directors' fees and expenses	257	505	248
Administration fees (Note 4)	176	349	173
Foreign exchange losses (Note 3)	–	–	51,561
Total Company expenses	4,034	7,173	55,156
Net investment gain/(loss)	16,211	9,672	(55,284)
Net realised and unrealised gains/(losses) on investments allocated			

from BHGO			
Net realised gain on investments	13,858	31,423	17,869
Net unrealised (loss)/gain on investments	(4,715)	5,966	(55,318)
Net realised and unrealised foreign exchange gain/(loss)			
– on hedging	651	1,197	(157)
– on capital (Note 3)	(19,847)	(12,849)	52,306
Net realised and unrealised (losses)/gains on investments allocated from BHGO	(10,053)	25,737	14,700
Net increase/(decrease) in net assets resulting from operations	6,158	35,409	(40,584)

See accompanying notes to the Interim Unaudited Financial Statements.

Unaudited Statement of Changes in Net Assets

For the period from 1 January 2014 to 30 June 2014

	01.01.14 to 30.06.14 (Unaudited) US\$'000	01.01.13 to 31.12.13 (Audited) US\$'000	01.01.13 to 30.06.13 (Unaudited) US\$'000
Net increase/(decrease) in net assets resulting from operations			
Net investment gain/(loss)	16,211	9,672	(55,284)
Net realised gain on investments allocated from BHGO	13,858	31,423	17,869
Net unrealised (loss)/gain on investments allocated from BHGO	(4,715)	5,966	(55,318)
Net realised and unrealised foreign exchange (loss)/gain allocated from BHGO	(19,196)	(11,652)	52,149
	6,158	35,409	(40,584)

Share capital transactions

Purchase of own shares (Note 6)

US Dollar shares	(11,669)	(488)	(430)
Euro shares	–	(301)	(301)
Sterling shares	(42,241)	(11,691)	(11,408)
	(53,910)	(12,480)	(12,139)

Partial capital return

US Dollar shares	–	(6,992)	(6,992)
Euro shares	–	(1,569)	(1,569)
Sterling shares	–	(32,089)	(32,089)
	–	(40,650)	(40,650)

Net decrease in net assets	(47,752)	(17,721)	(93,373)
Net assets at the beginning of the period/year	1,013,474	1,031,195	1,031,195
Net assets at the end of the period/year	965,722	1,013,474	937,822

See accompanying notes to the Interim Unaudited Financial Statements.

Unaudited Statement of Cash Flows

For the period from 1 January 2014 to 30 June 2014

	01.01.14 to 30.06.14 (Unaudited) US\$'000	01.01.13 to 31.12.13 (Audited) US\$'000	01.01.13 to 30.06.13 (Unaudited) US\$'000
Cash flows from operating activities			
Net increase/(decrease) in net assets resulting from operations	6,158	35,409	(40,584)
Adjustments to reconcile net increase/(decrease) in net assets resulting from operations to net cash provided by operating activities:			

Net investment loss allocated from BHGO	101	220	128
Net realised gain on investments allocated from BHGO	(13,858)	(31,423)	(17,869)
Net unrealised loss/(gain) on investments allocated from BHGO	4,715	(5,966)	55,318
Net realised and unrealised foreign exchange loss/(gain) allocated from BHGO	19,196	11,652	(52,149)
Purchase of investment in BHGO	–	(1,338)	–
Proceeds from sale of investment in BHGO	33,674	63,508	63,391
Interest expense on short-term loan	100	72	64
Foreign exchange (gains)/losses	(20,346)	(17,065)	51,561
Increase in other debtors	(6)	(27)	–
(Decrease)/Increase in management fees payable	(51)	11	(51)
Increase in accrued expenses and other liabilities	327	67	113
(Decrease)/Increase in Directors' fees payable	(9)	3	(8)
Decrease in administration fees payable	(1)	–	(3)
Net cash provided by operating activities	30,000	55,123	59,911
Cash flows from financing activities			
Purchase of own shares	(52,555)	(12,480)	(12,139)
Partial capital return	–	(40,650)	(40,650)
Proceeds of borrowings from short term loan	32,938	14,704	–
Repayment of borrowings from short term loan	–	(21,363)	(6,828)
Interest paid on short term loan	–	(100)	(92)
Net cash used in financing activities	(19,617)	(59,889)	(59,709)
Change in cash	10,383	(4,766)	202
Cash, beginning of the period/year	3,045	7,811	7,811
Cash, end of the period/year	13,428	3,045	8,013
Cash, end of the period/year			
Cash and bank balances denominated in US Dollars	3,555	471	2,581
Cash and bank balances denominated in Euro	139	921	936
Cash and bank balances denominated in Sterling	9,734	1,653	4,496
	13,428	3,045	8,013

See accompanying notes to the Interim Unaudited Financial Statements.

Notes to the Interim Unaudited Financial Statements

For the period from 1 January 2014 to 30 June 2014

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.

2. Organisation

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 those expenses of the initial public offering borne by the Company and funds required for its short-term working capital requirements) in BHGO.

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

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

BHGO is an open-ended investment company incorporated with limited liability in the Cayman Islands on 3 March 2008. BHGO's underlying investments as at 30 June 2014 and the percentage BHGO's investment represented of the underlying fund's NAV are as follows:

Brevan Howard Master Fund Limited – 2.02%

Brevan Howard Asia Master Fund Limited – 3.74%

Brevan Howard Credit Catalysts Master Fund Limited – 3.38%

Brevan Howard Commodities Strategies Master Fund Limited – 8.41%

Brevan Howard Systematic Trading Master Fund Limited – 20.76%

Brevan Howard Emerging Markets Local Fixed Income Leveraged Master Fund Limited – 19.82%

Brevan Howard Credit Value Master Fund Limited – 3.21%

These investment funds may invest in a wide range of geographical regions, sectors and instruments. Such instruments may include, but are not limited to, debt securities and obligations (which may be below investment grade or unrated), bank loans, listed and unlisted equities, other collective investment schemes (which may be open ended or closed ended, listed or unlisted, and which may employ leverage), currencies, commodities, futures, options, warrants, swaps, other derivative instruments and any other type of instrument or security. These funds have the ability to take short positions across the majority of these instruments. Subject to the investment restrictions disclosed in BHGO Prospectus and subsequent BHGO Directors' resolutions, the allocation of assets of BHGO among the Brevan Howard underlying funds in which it is permitted to invest is at the discretion of the Manager.

At the date of these Interim Unaudited Financial Statements, the Company is the only feeder fund investing into BHGO.

Off-balance sheet, market and credit risks of BHGO's investments and activities are discussed in the notes to the Interim Unaudited Financial Statements of BHGO. The Company's investment in BHGO exposes it to various types of risk, which are associated with the financial instruments and markets in which the Brevan Howard underlying funds invest. Market risk represents the potential loss in value of financial instruments caused by movements in market factors including, but not limited to, market liquidity, investor sentiment and foreign exchange rates.

The Manager

Brevan Howard Capital Management LP (the "Manager") is the manager of the Company. The Manager is a Jersey limited partnership, the 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.

The Manager also manages BHGO and the Brevan Howard underlying funds.

3. Significant accounting policies

The Annual Audited Financial Statements, which give a true and fair view, are prepared in conformity with United States Generally Accepted Accounting Principles and comply with the Companies (Guernsey) Law, 2008. The accompanying Interim Unaudited Financial Statements have been prepared following the same accounting policies and methods of computation as the most recent Annual Audited Financial Statements. The functional and reporting currency of the Company is US Dollars.

The Company is an Investment Entity which has applied the provisions of ASC 946-10-50.

Following the results of Class Closure Resolutions (as discussed in note 9 – Discount Management Programme), after making enquiries of the Manager and Brokers and given the nature of the Company and its investment, it is appropriate to adopt the going concern basis in preparing these Interim Unaudited Financial Statements as the Directors consider that the Company is able to continue for the foreseeable future.

The following are significant accounting policies adopted by the Company:

Valuation of investments

The Company records its investment in the Class A shares of BHGO at fair value. Fair value is determined as the Company's proportionate share of BHGO's net assets. At 30 June 2014, 31 December 2013 and 30 June 2013, the Company's US Dollar, Euro and Sterling capital account represents 100%, 100% and 100% respectively of BHGO's capital. The net asset value of BHGO is used as a measure of fair value as this is the price at which the Company may redeem its investment.

Fair value measurement

Accounting Standards Codification ("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 measurement 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 or for which all significant inputs are observable, either directly or indirectly.

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

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgement by the Company's Directors (the "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 BHGO is discussed in the notes to BHGO's Interim Unaudited Financial Statements which are available on the Company's website, www.bhglobal.com.

Income and expenses

The Company records monthly its proportionate share of 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 must 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 reduce 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 current US Dollar NAV is calculated using the exchange rate ruling at the time of the Company's listing and at 30 June 2014 stood at US\$1,102,182,357. The amount of these Offer Costs to be repaid for every US Dollar by which the Company's NAV is reduced will be up to 2.55 cents (or such lower amount as may result from any reduction in the Offer Costs actually paid by the Manager), being the figure obtained by dividing the Offer Costs by the NAV of the Company at the time of its listing. No such payments were due in respect of the current or previous years.

This provision expires on 29 May 2015. In addition, the Management Agreement requires the Company to pay the Manager an amount equal to all or part of the Offer Costs in the following circumstances: (i) payment is required in full if the Company is 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.

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

In respect of the Euro Class closure, the Articles of the Company require that (i) the Company deducts 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 are redeemed. This means that the redemption price to be received by redeeming Euro Class shareholders is 97.12% of the 31 July 2014 NAV per share on redemption.

The Directors consider it unlikely that the Management Agreement would be terminated as a whole, therefore no provision for a contingent liability for share issue expenses has been made at 30 June 2014.

Foreign exchange

Investment securities and other assets and liabilities denominated in foreign currencies are translated into US Dollars using exchange rates at the reporting date for the purposes of an aggregated share class Statement of Operations.

The currency gain or loss arising from this translation is substantially offset by currency gains or losses allocated from BHGO.

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 Unaudited 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 8 or in the Financial Highlights in note 12.

Allocation of results of the BHGO

Net realised and unrealised gains/losses of BHGO are allocated to the Company's share classes based upon the percentage ownership of the equivalent BHGO 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 10), the Company is obliged to pay back the total outstanding amount and all fees and expenses, reimbursements and indemnities of the relevant Issuer 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 BHGO and over its bank accounts. 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 and administration agreements

Management fee

The Company has entered into a management agreement with the Manager to manage the Company's investment portfolio. The Manager receives a management fee of 1/12 of 0.50% (or a pro rata proportion thereof) per month of the closing NAV (before deduction of that month's management fee) as at the last valuation day in each month, payable monthly in arrears. BHGO itself is not subject to management fees, however BHGO's investments are 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. During the period ended 30 June 2014, US\$2,442,508 (31 December 2013: US\$4,890,389, 30 June 2013: US\$2,439,243) was charged by the Manager as management fees. At 30 June 2014, US\$397,047 (31 December 2013: US\$448,118, 30 June 2013: US\$385,577) of the fee remained outstanding.

The management agreement can be terminated by either party on not less than 24 months' notice without payment of compensation, although the Company would be required to reimburse the Offer Costs if termination were to occur before 29 May 2015. 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 BHGO is more than 25 per cent lower than the average net asset value of BHGO over the previous twelve month period, although the Company would be required to reimburse the Offer Costs if termination in those circumstances were to occur before 29 May 2015.

In addition, the Company may terminate the management agreement on less than 24 months' notice without cause, but the Company must 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 be required to reimburse the Offer Costs if termination in those circumstances were to occur 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 period ended 30 June 2014, US\$176,357 (31 December 2013: US\$349,008 and 30 June 2013: US\$173,350) was earned by the Administrator as administration fees. At 30 June 2014, US\$59,113 (31 December 2013: \$60,342 and 30 June 2013: US\$56,635) of the fee remained outstanding.

5. Directors' fees

The Chairman is entitled to a fee of £150,000 per annum. John Hallam, as Chairman of the Audit Committee, and Nicholas Moss, as Chairman of the Management Engagement Committee, are entitled to a fee of £36,000 per annum. All other Directors receive £33,000 per annum. The Directors are also entitled to be reimbursed for expenses properly incurred in the performance of their duties as Directors.

6. Share capital

Issued and authorised share capital

The Company was incorporated with the authority to issue an unlimited number of ordinary shares with no par value which may be divided into at least three classes denominated in US Dollars, Euro and Sterling. The treasury shares have arisen as a result of the discount management programme as described in note 9.

For the period from 1 January 2014 to 30 June 2014

	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	(3,584,462)	3,468,418	(752,116)
Purchase of own shares into Treasury	(995,666)	–	(2,097,723)
In issue at 30 June 2014	6,867,652	12,456,014	28,877,578
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 period:			
– On market purchases	995,666	–	2,097,723
Shares cancelled	(1,475,000)	–	(2,150,000)
In issue at 30 June 2014	729,772	197,180	2,717,901
Percentage of class	9.61%	1.56%	8.60%

	US\$'000	€'000	£'000	Company Total US\$'000
Share capital account				
At 1 January 2014	76,832	98,646	314,987	832,528
Share conversions	(46,909)	45,909	(10,204)	–
Partial capital return	–	–	–	–
Purchase of own shares into Treasury	(11,669)	–	(25,122)	(53,910)
At 30 June 2014	18,254	144,555	279,661	778,618

For the year from 1 January 2013 to 31 December 2013

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2013	13,171,761	2,298,992	39,018,709
Share conversions	(1,122,576)	6,803,758	(4,961,516)
Partial Capital Return	(559,337)	(95,854)	(1,699,545)
Purchase of own shares into Treasury	(42,068)	(19,300)	(630,231)
In issue at 31 December 2013	11,447,780	8,987,596	31,727,417

Number of treasury shares

In issue at 1 January 2013	1,267,038	240,748	3,139,947
Shares purchased and held in treasury during the year:			
– On market purchases	42,068	19,300	630,231
Shares cancelled	(100,000)	(62,868)	(1,000,000)
In issue at 31 December 2013	1,209,106	197,180	2,770,178
Percentage of class	9.55%	2.15%	8.03%

	US\$'000	€'000	£'000	Company Total US\$'000
Share capital account				
At 1 January 2013	98,892	11,490	409,363	885,659
Share conversions	(14,579)	88,593	(65,247)	–
Partial capital return	(6,992)	(1,209)	(21,497)	(40,651)
Purchase of own shares into Treasury	(488)	(227)	(7,632)	(12,480)
At 31 December 2013	76,833	98,647	314,987	832,528

For the period from 1 January 2013 to 30 June 2013

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2013	13,171,761	2,298,992	39,018,709
Share conversions	(433,539)	(291,134)	526,485
Partial capital return	(559,337)	(95,854)	(1,699,545)
Purchase of own shares into Treasury	(37,068)	(19,300)	(615,231)
In issue at 30 June 2013	12,141,817	1,892,704	37,230,418

Number of treasury shares

In issue at 1 January 2013	1,267,038	240,748	3,139,947
Shares purchased and held in treasury during the period:			
– On market purchases	37,068	19,300	615,231
Shares cancelled	–	(62,868)	–
In issue at 30 June 2013	1,304,106	197,180	3,755,178
Percentage of class	9.70%	9.43%	9.16%

	US\$'000	€'000	£'000	Company Total US\$'000
Share capital account				
At 1 January 2013	98,892	11,490	409,363	885,659
Share conversions	(5,697)	(3,864)	7,014	–
Partial capital return	(6,992)	(1,210)	(21,497)	(40,650)
Purchase of own shares into Treasury	(430)	(227)	(7,457)	(12,139)
At 30 June 2013	85,773	6,189	387,423	832,870

Share classes

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

Voting rights

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, a single Euro ordinary share has 1.57465 votes and a single Sterling ordinary share has 1.97950 votes.

Treasury shares do not have any voting rights.

Repurchase of shares

The Directors have been granted authority to purchase in the market up to 1,083,761 US Dollar shares, and 4,378,666 Sterling shares respectively and they intend to seek annual renewal of this authority from shareholders which was last granted on 2 July 2014. 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 9 for further details.

Further issue of shares

As approved by the shareholders at the Annual General Meeting held on 2 July 2014 (the "AGM"), the Directors have the power to issue further shares on a non pre-emptive basis for cash in respect of 722,990 US Dollar shares and 2,921,058 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

BHGO 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 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.

In light of the limited NAV appreciation during 2013 (being 2.32 per cent for the Sterling Share class, 1.79 per cent for the US Dollar Share class and 1.47 per cent for the Euro Share class), the Directors did not propose making a partial capital return in the first half of 2014 and have focused instead on discount management through market purchases of the Company's shares, as disclosed in note 9.

Share conversion scheme

The Company has implemented a Share Conversion Scheme. The scheme provides shareholders with the ability to convert some or all of their ordinary shares in the Company of one class into ordinary shares of another class. 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 8) 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.

7. 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 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.

Foreign Account Tax Compliance Act

The Foreign Account Tax Compliance Act ("FATCA") became effective on 1 January 2013. The legislation is aimed at determining the ownership of US assets in foreign accounts and improving US tax compliance with respect to those assets. On 13 December 2013, the States of Guernsey entered into an intergovernmental agreement ("IGA") with US Treasury in order to facilitate the requirements under FATCA. The relevant legislation to bring the IGA into Guernsey Law is currently being drafted, and it is expected to be brought into force within the next few months. In May 2014, the US announced a six month delay to the new entity account on-boarding rules, from 1 July 2014 to 1 January 2015, for the operation of the US FATCA regulations, which has been extended to the IGA. Guernsey Financial Institutions are required to have new individual account on-boarding procedures in place by 1 July 2014 and new entity account on-boarding procedures in place by 1 January 2015. The Board is monitoring implementation with the assistance of its professional advisers.

Inter-Governmental Agreements

The States of Guernsey signed an intergovernmental agreement with the UK ("UK-Guernsey IGA") on 22 October 2013, under which mandatory disclosure requirements will be required in respect of shareholders who have a UK connection. The UK-Guernsey IGA has been ratified by Guernsey's States of Deliberation and the relevant legislation to bring the IGA into Guernsey Law is currently being drafted, and it is expected to be brought into force within the next few months. The impacts of the UK-Guernsey IGA on the Company and the Company's reporting responsibilities pursuant to the UK-Guernsey IGA are not currently in final form. The Board is monitoring implementation of the UK-Guernsey IGA with the assistance of its professional advisers.

8. 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 BHGO, 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 BHGO, weekly in arrears.

9. 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.

On 27 February 2014, the Company convened a meeting of the shareholders of each class to vote on the Class Closure Resolutions. The shareholders of the Sterling class voted against the Class Closure Resolution and the shareholders of the Euro class voted in favour of the Class Closure Resolution. The meeting of the US Dollar class was not quorate and reconvened on 6 March 2014 at which time the Class Closure Resolution was not passed.

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 22 August 2014, with payment of the redemption proceeds to follow shortly thereafter.

Euro shares that were elected to be converted into shares of another class on or before 25 April 2014 have been 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 have been converted with effect from 30 June 2014.

As part of the discount management programme, the Company expects to continue to make market purchases of its shares. The number of shares held in treasury at 30 June 2014, are as disclosed in note 6.

The Annual Redemption Offer described in note 6 which enables a partial return of capital is also part of the discount management programme, albeit the Directors do not propose making a partial capital return in the remainder of 2014.

The discount management measures will be funded by partial redemptions of the Company's investment in BHGO and by utilising the Note Purchase Agreement.

10. Note Purchase Agreement

The Company is party to a Note Purchase Agreement with JP Morgan Chase Bank dated 17 August 2012 and amended on 15 August 2013, pursuant to which the Company may obtain financing of up to approximately US\$50 million to be drawn down on a currency-by-currency basis, if required inter alia, to finance share buybacks pending receipt of the proceeds of redemption from its underlying investments. As at 30 June 2014, an amount of US\$32,937,900 (31 December 2013:nil, 30 June 2013: nil) was used under the Note Purchase Agreement, with US\$99,065 (31 December 2013: US\$27,805, 30 June 2013 US\$: nil) of loan interest payable at the period end.

11. Related party transactions

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

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company's activities.

The Company is managed by the Manager.

The Company and the Manager have entered into a Management Agreement dated 21 June 2010 under which the Manager has been given responsibility for the day-to-day discretionary management of the Company's assets (including uninvested cash) in accordance with the Company's investment objective and policy, subject to the overall supervision of the Directors and in accordance with the investment restrictions in the Management Agreement and the Articles of Incorporation. Details of the management fees to which the Manager is entitled are in note 4.

The Company has five non-executive Directors. Sir Michael Bunbury, John Hallam, Graham Harrison and Nicholas Moss are independent of the Manager.

Talmi Morgan is a non-executive Director of BH Macro Limited. BH Macro Limited is managed by the Manager, and is a feeder fund for Brevan Howard Master Fund Limited into which BHGO invests.

Details of Directors' fees to which the Directors are entitled are disclosed in note 5.

The Directors had the following interests in the Company, held either directly or beneficially at 30 June 2014:

	US Dollar Shares	Sterling Shares	Euro Shares
Sir Michael Bunbury	Nil	4,000	Nil
John Hallam	5,000	Nil	Nil
Graham Harrison	Nil	1,500	Nil
Talmi Morgan	5,000	Nil	Nil
Nicholas Moss	Nil	839	Nil

12. 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.

	30.06.14 US Dollar shares US\$	30.06.14 Euro shares €	30.06.14 Sterling shares £
Per share operating performance			
Net asset value at beginning of the period	13.12	13.19	13.34
Income from investment operations			
Net investment loss*	(0.07)	(0.05)	(0.06)
Net realised and unrealised gain on investment	(0.17)	(0.15)	(0.12)
Other capital items**	0.22	0.01	0.09
Total return	(0.02)	(0.19)	(0.09)

Net asset value, end of the period	13.10	13.00	13.25
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Total return	(0.14%)	(1.46%)	(0.70%)
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Total return reflects the net return for an investment made at the beginning of the period and is calculated as the change in the NAV per ordinary share during the period from 1 January 2014 to 30 June 2014. Total return is not annualised.

	30.06.14 US Dollar shares US\$'000	30.06.14 Euro shares €'000	30.06.14 Sterling shares £'000
Supplemental data			
Net asset value, end of the period	89,967	161,903	382,559
Average net asset value for the period	101,017	169,167	388,712

	30.06.14 US Dollar shares	30.06.14 Euro shares	30.06.14 Sterling shares
Ratio to average net assets			
Operating expense			
Company expenses***	0.44%	0.38%	0.41%
BHGO expenses****	0.01%	0.01%	0.01%
	0.45%	0.39%	0.42%

Net investment loss*	(0.47%)	(0.40%)	(0.42%)
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	31.12.13 US Dollar shares US\$	31.12.13 Euro shares €	31.12.13 Sterling shares £
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Per share operating performance			
Net asset value at beginning of the year	12.89	13.00	13.04

Income from investment operations			
Net investment loss*	(0.11)	(0.04)	(0.11)
Net realised and unrealised gain on investment	0.33	0.21	0.39
Other capital items**	0.01	0.02	0.02
Total return	0.23	0.19	0.30

Net asset value, end of the year	13.12	13.19	13.34
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Total return	1.79%	1.47%	2.32%
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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 2013.

	31.12.13 US Dollar shares US\$'000	31.12.13 Euro shares €'000	31.12.13 Sterling shares £'000
Supplemental data			
Net asset value, end of the year	150,179	118,551	423,293
Average net asset value for the year	161,562	37,703	490,085

	31.12.13 US Dollar shares	31.12.13 Euro shares	31.12.13 Sterling shares
Ratio to average net assets			
Operating expense			
Company expenses***	0.75%	0.82%	0.72%
BHGO expenses****	0.02%	0.02%	0.02%
	0.77%	0.84%	0.74%

Net investment loss*	(0.80%)	(0.86%)	(0.73%)
	30.06.13 US Dollar shares US\$	30.06.13 Euro shares €	30.06.13 Sterling shares £
Per share operating performance			
Net asset value at beginning of the period	12.89	13.00	13.04
Income from investment operations			
Net investment loss*	(0.06)	(0.07)	(0.05)
Net realised and unrealised gain on investment	0.19	0.21	0.20
Other capital items**	0.01	(0.01)	0.04
Total return	0.14	0.13	0.19
Net asset value, end of the period	13.03	13.13	13.23
Total return	1.14%	1.01%	1.49%
Total return reflects the net return for an investment made at the beginning of the period and is calculated as the change in the NAV per ordinary share during the period from 1 January 2013 to 30 June 2013. Total return is not annualised.			
	30.06.13 US Dollar shares US\$'000	30.06.13 Euro shares €'000	30.06.13 Sterling shares £'000
Supplemental data			
Net asset value, end of the period	158,259	24,853	492,685
Average net asset value for the period	165,706	27,858	506,638
	30.06.13 US Dollar shares	30.06.13 Euro shares	30.06.13 Sterling shares
Ratio to average net assets			
Operating expense			
Company expenses***	0.38%	0.44%	0.36%
BHGO expenses****	0.01%	0.01%	0.01%
	0.39%	0.45%	0.37%
Net investment loss*	(0.42%)	(0.46%)	(0.36%)

Operating expense and net investment loss are not annualised.

- * The net investment loss figure shown above does not include net realised and unrealised gains and losses on investments allocated from BHGO.
- ** Included in other capital items are the discounts and premiums on conversions between share classes during the period, share buybacks and partial capital returns, as compared to the NAV per share at the beginning of the period.
- *** Company expenses are as disclosed in the Unaudited Statement of Operations, excluding foreign exchange losses on aggregation.
- **** BHGO expenses are the operating expenses of BHGO which exclude the costs of any underlying funds.

13. Subsequent Events

Management has evaluated subsequent events up to 28 August 2014, which is the date that the Interim Report and Unaudited Financial Statements were available to be issued.

Following the announcement on 21 August 2014 that the Euro share class NAV per share as at 31 July 2014 was €13.03, it was announced that, after the deduction of the costs of closure of the class, which included the repayment to the Manager of a proportion of the Offer Costs, redeeming shareholders would receive €12.6591 per share, being

approximately 97.12% of the NAV per share as at 31 July 2014 amounting to €157,682,325.

Following the extraordinary general meeting held on 28 August 2014, shareholders approved a change in investment policy of the Company to become a feeder fund into Brevan Howard Multi-Strategy Master Fund Limited. As a result of this approval the Company's management agreement and articles of incorporation will be amended.

On 18 July 2014 the financing available under the Note Purchase Agreement with JP Morgan Chase Bank was increased from \$50 million to \$75 million.

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	392,375	4,678,979	US\$4,678,979
Sterling shares	597,296	12,152,738	£7,141,196

In addition to the buyback of the above shares, 490,000 US Dollar Treasury shares, 700,000 Sterling Treasury shares and 197,180 Euro Treasury shares were also cancelled.

Following the purchase and cancellation of shares, the Company has 6,885,451 US Dollar and 28,039,457 Sterling ordinary shares in issue.

No further subsequent events have occurred.

Historic Performance Summary

As at 30 June 2014

	30.06.14* (Unaudited) US\$'000	31.12.13 (Audited) US\$'000	31.12.12 (Audited) US\$'000	31.12.11 (Audited) US\$'000
Net increase in net assets resulting from operations	6,158	35,409	81,252	39,147
Total assets	1,001,193	1,014,286	1,038,961	1,000,993
Total liabilities	(35,471)	(812)	(7,766)	(628)
Net assets	965,722	1,013,474	1,031,195	1,000,365

Number of shares in issue

US Dollar shares	6,867,652	11,447,780	13,171,761	15,185,614
Euro shares	12,456,014	8,987,596	2,298,992	2,919,762
Sterling shares	28,877,578	31,727,417	39,018,709	39,910,912

Net asset value per share

US Dollar shares	US\$13.10	US\$13.12	US\$12.89	US\$12.34
Euro shares	€13.00	€13.19	€13.00	€12.46
Sterling shares	£13.25	£13.34	£13.04	£12.47

* Covers the period from 1 January 2014 to 30 June 2014.

Glossary of Acronyms

As at 30 June 2014

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

BHGO	Brevan Howard Global Opportunities Master Fund Limited
BHMF	Brevan Howard Master Fund Limited
BHA	Brevan Howard Asia Master Fund Limited
BHEMS	Brevan Howard Emerging Markets Strategies Master Fund Limited
BHCC	Brevan Howard Credit Catalysts Master Fund Limited

BHCS Brevan Howard Commodities Strategies Master Fund Limited
BHST Brevan Howard Systematic Trading Master Fund Limited
BEL Brevan Howard Emerging Markets Local Fixed Income Leveraged Master Fund Limited
BHCV Brevan Howard Credit Value Master Fund Limited

Management and Administration

Directors

Sir Michael Bunbury* (Chairman)
John Hallam* (Senior Independent Director)
Graham Harrison*
Talmi Morgan
Nicholas Moss*
Stephen Stonberg (resigned 31 March 2014)

(All Directors are non-executive)

* These Directors are independent for the purpose of LR15.2.12-A.

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For the latest information
www.bhglobal.com

The Interim Report and Unaudited Financial Statements of BH Global Limited and the Interim Unaudited Financial Statements of BH Global Opportunities Master Fund Limited will shortly be available on the Company's website www.bhglobal.com.