BH Macro Limited
Annual Report and Audited Financial Statements 2014

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
31 December 2014

Brevan Howard Capital Management LP, the manager and commodity pool operator of BH Macro Limited, has filed a claim of exemption with the Commodity Futures Trading Commission in respect of BH Macro Limited pursuant to Section 4.7 of the CFTC regulations.

Contents

Chairman's Statement

A more favourable market environment for macro-trading strategies began to emerge in the last few months of 2014.

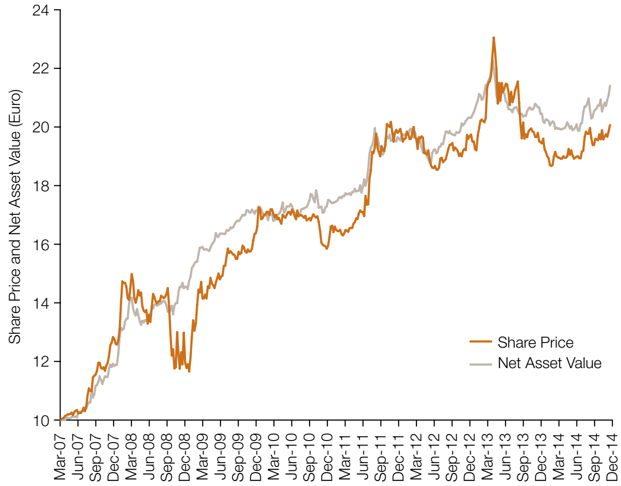
For the past two years or more, against the background of accommodative monetary policies and the slow pace of global economic recovery, markets have been characterised by low volatility and little in the way of trend movements. This pattern of relative inertia began to alter in the latter part of 2014, with shifting judgements emerging about key macroeconomic uncertainties – the prospects for a rise in US interest rates, additional monetary easing in the Eurozone, the faltering recovery in Japanese growth and the pace of slowdown in the Chinese economy. The result has been more two-way movement in foreign exchange markets and in yield-curve expectations and greater divergence between recovering economies and those still experiencing weaker performance. The changed picture has continued into 2015, with the precipitate fall in oil prices, the upwards adjustment in the Swiss franc, the ECB's decision to implement the Expanded Asset Purchase Programme and renewed tensions in the Eurozone following the Greek elections. There seems likely to be more to follow in a similar vein.

In these more favourable market conditions, BH Macro Limited (the "Company") recorded a gain in net asset value ("NAV") of 3.51% (on its sterling shares) in the final four months of 2014, fully reversing a fall of 3.12% in the less propitious conditions of the first eight months of the year; the net result was a marginally positive performance (NAV gain of 0.26%) over the year as a whole.

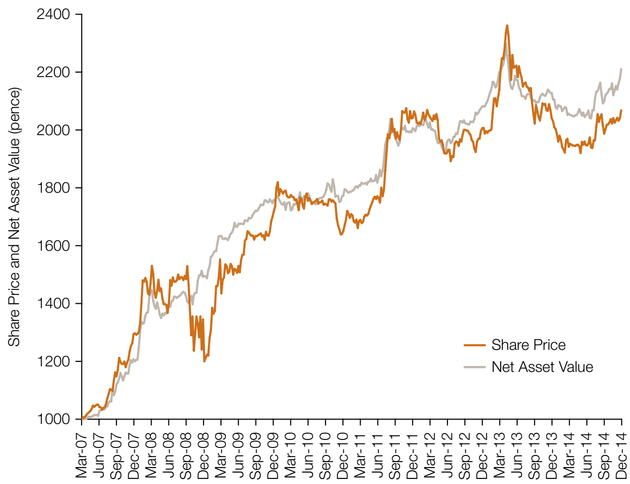
The weaker performance in the earlier part of the year largely arose from losses in Japanese equities, as the Nikkei fell back sharply on weakness in the Japanese economy, and in US interest rates, as expectations of tightening by the Fed proved premature. These losses were contained by reducing risk exposures. When market conditions turned more favourable later in the year, significant gains were achieved from the cut in the ECB's rates in mid-year and from foreign exchange as the dollar strengthened. The stronger performance has continued into 2015, with an NAV gain of 3.26% in January (on its sterling shares).

US Dollar shares
Share Price vs Net Asset Value

Euro shares
Share Price vs Net Asset Value



Sterling shares
Share Price vs Net Asset Value



In line with its stated purpose, the Company invests all of its assets (net of minimal working capital) in Brevan Howard Master Fund Limited (the "Master Fund"). The Master Fund's stated objective has been, and remains, to seek to generate consistent long-term appreciation through active leveraged trading and investment on a global basis. The report by the Company's manager, Brevan Howard Capital Management LP (the "Manager"), later in this Annual Report describes the Master Fund's performance in more detail. An important feature of performance over the years has been the Manager's ability to contain losses when markets have been adverse, but to benefit substantially when market trends develop more favourably. This quality was particularly evident in 2014, during which the Manager continued to demonstrate enhanced ability to manage risk, create asymmetry of returns and capitalise significantly on profit opportunities when they emerged.

Chairman's Statement continued

On a longer perspective, the Company has a track record of preserving Shareholders' capital and achieving a positive return, uncorrelated with other markets and with low volatility. Over the eight years since its launch in 2007, the Company has more than doubled its NAV (a gain of 113.99% on the sterling shares) and has achieved an annualised rate of return of 10.07% with an annualised Sharpe ratio of 1.55.

The weaker NAV performance in the earlier part of 2014 was accompanied by a widening in the discount on the Company's shares. In response, in February 2014 the Board initiated market purchases of the Company's shares in order to moderate the discount. During the year, the equivalent of approximately $361 million of shares were repurchased, with the result that the discount stabilised at around 5% (sterling shares). Authority for market purchases was renewed at the Company's AGM in June 2014; and scope for further market purchases was proposed to Shareholders and approved at an EGM in December 2014. In recent months, as NAV performance has materially improved, the scale of market purchases has abated, but the Board will continue to be ready to undertake discount management actions where necessary so that as far as possible the share prices properly reflect the Company's underlying performance and prospects. The Company's assets remain substantial, with NAV totalling the equivalent of $1.76 billion at end-December 2014, making it the largest single-manager hedge fund listed on the London Stock Exchange.

The listing of the Company's shares on the Main Market of the London Stock Exchange continues to provide an active secondary market for Shareholders to trade shares. The sterling shares have maintained their place in the FTSE 250 and the Company has also maintained its listings in Dubai and Bermuda. Having reviewed the Financial Conduct Authority's new restrictions on the retail distribution of non-mainstream pooled investments, the Company, after taking legal advice, announced on 15 January 2014 that it is outside the scope of those restrictions, so that its shares can continue to be recommended by UK authorised persons to ordinary retail investors.

The Board maintains regular dialogue with the Company's Manager, to review the Master Fund's trading strategies and risk exposures and to satisfy itself that the Manager's analytical, trading and risk management capabilities are being maintained to a high standard. The Board holds extended discussions with the Manager at each of its quarterly Board meetings, supplemented by additional contact with the Manager at intervals during the year. One Board meeting a year is held in Brevan Howard's head office in Jersey in order to maintain first-hand contact with the Manager's team there; and Directors held briefing meetings with Brevan Howard's trading team in Geneva in November 2014. From all these contacts, the Board continues to believe that the Master Fund's performance remains of a very high standard.

The Company and its Manager have continued to pursue an active programme for public communication and investor relations. Regular communication is maintained with Shareholders and presentations are made to keep analysts, financial journalists and the wider investment community informed of the Company's progress. To supplement this programme, an extended presentation is scheduled for professional investors to be held in London on 30 April 2015. Up-to-date performance information is provided through NAV data published monthly on a definitive basis and weekly on an estimated basis, as well as through monthly risk reports and shareholder reports. All these reports and further information about the Company are available on its website (www.bhmacro.com).

The Directors are very closely focused on safeguarding the interests of Shareholders and believe that the Company observes high standards of corporate governance. The Board, the majority of which is independent of the Brevan Howard group, holds quarterly scheduled meetings and meets ad hoc on other occasions as necessary. The work of the Board is assisted by the Audit Committee and the Management Engagement Committee. The Board continues to meet all of the provisions of the Association of Investment Companies' Code of Corporate Governance that are relevant to a company that has no executive management; the details are described below in the Directors' Report. The Board has implemented the recommendations of the Davies Report on women on boards. Triennally, the Board commissions an external evaluation of its performance. Such a review was conducted by Optimus Group Limited in November/December 2014. The review confirmed that the Board continues to apply a high standard of corporate governance.

Stephen Stonberg retired from the Board on 31 March 2014. The Board greatly appreciated his lead role in establishing the Company and the experience and support he contributed to its subsequent development. In his place, the Board appointed David Barton, Head of Legal at the Company's Manager. The Board believes that, since the Company's purpose is to invest solely in Brevan Howard Master Fund, there is positive advantage to Shareholders in maintaining a direct link to Brevan Howard in this one seat on the Board.

Anthony Hall retired from the Board at the Company's AGM on 16 June 2014 after seven years' distinguished service as a Director. The Board has benefited immensely from the wisdom and insights he brought to its work and has greatly valued his significant contribution to the success of the Company from its inception. In his place, the Directors were delighted to appoint Claire Whittet, who brings to the Board extensive experience of a career at senior level in banking.

With the retirement of Anthony Hall, Huw Evans has succeeded him as Chairman of the Management Engagement Committee.

The closing months of 2014 saw a return to a more favourable market climate for macro-trading; and the Master Fund demonstrated its capacity to capitalise on such opportunities. Looking ahead, there are good grounds to expect this more encouraging picture to persist, as the global economy overall continues to achieve sustainable growth, but with divergent performance between different economies and with monetary policy adjustments in the major economies providing more scope for shifting expectations of yield-curve and exchange-rate movements. In this more fertile environment, the Board believes that the Master Fund has the capability to continue to deliver positive performance over time and that the Company's investment in the Master Fund offers good prospects for Shareholders to achieve sustainable returns while preserving capital.

Ian Plenderleith
Chairman

23 March 2015

Board Members

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

Ian Plenderleith (Chairman), age 71
Ian Plenderleith retired at the end of 2005 after a three-year term as Deputy Governor of the South African Reserve Bank. He served on the Bank's Monetary Policy Committee and was responsible for money, capital and foreign exchange market operations and for international banking relationships. He previously worked for over 36 years at the Bank of England in London, where he was most recently Executive Director responsible for the Bank's financial market operations and a member of the Bank's Monetary Policy Committee. He has also worked at the International Monetary Fund in Washington DC and served on the Board of the European Investment Bank and on various international committees at the Bank for International Settlements. Mr Plenderleith holds an MA from Christ Church, Oxford University, and an MBA from Columbia Business School, New York. Mr Plenderleith is non-executive Chairman of Morgan Stanley International and a non-executive director of BMCE Bank International in London. He is also Chairman of the Governors of Reed's School in Surrey. Mr Plenderleith has held the role of Chairman of the Board since 2007.

Huw Evans, age 56
Huw Evans is Guernsey resident and qualified as a Chartered Accountant with KPMG (then Peat Marwick Mitchell) in 1983. He subsequently worked for three years in the Corporate Finance department of Schroders before joining Phoenix Securities Limited in 1986. Over the next twelve years he advised a wide range of companies in financial services and other sectors on mergers and acquisitions and more general corporate strategy. Since moving to Guernsey in 2005, he has acted as a professional non-executive Director of a number of Guernsey-based companies and funds. He holds an MA in Biochemistry from Cambridge University. Mr Evans was appointed to the Board in 2010.

David Barton, age 35
David Barton is Jersey resident and joined Brevan Howard in July 2007. He is currently the Head of Legal at Brevan Howard Capital Management LP, the Company's manager, and a director of a number of the group's global entities. Prior to joining Brevan Howard, David worked as a transactional lawyer in the Corporate group of Freshfields Bruckhaus Deringer in London (2005 – 2007), advising on the structuring and launch of listed and unlisted hedge, private equity and other investment funds. Prior to Freshfields, David worked as a solicitor in the Corporate and Finance groups of Freehills in Sydney (2002 – 2005) advising on a wide range of M&A, ECM/DCM and investment fund transactions. David holds a Bachelor of Commerce (Economics and Finance) and Bachelor of Laws (Hons) from Macquarie University in Sydney and is admitted to practice as a solicitor in England and Wales and a solicitor and barrister in New South Wales, Australia. David is Series 3 (Commodities and Futures) qualified with the United States, National Association of Securities Dealers (NASD). Mr Barton was appointed to the Board in April 2014.

Christopher Legge, (Senior Independent Director), age 59
Christopher Legge is Guernsey resident and has over 25 years experience in the financial services industry. He qualified in London in 1980 with Pannell Kerr Forster and subsequently moved to Guernsey in 1983 to work for Ernst & Young, progressing from audit manager to Managing Partner in the Channel Islands. Mr Legge retired from Ernst & Young in 2003 and currently holds a number of directorships in the financial sector. Mr Legge is an FCA and holds a BA (Hons) in Economics from the University of Manchester. Mr Legge was appointed to the Board in 2007.

Talmai Morgan, age 62
Talmai Morgan is Guernsey resident and 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 BH Global Limited, NB Distressed Debt Investment Fund Limited, John Laing Infrastructure Fund Limited and Real Estate Credit Investments PCC Limited. Mr Morgan was appointed to the Board in 2007.

Claire Whittet, age 59
Claire Whittet is Guernsey resident and has over 37 years' experience in the financial services industry. After obtaining a MA (Hons) in Geography from the University of Edinburgh, she joined the Bank of Scotland for 19 years and undertook a wide variety of roles including running two city centre offices. She moved to Guernsey in 1996 and was Global Head of Private Client Credit for Bank of Bermuda before joining Rothschild Bank International Limited where she is now Managing Director and Co-Head. Mrs Whittet is an ACIB member of the Chartered Institute of Bankers in Scotland, a member of the Chartered Insurance Institute and holds an IoD Director's Diploma in Company Direction. She is a Non-Executive Director of other listed investment funds. Mrs Whittet was appointed to the Board in June 2014.

Disclosure of Directorships in Public Companies Listed on Recognised Stock Exchanges

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

Company Name	Exchange
Ian Plenderleith	
None	
David Barton	
None	
Huw Evans	
Standard Life Investments Property Income Trust Limited	London
Christopher Legge	
Ashmore Global Opportunitites Limited	London
Baring Vostok Investments PCC Limited	Channel Islands
John Laing Environmental Assets Group Limited	London
Schroder Global Real Estate Securities Limited	London
Sherborne Investors (Guernsey) B Limited	SFM
Third Point Offshore Investors Limited	London
TwentyFour Select Monthly Income Fund Limited	London
Talmai Morgan	
BH Global Limited	London, Bermuda and Dubai
Global Fixed Income Realisation Limited	Ireland
John Laing Infrastructure Fund Limited	London
NB Distressed Debt Investment Fund Limited	SFM and Channel Islands
NB Private Equity Partners Limited	Euronext Amsterdam, SFM and Channel Islands
Real Estate Credit Investments PCC Limited	London
Sherborne Investors (Guernsey) B Limited	SFM
Claire Whittet	
TwentyFour Select Monthly Income Fund Limited	London
International Public Partnerships Limited	London

Directors' Report

31 December 2014

The Directors submit their Report together with the Company's Audited Statement of Assets and Liabilities, Audited Statement of Operations, Audited Statement of Changes in Net Assets, Audited Statement of Cash Flows and the related notes for the year ended 31 December 2014. The Directors' Report together with the Audited Financial Statements and their related notes (the "Financial Statements") give a true and fair view of the financial position of the Company. They have been prepared properly, in conformity with United States Generally Accepted Accounting Principles ("US GAAP"), are in accordance with any relevant enactment for the time being in force and are in agreement with the accounting records.

The Company

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

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

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

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

Investment objective and policy

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

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

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

Results and dividends

The results for the year are set out in the Audited Statement of Operations on page 21. The Directors do not recommend the payment of a dividend.

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

Share capital

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

Going concern

The Company continues to perform satisfactorily and monitors and manages its liquidity. 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. In reaching this conclusion the Board is mindful of the nature of the assets that underly its investment in the Master Fund, including their liquidity, and has concluded that adverse investment performance will not have a material impact on solvency.

The Company's discount management programme is described within note 8. Please refer to this note for further details. The Board has reviewed the average discount over the year of each of the share classes and notes that the USD class, EUR class and GBP class have had an average discount of less than 10%.

The Board

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

The Articles provide that, unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two. The Company's policy on Directors' Remuneration, together with details of the remuneration of each Director who served during the year, is detailed in the Directors' Remuneration Report on page 12.

Directors' Report continued

31 December 2014

The Board (continued)

The Board meets at least four times a year and between these formal meetings there is regular contact with the Manager and the Administrator. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company 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, 16 ad hoc meetings were held to deal with matters that were of a fundamentally administrative nature, the majority being the conversions between share classes. These meetings were attended by those Directors available at the time.

Directors

For each Director, the tables below set out the number of Board and Audit Committee meetings they were entitled to attend during the year ended 31 December 2014 and the number of such meetings attended by each Director.

Scheduled Board Meetings	Held	Attended
Ian Plenderleith	4	4
David Barton	*3	3
Huw Evans	4	4
Anthony Hall	*2	2
Christopher Legge	4	4
Talmai Morgan	4	4
Stephen Stonberg	*1	1
Claire Whittet	*3	3

Audit Committee Meetings	Held	Attended
Huw Evans	4	4
Anthony Hall	*2	2
Christopher Legge	4	4
Claire Whittet	2	2

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

* Indicates the meetings held during their membership of the relevant Board or Committee during the year ended 31 December 2014.

Directors' independence

Talmai Morgan is a non-executive Director of BH Global Limited. BH Global Limited is managed by Brevan Howard Capital Management LP and is a feeder fund to Brevan Howard Multi-Strategy Master Fund Limited which invests, amongst other investments, in the Master Fund (prior to 1 September 2014, BH Global Limited was a feeder fund to Brevan Howard Global Opportunities Master Fund Limited which invested, amongst other investments, in the Master Fund). On the basis of this other interest, Talmai Morgan is deemed not independent of the Manager for the purposes of LR15.2.12-A. David Barton is an employee of the Manager and therefore is also deemed not to be independent of the Manager for the purposes of LR15.2.12-A.

Directors' interests

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

		US Dollar Shares
	31.12.14	31.12.13
Ian Plenderleith	Nil	Nil
David Barton	Nil	N/A
Huw Evans	Nil	Nil
Anthony Hall	N/A	9,017
Christopher Legge	Nil	Nil
Talmai Morgan	Nil	Nil
Stephen Stonberg	N/A	Nil
Claire Whittet	Nil	N/A

		Euro Shares
	31.12.14	31.12.13
Ian Plenderleith	Nil	Nil
David Barton	Nil	N/A
Huw Evans	Nil	Nil
Anthony Hall	N/A	Nil
Christopher Legge	Nil	Nil
Talmai Morgan	Nil	Nil
Stephen Stonberg	N/A	Nil
Claire Whittet	Nil	N/A

		Sterling Shares
	31.12.14	31.12.13
Ian Plenderleith	Nil	Nil
David Barton	Nil	N/A
Huw Evans	710	710
Anthony Hall	N/A	10,000
Christopher Legge	Nil	Nil
Talmai Morgan	1,200	1,200
Stephen Stonberg	N/A	5,676
Claire Whittet	Nil	N/A

Directors' indemnity

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

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

Corporate governance

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

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

The Financial Reporting Council issued a revised UK Corporate Governance Code in September 2014 for accounting periods beginning on or after 1 October 2014. The AIC updated the AIC Code (including the Guernsey edition) and its Guide to Corporate Governance to reflect the relevant changes to the FRC document in February 2015. The Board has not early adopted this revised code.

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

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to Shareholders. To ensure ongoing compliance with these principles the Board receives and reviews a report from the Secretary, at each quarterly meeting, identifying whether the Company is in compliance and recommending any changes that are necessary.

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

The UK Corporate Governance Code includes provisions relating to:

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

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company as it is an externally managed investment company with a Board formed exclusively of non-executive Directors. The Company has therefore not reported further in respect of these provisions. The Company does not have employees, hence no whistle-blowing policy is necessary. However, the Directors have satisfied themselves that the Company's service providers have appropriate whistle-blowing policies and procedures and seek regular confirmation from the service providers that nothing has arisen under those policies and procedures which should be brought to the attention of the Board.

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

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

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

In view of its non-executive and independent nature, the Board considers that it is not necessary for there to be a Nomination Committee or a Remuneration Committee as anticipated by the AIC Code. The Board as a whole fulfils the functions of the Nomination and Remuneration Committees, although the Board has included a separate Remuneration Report on page 12 of these Financial Statements. The Board has adopted a Nomination Policy covering procedures for nominations to the Board and to Board committees.

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

In line with the AIC Code, as the Company is a FTSE 250 listed company, Section 20.3 of the Company's Articles requires all Directors to retire at each Annual General Meeting. At the Annual General Meeting of the Company on 16 June 2014, Shareholders re-elected all the Directors of the Company with the exception of Anthony Hall who did not put himself forward for re-election.

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

The Board, Audit Committee and Management Engagement Committee undertake an evaluation of their own performance and that of individual Directors on an annual basis. In order to review their effectiveness, the Board and its Committees carry out

Directors' Report continued

31 December 2014

Corporate governance (continued)
a process of formal self-appraisal. The Board and Committees consider how they function as a whole and also review the individual performance of their members. This process is conducted by the respective Chairman reviewing the Directors' performance, contribution and commitment to the Company. Christopher Legge, as Senior Independent Director, takes the lead in reviewing the performance of the Chairman. The Chairman also has responsibility for assessing the individual Board members' training requirements.

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

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

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

Ongoing Charges
Ongoing charges for the year ended 31 December 2014 and year ended 31 December 2013 have been prepared in accordance with the AIC's recommended methodology.

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

31.12.14

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

31.12.13

	US Dollar Shares	Euro Shares	Sterling Shares
Company – Ongoing Charges	1.94%	1.95%	1.95%
Master Fund – Ongoing Charges	0.61%	0.61%	0.62%
Performance fee	0.63%	0.65%	0.69%
Ongoing Charges plus performance fee	3.18%	3.21%	3.26%

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

Performance graphs
The graphs shown on page 1 detail the share price returns over the period.

Audit Committee
The Company's Audit Committee conducts formal meetings at least four times a year for the purpose, amongst others, of considering the appointment, independence, effectiveness of the audit and remuneration of the auditors and to review and recommend the annual statutory accounts and interim report to the Board of Directors. Full details of its functions and activities are set out in the Report of the Audit Committee on pages 13 to 15.

Management Engagement Committee
The Board has established a Management Engagement Committee with formal duties and responsibilities. The Management Engagement Committee meets formally at least once a year and comprises Huw Evans, Christopher Legge, Ian Plenderleith and Claire Whittet. Huw Evans and Claire Whittet were appointed to the Management Engagement Committee on 16 June 2014. Upon his appointment to the Management Engagement Committee, Huw Evans succeeded Anthony Hall as Chairman following his retirement.

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

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

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

The Manager has wide experience in managing and administering investment companies and has access to extensive investment management resources. At its meeting on 22 September 2014, the Management Engagement Committee concluded that the continued appointment of the Manager on the terms agreed was in the interests of the Company's Shareholders as a whole. At the date of this report the Board continued to be of the same opinion.

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

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

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

Further reports are received and reviewed from the Company Secretary and the Administrator in respect of compliance, London Stock Exchange continuing obligations and other matters.

No material adverse findings were identified in these reports.

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. 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 had new individual account on-boarding procedures in place with effect from 1 July 2014 and new entity account on-boarding procedures with effect from 1 January 2015. The Board has taken steps to implement on-boarding procedures, with the assistance of its professional advisers. It was necessary for the Company to register for a Global Intermediary Identification Number (GIIN) by 22 December 2014 in order to comply with the requirements under FATCA which the Company has done.

UK-Guernsey Intergovernmental Agreement
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 account holders who have a UK connection. The UK-Guernsey IGA has been ratified by Guernsey's States of Deliberation and the relevant legislation introduced. The Board is monitoring implementation of the UK-Guernsey IGA with the assistance of its professional advisers.

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

The Manager maintains regular dialogue with institutional Shareholders, the feedback from which is reported to the Board. In addition, Board members are available to respond to Shareholders' questions at Annual General Meetings. Shareholders who wish to communicate with the Board should contact the Administrator in the first instance.

Significant Shareholders
As at 19 March 2015, the following Shareholders had significant shareholdings in the Company:

	Total Shares Held	% holding in class
Significant Shareholders		
US Dollar Shares		
Chase Nominees Limited	4,013,938	22.01
Nortrust Nominees Limited	2,746,608	15.06
Vidacos Nominees Limited	1,678,703	9.21
Morstan Nominees Limited	1,345,336	7.38
J P Morgan Clearing Corporation	1,319,206	7.23
State Street Nominees Limited	1,113,643	6.11
Luna Nominees Limited	1,101,231	6.04
Lynchwood Nominees Limited	670,502	3.68

Directors' Report continued

31 December 2014

Significant Shareholders (continued)

	Total Shares Held	% holding in class
Significant Shareholders		
Euro shares		
Nordea Bank Danmark A/S	1,927,808	37.97
BBHISL Nominees Limited	431,129	8.49
State Street Nominees Limited	342,867	6.75
Goodbody Stockbrokers Nominees Limited	308,243	6.07
HSBC Global Custody Nominee (UK) Limited	266,992	5.26
Lynchwood Nominees Limited	226,263	4.46
Aurora Nominees Limited	176,975	3.49
Sterling shares		
Luna Nominees Limited	7,080,886	19.14
Chase Nominees Limited	4,730,368	12.79
Nutraco Nominees Limited	3,006,984	8.13
The Bank of New York (Nominees) Limited	2,227,820	6.02
HSBC Global Custody Nominee (UK) Limited	1,979,259	5.35
Nortrust Nominees Limited	1,558,534	4.21
State Street Nominees Limited	1,515,613	4.10
Ferlim Nominees Limited	1,469,466	3.97

Signed on behalf of the Board by:

Ian Plenderleith
Chairman

Christopher Legge
Director

23 March 2015

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

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

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

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

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

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

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

We confirm to the best of our knowledge that:

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

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

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

Signed on behalf of the Board by:

Ian Plenderleith
Chairman

Christopher Legge
Director

23 March 2015

Directors' Remuneration Report

31 December 2014

Introduction
An ordinary resolution for the approval of this directors' remuneration report will be put to the Shareholders at the Annual General Meeting to be held in 2015.

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

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

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

No Director has a service contract with the Company but each of the Directors is appointed by a letter of appointment which sets out the main terms of their appointment. All Directors holding office as at 5 December 2013 were given a new letter of appointment as at that date and Mr Barton and Mrs Whittet received their letters of appointment on joining the Board on 17 April 2014 and 16 June 2014 respectively. Directors hold office until they retire or cease to be a director in accordance with the Articles of Incorporation, by operation of law or until they resign. In line with the AIC Code, as the Company is a FTSE 250 listed company, Section 20.3 of the Company's Articles requires all Directors to retire at each Annual General Meeting. At the Annual General Meeting of the Company on 16 June 2014, Shareholders re-elected all the Directors with the exception of Anthony Hall who did not put himself forward for re-election. Director appointments can also be terminated in accordance with the Articles. Should Shareholders vote against a Director standing for re-election, the Director affected will not be entitled to any compensation. There are no set notice periods and a Director may resign by notice in writing to the Board at any time.

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

Directors' fees
The Company's Articles limit the fees payable to Directors in aggregate to £400,000 per annum. From 1 April 2013, annual fees were increased to £167,000 for the Chairman, £37,500 for Chairmen of both the Audit Committee and the Management Engagement Committee and £34,000 for all other Directors, excluding David Barton who is not paid a fee.

The fees payable by the Company in respect of each of the Directors who served during the year ended 31 December 2014 and the year ended 31 December 2013, were as follows:

	Year ended 31.12.14 £	Year ended 31.12.13 £
Ian Plenderleith	167,000	165,750
David Barton	Nil	Nil
Huw Evans	35,898	33,750
Anthony Hall	*17,158	37,125
Christopher Legge	37,500	37,125
Talmai Morgan	34,000	33,750
Stephen Stonberg	*8,384	33,750
Claire Whittet	*18,537	Nil
Total	**318,477**	**341,250**

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

Signed on behalf of the Board by:

Ian Plenderleith
Chairman

Christopher Legge
Director

23 March 2015

Report of the Audit Committee

31 December 2014

On the following pages, we present the Audit Committee's (the "Committee") Report for 2014, setting out the Committee's structure and composition, principal duties and key activities during the year. As in previous years, the Committee has reviewed the Company's financial reporting, the independence and effectiveness of the Independent Auditor and the internal control and risk management systems of the service providers.

Structure and Composition
The Committee is chaired by Christopher Legge and its other members are Huw Evans and Claire Whittet who was appointed on 16 June 2014 following Anthony Hall's retirement.

Appointment to the Audit Committee is for a period up to three years which may be extended for two further three year periods provided that the majority of the Audit Committee remain independent of the Manager. Christopher Legge is currently serving his third term of three years. Huw Evans is currently serving his second term and Claire Whittet is serving her first term.

The Committee conducts formal meetings at least four times a year. The table on page 6 sets out the number of Committee meetings held during the year ended 31 December 2014 and the number of such meetings attended by each committee member. The Independent Auditor is invited to attend those meetings at which the annual and interim reports are considered. The Independent Auditor and the Committee will meet together without representatives of either the Administrator or Manager being present if the Committee considers this to be necessary.

Principal duties
The role of the Committee includes:

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

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

Independent Auditor
KPMG Channel Islands Limited ("KPMG") has been the Independent Auditor from the date of the initial listing on the London Stock Exchange. In accordance with audit rotation requirements, Deborah Smith was replaced by Lee Clark as the audit leader and opinion signatory after the conclusion of the 2011 audit.

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

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

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

The recent revisions to the UK Corporate Governance Code introduced a recommendation that the independent audit be put out to tender every ten years. The Committee has noted this and will develop a plan for tendering the 2016 audit during 2015.

Key Activities in 2014
The following sections discuss the assessment made by the Committee during the year:

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

The Company's investment in the Master Fund had a fair value of US$ 1.72 billion as at 31 December 2014 and represents substantially all the net assets of the Company. This investment is valued in accordance with the Accounting Policies set out in note 3 to the Audited Financial Statements. The Financial Statements of the Master Fund for the year ended 31 December 2014 were audited by KPMG Cayman who issued an unmodified audit opinion dated 19 March 2015. The Audit Committee has reviewed the Financial Statements of the Master Fund and the Accounting Policies and determined the fair value of the investment as at 31 December 2014 is reasonable.

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

Report of the Audit Committee continued

31 December 2014

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

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

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

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

There were no significant adverse findings from the 2014 evaluation.

Audit fees and Safeguards on Non-Audit Services
The tables below summarises the remuneration paid by the Company to KPMG and to other KPMG member firms for audit and non-audit services during the years ended 31 December 2014 and 31 December 2013.

	Year ended 31.12.14 £	Year ended 31.12.13 £
KPMG Channel Islands Limited		
Annual audit	27,000	26,300
Interim review	8,750	8,500
Other KPMG member firms		
German Tax Services	–	24,775
US Tax Services	13,358	12,291

The German and US Tax services have been provided in relation to investor tax reporting requirements for those countries. The German tax services, pursuant to section 5 of the German Investment Tax Act (Investmentsteuergesetz), were discontinued with effect from 1 January 2014 due to lack of demand for the reporting.

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.bhmacro.com.

The Committee considers KPMG Channel Islands Limited to be independent of the Company. The Committee does not consider that the provision of these non-audit services is a threat to the objectivity and independence of the audit. Further, the Committee has obtained KPMG's confirmation that the services provided by other KPMG member firms to the wider Brevan Howard organisation do not prejudice its independence.

Internal Control
The Audit Committee has also reviewed the need for an internal audit function. The Committee has concluded that the systems and procedures employed by the Manager and the Administrator, including their own internal audit functions which, in the case of the Manager, recently included an on-site visit to the Administrator by their internal audit department, currently provide sufficient assurance that a sound system of internal control, which safeguards the Company's assets, is maintained. An internal audit function specific to the Company is therefore considered unnecessary.

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

Conclusion and Recommendation
After reviewing various reports such as the operational and risk management framework and performance reports from the Manager and Administrator, consulting where necessary with KPMG, and assessing the significant Financial Statement issue listed on page 13, the Committee is satisfied that the Financial Statements appropriately address the critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised and challenged and are sufficiently robust. At the request of the Board, the Audit Committee considered whether the 2014 Annual Report and Audited Financial Statements were fair, balanced and understandable and whether they provided the necessary information for Shareholders to assess the Company's performance, business model and strategy.

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

Conclusion and Recommendation (continued)

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

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

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

Christopher Legge
Audit Committee Chairman

23 March 2015

Manager's Report

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

Performance Review

The NAV of the USD share class appreciated by 0.11% in 2014, while the NAV of the Euro shares depreciated by 0.11% and the Sterling shares appreciated by 0.26% in 2014.

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

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

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

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

Source: The Company's NAV data is provided by the Company's administrator, Northern Trust International Fund Administration Services (Guernsey) Limited. Monthly NAV data is unaudited and net of all investment management fees (2% annual management fee and 20% performance fee) and all other fees and expenses payable by the Company. In addition, the Master Fund is subject to an operational services fee of 50 bps per annum.

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

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

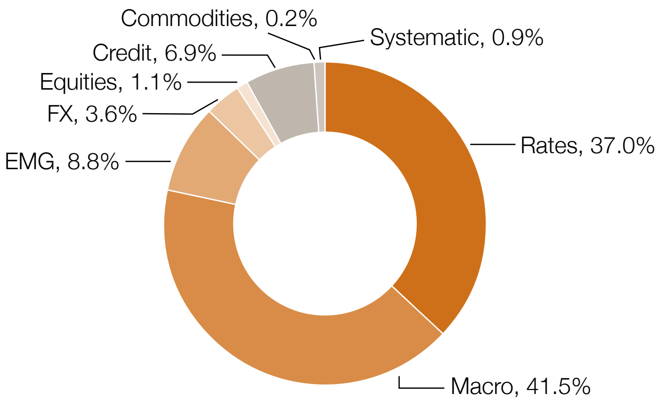
As detailed above, the USD share class posted a small gain of 0.11% for 2014.

Over the course of the year the Master Fund lost 3.1% in equities with almost all of that loss occurring in the first quarter as the Master Fund entered 2014 long the Nikkei which fell almost 15% in the early part of the year. The Master Fund lost a further 4.4% in US rates as it continued to hold short positions along the curve throughout much of 2014 in anticipation of a more hawkish US Federal Reserve (the "Fed") stance.

Offsetting these losses the Master Fund made 1.8% in European rates as the European Central Bank finally cut deposit rates to negative, as the Manager had been anticipating for over a year. The bulk of the Master Fund's FX gains were made following the European Central Bank's rate cut by being long the USD vs European currencies and to a lesser extent the JPY bringing the Master Fund to positive 3.5% in FX for the year. Credit trading contributed a further 0.9% for the year.

Performance Review (continued)
The investment profile by strategy group (% of capital allocation) of the Master Fund as at 31 December 2014 is shown below:

Strategy Group Exposure (% of capital allocation*)



Source: Brevan Howard Capital Management LP, as at 31 December 2014. Data may not sum to 100% due to rounding.

* Capital allocations are subject to change.

The above strategies are categorised as follows:

"Macro": multi-asset global markets, mainly directional (for the Master Fund, 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

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

"Commodities": liquid commodity futures and options

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

"Systematic": rules-based futures trading

Commentary and Outlook
Looking forward, the opportunity set for macro trading appears to be improving markedly. The US economy turned the corner last year. Although there are cross-currents that may affect the exact timing of the lift-off in interest rates, the Fed appears committed to begin to normalize policy this year. In stark contrast, the Euro area has slipped into deflation and suffers from a chronic lack of demand. The economic differences between the US and Euro area should continue to put pressure on the exchange value of the Euro. Policy actions only add to the pressure as the European Central Bank seems on the precipice of large-scale sovereign bond purchases. European elections add an additional dimension of uncertainty to the policy backdrop. In Greece and Spain, populist political parties are running strong on calls to relax fiscal austerity, and, in the case of Greece, debt renegotiation. Similarly, populist sentiment in the UK could exacerbate tensions with Europe on a range of issues that may spill over into asset pricing.

In Japan the scale of commitment to Quantitative Easing is quite extraordinary. As we enter 2015, Japanese five-year yields have fallen to zero and it's hard to imagine that such dramatic policy-led moves will not have further significant impacts on other markets. Reforms in government pension plans and corporate governance could be additional positives for Japanese equities.

The collapse in oil prices appears to be a net benefit to global growth that creates many winners and losers. Oil importers like China and Japan benefit. The net benefit in the US is smaller because of its large energy sector, whereas the oil exporters in the Middle East, Russia, Nigeria and Venezuela will likely suffer.

Perhaps just as important as the direct impact of lower oil prices is how central banks are responding. The Fed appears to a large extent to be looking through the oil price shock, maintaining a relatively hawkish reaction function. However, the European Central Bank and Bank of Japan are doing the opposite, easing further because actual inflation and inflation expectations are falling too much. These different reaction functions could cause large moves in asset prices.

Indeed, the increasing divergence between the major global economies and their respective central bank policies is a significant change in the status quo seen over the last few years. When the major economies were all performing poorly and policy everywhere was stuck at the zero lower bound, the opportunity set for trading was fairly limited. The new environment we see in 2015 should lead to increased levels of volatility across multiple asset classes and geographies and paves the way for large moves in FX markets, as we are already starting to see. We intend to take full advantage of these developments.

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.

23 March 2015

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

Opinions and conclusions arising from our audit

Opinion on financial statements
We have audited the financial statements of BH Macro Limited (the "Company") for the year ended 31 December 2014 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 2014 and of its net decrease in net assets resulting from operations for the year then ended;
- are in conformity with accounting principles generally accepted in the United States of America; and
- comply with the Companies (Guernsey) Law, 2008.

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

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

Valuation of Investment in the Master Fund
Refer to page 13 of the Report of the Audit Committee and Note 3 'Significant Accounting Policies'

- **The risk** – The Company, which is a multi-class feeder fund, invested 97.4% of its net assets at 31 December 2014 into the ordinary US Dollar, Euro and Sterling denominated Class B Shares issued by Brevan Howard Master Fund Limited (the "Master Fund"), which is an open ended investment company. The Company's investment holdings in the Master Fund are valued using the respective net asset value per share class as provided by the Master Fund's administrator. The valuation of the Company's investment in the Master Fund, given it represents the majority of the net assets of the Company, is a significant area of our audit.
- **Our response** – Our audit procedures with respect to the Company's investment in the Master Fund included, but were not limited to, obtaining the net asset value per share and holdings per share confirmations for each respective share class directly from the administrator of the Master Fund, obtaining reports and undertaking 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 $52,800,000. This has been calculated using a benchmark of the Company's net asset value.

We agreed with the Audit Committee to report to it all corrected and uncorrected misstatements we identified through our audit with a value in excess of $2,640,000, 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.

Our application of materiality and an overview of the scope of our audit (continued)
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.

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

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

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

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

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

Under the Listing Rules we are required to review the part of the Corporate Governance Statement on Pages 7 and 8 relating to the Company's compliance with the ten 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 set out on Page 11, 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

23 March 2015

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

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

Audited Statement of Assets and Liabilities

As at 31 December 2014

	31.12.14 US$'000	31.12.13 US$'000
Assets		
Investment in the Master Fund	1,716,965	2,250,257
Investment sales receivable	3,650	–
Prepaid expenses	84	86
Cash and bank balances denominated in US Dollars	11,108	1,114
Cash and bank balances denominated in Euro	2,774	408
Cash and bank balances denominated in Sterling	33,756	3,166
Total assets	**1,768,337**	**2,255,031**
Liabilities		
Performance fees payable (note 4)	3	4,260
Management fees payable (note 4)	2,785	3,554
Redemptions in respect of buybacks payable	2,393	–
Accrued expenses and other liabilities	136	119
Directors' fees payable	120	143
Administration fees payable (note 4)	82	100
Total liabilities	**5,519**	**8,176**
Net assets	**1,762,818**	**2,246,855**
Number of shares in issue (note 5)		
US Dollar shares	18,332,029	24,967,761
Euro shares	5,112,916	6,792,641
Sterling shares	37,717,793	43,602,671
Net asset value per share (notes 7 and 9)		
US Dollar shares	US$20.62	US$20.60
Euro shares	€20.72	€20.74
Sterling shares	£21.40	£21.34

See accompanying notes to the Financial Statements.

Signed on behalf of the Board by:

Ian Plenderleith
Chairman

Christopher Legge
Director
23 March 2015

Audited Statement of Operations

For the year ended 31 December 2014

	01.01.14 to 31.12.14 US$'000	01.01.13 to 31.12.13 US$'000
Net investment income allocated from the Master Fund		
Interest	48,829	50,536
Dividend income (net of withholding tax: 31 December 2014: US$43,487; 31 December 2013: US$64,270)	101	278
Other income	136	–
Expenses	(43,680)	(45,999)
Net investment income allocated from the Master Fund	**5,386**	**4,815**
Company income		
Foreign exchange gains (note 3)	–	45,491
Total Company income	**–**	**45,491**
Company expenses		
Performance fees (note 4)	48	14,597
Management fees (note 4)	37,232	40,519
Other expenses	970	1,047
Directors' fees	524	538
Administration fees (note 4)	359	386
Foreign exchange losses (note 3)	96,653	–
Total Company expenses	**135,786**	**57,087**
Net investment loss	**(130,400)**	**(6,781)**
Net realised and unrealised gain on investments allocated from the Master Fund		
Net realised (loss)/gain on investments	(11,766)	134,006
Net unrealised gain/(loss) on investments	19,308	(21,881)
Net realised and unrealised gain on investments allocated from the Master Fund	**7,542**	**112,125**
Net (decrease)/increase in net assets resulting from operations	**(122,858)**	**105,344**

See accompanying notes to the Financial Statements.

Audited Statement of Changes in Net Assets

For the year ended 31 December 2014

	01.01.14 to 31.12.14 US$'000	01.01.13 to 31.12.13 US$'000
Net (decrease)/increase in net assets resulting from operations		
Net investment loss	(130,400)	(6,781)
Net realised (loss)/gain on investments allocated from the Master Fund	(11,766)	134,006
Net unrealised gain/(loss) on investments allocated from the Master Fund	19,308	(21,881)
	(122,858)	**105,344**

Share capital transactions		
Purchase of own shares		
US Dollar shares	(105,167)	–
Euro shares	(32,243)	–
Sterling shares	(223,769)	–
Partial capital return		
US Dollar shares	–	(10,248)
Euro shares	–	(3,054)
Sterling shares	–	(30,862)
Total share capital transactions	**(361,179)**	**(44,164)**

Net (decrease)/increase in net assets	**(484,037)**	**61,180**
Net assets at the beginning of the year	**2,246,855**	**2,185,675**
Net assets at the end of the year	**1,762,818**	**2,246,855**

See accompanying notes to the Financial Statements.

Audited Statement of Cash Flows

For the year ended 31 December 2014

	01.01.14 to 31.12.14 US$'000	01.01.13 to 31.12.13 US$'000
Cash flows from operating activities		
Net (decrease)/increase in net assets resulting from operations	(122,858)	105,344
Adjustments to reconcile net (decrease)/increase in net assets resulting from operations to net cash provided by/(used in) operating activities:		
Net investment income allocated from the Master Fund	(5,386)	(4,815)
Net realised loss/(gain) on investments allocated from the Master Fund	11,766	(134,006)
Net unrealised (gain)/loss on investments allocated from the Master Fund	(19,308)	21,881
Purchase of investment in the Master Fund	(19,803)	(14,061)
Proceeds from sale of investment in the Master Fund	465,739	106,581
Foreign exchange losses/(gains)	96,653	(45,491)
Decrease in prepaid expenses	2	3
Decrease in performance fees payable	(4,256)	(652)
(Decrease)/increase in management fees payable	(768)	84
Increase in accrued expenses and other liabilities	17	9
(Decrease)/increase in directors' fees payable	(23)	8
(Decrease)/increase in administration fees payable	(18)	4
Net cash provided by operating activities	**401,757**	**34,889**
Cash flows from financing activities		
Partial capital return	–	(44,164)
Purchase of own shares	(358,786)	–
Net cash used in financing activities	**(358,786)**	**(44,164)**
Change in cash	**42,971**	**(9,275)**
Cash, beginning of the year	**4,688**	**13,938**
Effect of exchange rate fluctuations	(21)	25
Cash, end of the year	**47,638**	**4,688**
Cash, end of the year		
Cash and bank balances denominated in US Dollars	11,108	1,114
Cash and bank balances denominated in Euro	2,774	408
Cash and bank balances denominated in Sterling	33,756	3,166
	47,638	**4,688**

See accompanying notes to the Financial Statements.

Notes to the Audited Financial Statements

For the year ended 31 December 2014

1. The Company

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

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

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

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

2. Organisation

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

The Master Fund is an open-ended investment company with limited liability formed under the laws of the Cayman Islands on 22 January 2003. The investment objective of the Master Fund is to generate consistent long-term appreciation through active leveraged trading and investment on a global basis. The Master Fund employs a combination of investment strategies that focus primarily on economic change and monetary policy and market inefficiencies. The underlying philosophy is to construct strategies, often contingent in nature with superior risk/return profiles, whose outcome will often be crystallised by an expected event occurring within a pre-determined period of time. New trading strategies will be added as investment opportunities present themselves.

At the date of these Financial Statements, there were two other feeder funds in operation in addition to the Company that invest all of their assets (net of working capital) in the Master Fund.

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

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

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

The Manager

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

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

3. Significant accounting policies

The Annual Audited Financial Statements, which give a true and fair view, are prepared in conformity with United States Generally Accepted Accounting Principles and comply with the Companies (Guernsey) Law, 2008. The functional and reporting currency of the Company is US Dollars.

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

Valuation of investments

The Company records its investment in the Master Fund at fair value. Fair value is determined as the Company's proportionate share of the Master Fund's capital. At 31 December 2014 the Company is the sole investor in the Master Fund's ordinary US Dollar, Euro and Sterling Class B Shares as disclosed below. Within the table below, the investment in each share class in the Master Fund is included, with the overall total investment shown in the Audited Statement of Assets and Liabilities.

3. Significant accounting policies (continued)

	Percentage of Master Fund's capital	NAV per Share (Class B)	Shares held in the Master Fund (Class B)	Investment in Master Fund Local CCY '000	Investment in Master Fund US$'000
31 December 2014					
US Dollar	1.86%	$2,752.91	134,064	$369,066	369,066
Euro	0.62%	€2,783.48	36,282	€100,990	122,860
Sterling	6.14%	£2,900.35	271,442	£787,276	1,225,039
					1,716,965
31 December 2013					
US Dollar	2.12%	US$2,724.84	189,030	$515,076	515,076
Euro	0.79%	€2,749.10	51,331	€141,113	194,927
Sterling	6.48%	£2,857.76	326,136	£932,019	1,540,254
					2,250,257

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 measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value. Inputs may be observable or unobservable.

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

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

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

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

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

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

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

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

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

Notes to the Audited Financial Statements continued

For the year ended 31 December 2014

3. Significant accounting policies (continued)

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Directors' own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Directors use prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

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

Income and expenses

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

Use of estimates

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

Leverage

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

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

Foreign exchange

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

Cash and Bank Balances

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

Allocation of results of the Master Fund

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

Treasury shares

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

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

4. Management, performance and administration agreements

Management and performance fee

The Company has entered into a management agreement with the Manager to manage the Company's investment portfolio. The Manager receives a management fee of 1/12 of 2% (or a pro rata proportion thereof) per month of the NAV of each class of shares (before deduction of that month's management fee and before making any deduction for any accrued performance fee) as at the last business day in each month, payable monthly in arrears. The investment in the Class B shares of the Master Fund is not subject to management fees, but is subject to an operational service fee payable to the Manager of 1/12 of 0.5% per month of the NAV. During the year ended 31 December 2014, US$37,231,780 (31 December 2013: US$40,519,203 was earned by the Manager as management fees. At 31 December 2014, US$2,785,469 (31 December 2013: US$3,553,603 of the fee remained outstanding.

4. Management, performance and administration agreements (continued)

The Manager is also entitled to an annual performance fee for each share class. The performance fee is equal to 20% of the appreciation in the NAV per share of that class during that calculation period which is above the base NAV per share of that class. The base NAV per share is the greater of the NAV per share of the relevant class at the time of issue of such share and the highest NAV per share achieved as at the end of any previous calculation period. The Manager will be paid an estimated performance fee on the last day of the calculation period. Within 15 business days following the end of the calculation period, any difference between the actual performance fee and the estimated amount will be paid to or refunded by the Manager, as appropriate.

The investment in the Class B shares of the Master Fund is not subject to performance fees. The portion of any performance fee accrued in respect of a class of shares that relates to the portion of shares of the relevant class which are redeemed, repurchased or cancelled during the calculation period will crystallise and shall be paid to the Manager as at the date of redemption, repurchase or cancellation. Where a portion of any performance fee accrued in respect of a class of shares crystallises as a result of the conversion of shares of that class into shares of another class, that portion of the performance fee shall be paid to the Manager at the same time as any performance fees in respect of the entire relevant calculation period. During the year ended 31 December 2014, US$47,598 (31 December 2013: US$14,597,266) was earned by the Manager as performance fees. At 31 December 2014 US$3,174 (31 December 2013: US$4,259,507) of the fee remained outstanding.

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

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

Administration fee

The Company has appointed Northern Trust International Fund Administration Services (Guernsey) Limited as Administrator and Corporate Secretary. The Administrator is paid fees based on the NAV of the Company, payable quarterly. The fee is at a rate of 0.015% of the average month end NAV of the Company, subject to a minimum fee of £67,500 per annum. In addition to the NAV based fee the Administrator is also entitled to an annual fee of £36,000 for certain additional administration services. The Administrator is entitled to be reimbursed out-of-pocket expenses incurred in the course of carrying out its duties as Administrator. During year ended 31 December 2014, US$358,585 (31 December 2013: US$385,520) was earned by the Administrator as administration fees. At 31 December 2014, US$81,691 (31 December 2013: $99,771) of the fee remained outstanding.

5. Share capital

Issued and authorised share capital

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

For the year to 31 December 2014

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2014	**24,967,761**	**6,792,641**	**43,602,671**
Share conversions	(1,101,234)	(418,981)	979,189
Purchase of shares into Treasury	(5,534,498)	(1,260,744)	(6,864,067)
In issue at 31 December 2014	**18,332,029**	**5,112,916**	**37,717,793**
Number of treasury shares			
In issue at 1 January 2014	**2,208,476**	**522,013**	**877,595**
On market purchases	5,534,498	1,260,744	6,864,067
Shares cancelled	(5,945,000)	(1,275,000)	(4,420,000)
In issue at 31 December 2014	**1,797,974**	**507,757**	**3,321,662**
Percentage of class	**8.93%**	**9.03%**	**8.09%**

Notes to the Audited Financial Statements continued

For the year ended 31 December 2014

5. Share capital (continued)

For the year to 31 December 2013

	US Dollar shares	Euro shares	Sterling shares
Number of ordinary shares			
In issue at 1 January 2013	**29,613,121**	**7,405,670**	**41,675,441**
Share conversions	(4,113,152)	(492,719)	2,949,914
Partial capital return	(532,208)	(120,310)	(1,022,684)
In issue at 31 December 2013	**24,967,761**	**6,792,641**	**43,602,671**
Number of treasury shares			
In issue at 1 January 2013	**3,058,476**	**522,013**	**877,595**
Shares cancelled	(850,000)	–	–
In issue at 31 December 2013	**2,208,476**	**522,013**	**877,595**
Percentage of class	**8.13%**	**7.14%**	**1.97%**

Share capital account

	US Dollar shares US$'000	Euro shares €'000	Sterling shares £'000	Company Total US$'000
At 31 December 2013	53,883	31,754	17,188	133,549
At 31 December 2014	**53,883**	**31,754**	**17,188**	**133,549**

Share classes

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

Voting rights of shares

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

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

Treasury shares do not have any voting rights.

Repurchase of ordinary shares

The Directors have been granted authority to purchase in the market up to 14.99% of each class of shares and they intend to seek renewal of this authority from Shareholders which was last granted on 3 December 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, Shareholders of a class of shares also have the ability to call for repurchase of that class of shares in certain circumstances. See note 8 for further details.

Further issue of shares

As approved by the Shareholders at the Annual General Meeting held on 16 June 2014, the Directors have the power to issue further shares totalling 7,622,880 US Dollar shares, 1,989,326 Euro shares and 14,277,069 Sterling shares respectively. This power expires fifteen months after the passing of the resolution or on the conclusion of the next Annual General Meeting of the Company, whichever is earlier, unless such power is varied, revoked or renewed prior to that Meeting by a resolution of the Company in general meeting.

5. Share capital (continued)

Distributions

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

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

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

Treasury shares are not entitled to distributions.

Annual redemption offer

Once in every calendar year the Directors may, in their absolute discretion, determine that the Company shall 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 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 partial return of capital is made in any particular year and, if so, the amount of the return, may depend, among other things, on prevailing market conditions, the ability of the Company to liquidate its investments to fund the capital return, the success of prior capital returns and applicable legal, regulatory and tax considerations.

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

The Directors determined not to make an Annual Redemption offer during 2014.

Share conversion scheme

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

6. Taxation

Overview

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

Uncertain tax positions

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

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

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

7. Publication and calculation of net asset value

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

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

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

Notes to the Audited Financial Statements continued

For the year ended 31 December 2014

8. Discount management programme

The Company's discount management programme includes the ability to make market purchases of shares and the obligation to propose class closure resolutions if, in any fixed discount management period (1 January to 31 December each year), the average daily closing market price of the relevant class of shares during such period is 10% or more below the average NAV per share of the relevant class taken over the 12 monthly NAV Determination Dates in that fixed discount management period, as described more fully in the Company's principal documents.

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

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

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

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

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

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

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

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

The total number of shares held in treasury at 31 December 2014 are as disclosed in note 5.

9. Financial highlights

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

	31.12.14 US Dollar shares US$	31.12.14 Euro shares €	31.12.14 Sterling shares £
Per share operating performance			
Net asset value at beginning of the year	**20.60**	**20.74**	**21.34**
Income from investment operations			
Net investment loss*	(0.40)	(0.38)	(0.38)
Net realised and unrealised (loss)/gain on investment	(0.08)	(0.05)	0.15
Other capital items**	0.50	0.41	0.29
Total return	**0.02**	**(0.02)**	**0.06**
Net asset value, end of the year	**20.62**	**20.72**	**21.40**
Total return before performance fee	0.10%	(0.10%)	0.28%
Performance fee	0.00%	0.00%	0.00%
Total return after performance fee	**0.10%**	**(0.10%)**	**0.28%**

9. Financial highlights (continued)

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 period from 1 January 2014 to 31 December 2014. An individual shareholder's return may vary from these returns based on the timing of their purchase or sale of shares.

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

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

	31.12.13 US Dollar shares US$	31.12.13 Euro shares €	31.12.13 Sterling shares £
Per share operating performance			
Net asset value at beginning of the year	**20.06**	**20.21**	**20.70**
Income from investment operations			
Net investment loss*	(0.54)	(0.51)	(0.50)
Net realised and unrealised gain on investment	1.15	1.11	1.07
Other capital items**	(0.07)	(0.07)	0.07
Total return	**0.54**	**0.53**	**0.64**
Net asset value, end of the year	**20.60**	**20.74**	**21.34**
Total return before performance fee	3.48%	3.29%	3.78%
Performance fee	(0.75%)	(0.69%)	(0.68%)
Total return after performance fee	**2.73%**	**2.60%**	**3.10%**

Total return reflects the net return for an investment made at the beginning of the year and is calculated as the change in the NAV per ordinary share during the year from 1 January 2013 to 31 December 2013. An individual shareholder's return may vary from these returns based on the timing of their purchase or sale of shares.

Notes to the Audited Financial Statements continued

For the year ended 31 December 2014

9. Financial highlights (continued)

	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	**514,307**	**140,892**	**930,612**
Average net asset value for the year	**571,738**	**146,903**	**898,052**

	31.12.13 US Dollar shares	31.12.13 Euro shares	31.12.13 Sterling shares
Ratio to average net assets			
Operating expenses			
Company expenses***	1.94%	1.95%	1.95%
Master Fund expenses****	0.93%	0.93%	0.93%
Master Fund interest expense*****	1.18%	1.18%	1.18%
Performance fee	0.63%	0.65%	0.69%
	4.68%	**4.71%**	**4.75%**
Net investment loss before performance fees*	**(1.71%)**	**(1.73%)**	**(1.74%)**
Net investment loss after performance fees*	**(2.34%)**	**(2.38%)**	**(2.43%)**

Notes

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

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

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

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

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

10. Related party transactions

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

Management and performance fees are disclosed in note 4.

Directors' fees are disclosed in the Directors' Remuneration Report on page 12.

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

11. Subsequent events

The Directors have evaluated subsequent events up to 23 March 2015, which is the date that the Financial Statements were available to be issued, and have concluded there are no further items that require disclosure or adjustment to the Financial Statements other than those listed below.

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

Treasury shares	Number of shares purchased	Cost (US$)	Cost (in currency)
US Dollar shares	177,751	3,513,343	$3,513,343
Sterling shares	656,686	20,318,483	£13,401,205
Euro shares	70,909	1,644,322	€1,404,569

On 16 January 2015, the Company cancelled 130,000 EUR treasury shares.

Following the purchases and cancellations of shares, the Company held 1,975,725 US Dollar shares, 3,978,348 Sterling shares and 448,666 Euro shares held as treasury shares as at 23 March 2015.

No further subsequent events have occurred.

Historic Performance Summary

As at 31 December 2014

	31.12.14 US$'000	31.12.13 US$'000	31.12.12 US$'000	31.12.11 US$'000	31.12.10 US$'000
Net (decrease)/increase in net assets resulting from operations	**(122,858)**	**105,344**	**147,335**	**217,363**	**(40,173)**
Total assets	**1,768,337**	**2,255,031**	**2,194,398**	**2,046,365**	**1,827,306**
Total liabilities	**(5,519)**	**(8,176)**	**(8,723)**	**(5,324)**	**(3,628)**
Net assets	**1,762,818**	**2,246,855**	**2,185,675**	**2,041,041**	**1,823,678**
Number of shares in issue					
US Dollar shares	18,332,029	24,967,761	29,613,121	30,428,658	31,841,026
Euro shares	5,112,916	6,792,641	7,405,670	9,467,331	14,780,360
Sterling shares	37,717,793	43,602,671	41,675,441	39,634,764	34,283,784
Net asset value per share					
US Dollar shares	US$20.62	US$20.60	US$20.06	US$19.31	US$17.24
Euro shares	€20.72	€20.74	€20.21	€19.50	€17.29
Sterling shares	£21.40	£21.34	£20.70	£19.92	£17.73

Affirmation of the Commodity Pool Operator

31 December 2014

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

By:

Name: David Barton
Title: Head of Legal and Authorised Signatory

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

23 March 2015

Notes

Company Information

Directors

Ian Plenderleith (Chairman)*

Huw Evans*

Christopher Legge (Senior Independent Director)*

Talmai Morgan

David Barton
(appointed 17 April 2014)

Claire Whittet*
(appointed 16 June 2014)

Anthony Hall*
(resigned 16 June 2014)

Stephen Stonberg
(resigned 31 March 2014)

(All Directors are non-executive)

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

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