BREVAN HOWARD

BH GLOBAL LIMITED

MONTHLY SHAREHOLDER REPORT: MARCH 2017

YOUR ATTENTION IS DRAWN TO THE DISCLAIMER AT THE END OF THIS DOCUMENT

BH GLOBAL LIMITED

MONTHLY SHAREHOLDER REPORT: MARCH 2017

BREVAN HOWARD

www.bhglobal.com

BH Global Limited

Manager:
Brevan Howard Capital Management LP (“BHCM”)

Administrator:
Northern Trust International Fund Administration Services (Guernsey) Limited (“Northern Trust”)

Joint Corporate Brokers:
J.P. Morgan Cazenove
Canaccord Genuity Ltd.

Listings:
London Stock Exchange (Premium Listing)
NASDAQ Dubai - USD Class (Secondary Listing)
Bermuda Stock Exchange (Secondary Listing)

Overview:

BH Global Limited (“BHG”) is a closed-ended investment company, registered and incorporated in Guernsey on 25 February 2008 (Registration Number: 48555).

Prior to 1 September 2014, BHG invested all its assets (net of short-term working capital) in Brevan Howard Global Opportunities Master Fund Limited (“BHGO”). With effect from 1 September 2014, BHG changed its investment policy to invest all its assets (net of short-term working capital) in Brevan Howard Multi-Strategy Master Fund Limited (“BHMS” or the “Fund”) a company also managed by BHCM.

BHG was admitted to the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange on 29 May 2008.

BHMS has the ability to allocate capital to investment funds and directly to the underlying traders of Brevan Howard affiliated investment managers. The Direct Investment Portfolio (the “DIP”) is the allocation of BHMS’ assets to individual trading books. The BHMS allocations are made by an investment committee of BHCM who draw upon the resources and expertise of the entire Brevan Howard group.

Total Assets: $455 mm[1]

1. As at 31 March 2017 by BHG’s administrator, Northern Trust.

Summary Information

BH Global Limited NAV per share (as at 31 March 2017)

Shares Class	NAV (USD mm)	NAV per Share
USD Shares	59.0	14.21
GBP Shares	396.1	14.31

BH Global Limited NAV per Share* % Monthly Change

USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008						1.16*	0.10	0.05	-3.89	1.13	2.74	0.38	1.55
2009	3.35	1.86	1.16	1.06	2.79	-0.21	1.07	0.27	1.49	0.54	0.11	0.04	14.31
2010	0.32	-0.85	-0.35	0.53	-0.06	0.60	-0.79	0.80	1.23	0.39	-0.21	-0.06	1.54
2011	0.09	0.42	0.34	1.20	0.19	-0.56	1.61	3.51	-1.29	-0.14	0.19	-0.88	4.69
2012	1.22	1.02	-0.54	-0.10	-0.65	-1.53	1.46	0.70	1.47	-0.72	0.81	1.26	4.44
2013	1.33	0.49	0.33	1.60	-0.62	-1.95	-0.14	-0.86	0.09	-0.13	0.95	0.75	1.79
2014	-0.98	-0.04	-0.26	-0.45	0.90	0.70	0.60	0.05	1.56	-0.75	0.71	0.44	2.49
2015	3.37	-0.41	0.35	-1.28	1.03	-1.49	-0.06	-1.56	-0.58	-0.67	3.06	-3.31	-1.73
2016	0.82	1.03	-0.83	-0.66	0.28	1.71	0.13	0.10	-0.23	0.47	3.62	0.82	7.42
2017	0.22	0.92	-0.99										0.14

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2008						1.40*	0.33	0.40	-4.17	1.25	3.27	0.41	2.76
2009	3.52	1.94	1.03	0.68	2.85	-0.28	1.05	0.31	1.51	0.58	0.12	0.08	14.15
2010	0.35	-0.93	-0.32	0.58	-0.04	0.62	-0.81	0.84	1.17	0.37	-0.20	-0.03	1.61
2011	0.10	0.41	0.38	1.13	0.04	-0.59	1.69	3.67	-1.41	-0.15	0.21	-0.84	4.65
2012	1.23	1.05	-0.51	-0.08	-0.62	-1.51	1.50	0.70	1.44	-0.72	0.72	1.31	4.55
2013	1.36	0.56	0.36	1.63	-0.48	-1.91	-0.11	-0.84	0.14	-0.11	0.97	0.77	2.32
2014	-0.97	-0.14	-0.33	-0.30	0.56	0.48	0.42	0.03	1.85	-0.76	0.78	0.48	2.09
2015	3.48	-0.34	0.33	-1.26	1.18	-1.50	-0.03	-1.44	-0.64	-0.79	3.02	-3.16	-1.32
2016	0.91	1.08	-1.04	-0.65	0.24	1.46	0.13	-0.14	-0.34	0.59	3.28	0.96	6.60
2017	0.16	0.87	-1.15										-0.12

Source: Fund NAV data is provided by the administrator of BHMS, International Fund Services (Ireland) Limited ("IFS"). BHG NAV and NAV per Share data is provided by BHG's administrator, Northern Trust. BHG NAV per Share % Monthly Change calculations are made by BHCM. BHG NAV data is unaudited and net of all investment management and performance fees and all other fees and expenses payable by BHG. NAV performance is provided for information purposes only. Shares in BHG do not necessarily trade at a price equal to the prevailing NAV per Share.

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

Data as at 31 March 2017.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Multi-Strategy Master Fund Limited

Unaudited as at 31 March 2017

	% of Gross Market Value* on a non-look through basis
Level 1	49.2
Level 2	36.0
Level 3	1.4
At NAV	13.4

Source: BHCM, sum may not total 100% due to rounding.

* This data is unaudited and has been calculated by BHCM using the same methodology as that used in the most recent audited financial statements of the Fund. Sum may not total 100% due to rounding.

Level 1: This represents the level of assets in the portfolio which are priced using unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: This represents the level of assets in the portfolio which are priced using either (i) quoted prices that are identical or similar in markets that are not active or (ii) model-derived valuations for which all significant inputs are observable, either directly or indirectly in active markets.

Level 3: This represents the level of assets in the portfolio which are priced or valued using inputs that are both significant to the fair value measurement and are not observable directly or indirectly in an active market.

At NAV: This represents the level of assets in the portfolio that are invested in other funds and priced or valued at NAV as calculated by IFS.

	% of Gross Market Value* on a look through basis
Level 1	55.9
Level 2	43.0
Level 3	1.1

Source: BHCM

* This data reflects the combined ASC 820 levels of the Fund and the underlying allocations (funds and DIP portfolio) in which the Fund is invested, proportional to each of the underlying allocation's weighting in the Fund's portfolio. The data is unaudited and has been calculated by BHCM using the same methodology as that used in the most recent audited financial statements of the Fund and the underlying funds. The relative size of each category is subject to change. Sum may not total 100% due to rounding.

Level 1: This represents the level of assets in the portfolio which are priced using unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: This represents the level of assets in the portfolio which are priced using either (i) quoted prices that are identical or similar in markets that are not active or (ii) model-derived valuations for which all significant inputs are observable, either directly or indirectly in active markets.

Level 3: This represents the level of assets in the portfolio which are priced or valued using inputs that are both significant to the fair value measurement and are not observable directly or indirectly in an active market.

The information in this section has been provided to BHG by BHCM.

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

	Rates	FX	Commodity	Credit	Equity	Discount Management	TOTAL
March 2017	-0.73	-0.75	-0.10	0.51	0.06	0.02	-0.99
Q1 2017	0.88	-2.22	-0.16	1.31	0.26	0.08	0.14
YTD 2017	0.88	-2.22	-0.16	1.31	0.26	0.08	0.14

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

*Data as at 31 March 2017

Monthly, quarterly and annual figures as at 31 March 2017, based on performance data for each period provided by BHG's administrator, Northern Trust. Figures rounded to two decimal places.

Methodology and Definition of Contribution to Performance:
Attribution by asset class is produced at the instrument level, with adjustments made based on risk estimates.
The above asset classes are categorised as follows:
"**Rates**": interest rates markets
"**FX**": FX forwards and options
"**Commodity**": commodity futures and options
"**Credit**": corporate and asset-backed indices, bonds and CDS
"**Equity**": equity markets including indices and other derivatives
"**Discount Management**": buyback activity for discount management purposes

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

	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Discount Management	TOTAL
March 2017	-1.38	-0.23	-0.02	-0.01	-0.00	0.46	0.17	-0.00	0.02	-0.99
Q1 2017	-0.91	-0.15	-0.06	-0.14	-0.00	1.10	0.27	-0.00	0.08	0.14
YTD 2017	-0.91	-0.15	-0.06	-0.14	-0.00	1.10	0.27	-0.00	0.08	0.14

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

* Data as at 31 March 2017

Monthly, quarterly and annual figures as at 31 March 2017, based on performance data for each period provided by BHG's administrator, Northern Trust. Figures rounded to two decimal places.

Methodology and Definition of Contribution to Performance:
Strategy Group Attribution is approximate and has been derived by allocating each underlying trader book to a single category. In cases where a trader book has activity in more than one category, the most relevant category has been selected.
The above strategies are categorised as follows:
"**Macro**": multi-asset global markets, mainly directional (for BHG, the majority of risk in this category is in rates)
"**Systematic**": rules-based futures trading
"**Rates**": developed interest rates markets
"**FX**": global FX forwards and options
"**Equity**": global equity markets including indices and other derivatives
"**Credit**": corporate and asset-backed indices, bonds and CDS
"**EMG**": global emerging markets
"**Commodity**": liquid commodity futures and options
"**Discount Management**": buyback activity for discount management purposes

BH GLOBAL LIMITED

MONTHLY SHAREHOLDER REPORT: MARCH 2017

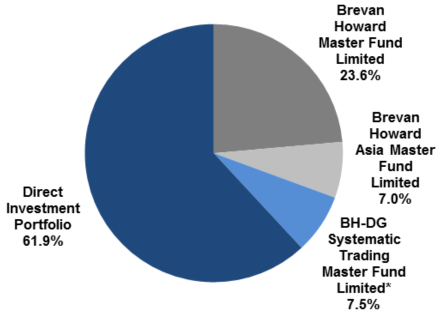
BREVAN HOWARD

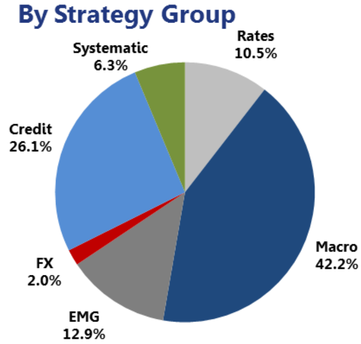
www.bhglobal.com

Portfolio Update for BHG

The information in this section has been provided to BHG by BHCM

Allocations of BHMS as at 31 March 2017 (allocations subject to change):





Source: BHCM; figures rounded to one decimal place. Sum may not total 100% due to rounding.

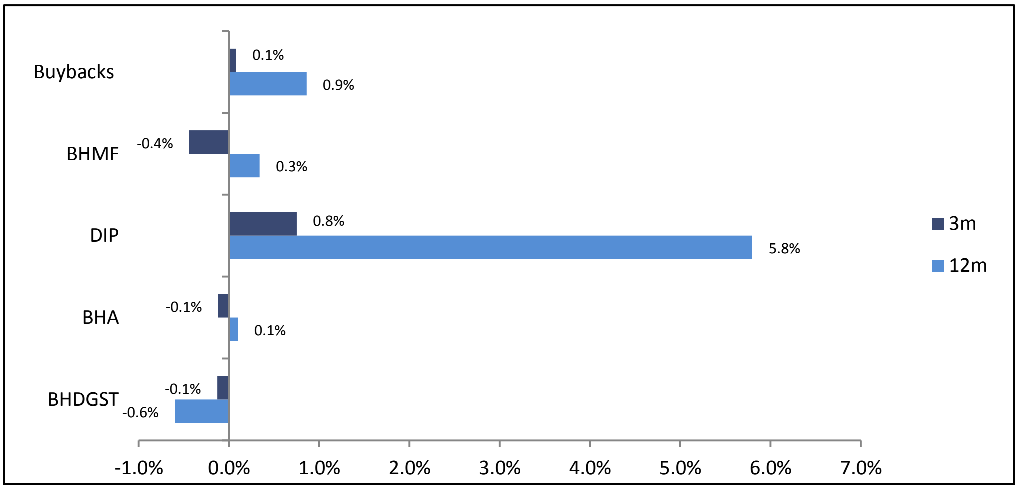
*Known as Brevan Howard Systematic Trading Master Fund Limited prior to 8 April 2016.

Methodology and Definition of Allocation by Strategy Group:

Strategy Group allocation is approximate and has been derived by allocating each trader book in the underlying funds and in the Direct Investment Portfolio to a single category. In cases where a trader book has activity in more than one category, the most relevant category has been selected.

The above strategies are categorised as follows:
"**Macro**": multi-asset global markets, mainly directional (for the Fund, the majority of risk in this category is in rates)
"**Systematic**": rules-based futures trading
"**Rates**": developed interest rates markets
"**FX**": global FX forwards and options
"**Credit**": corporate and asset-backed indices, bonds and CDS
"**EMG**": global emerging markets

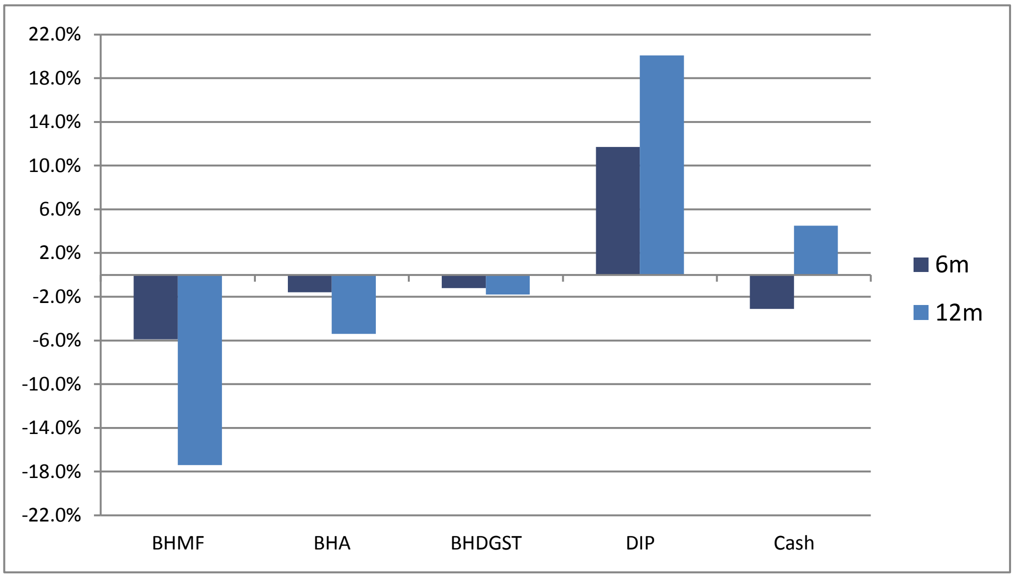
BHG Quarterly and Annual Contribution (%) by Underlying Allocation as at 31 March 2017



Fund Definitions
BHMF: Brevan Howard Master Fund Limited
BHA: Brevan Howard Asia Master Fund Limited
BHDGST: BH-DG Systematic Trading Master Fund Limited

www.bhglobal.com

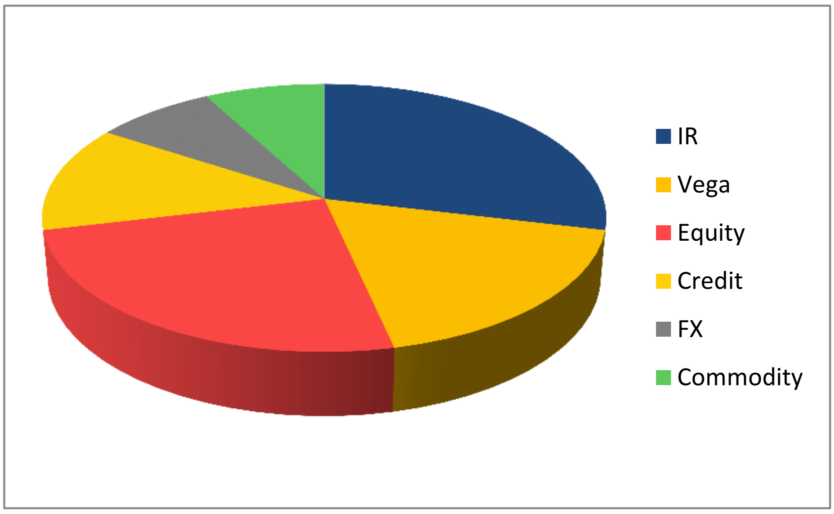
BHG Allocation Changes as a % of NAV as at 31 March 2017 (allocations subject to change):



BHG Exposures by Asset Class as at 31 March 2017 (exposures subject to change):

Asset Class	**VaR** by asset class as a % of total VaR**
IR	29
Vega	18
Equity	25
Credit	13
FX	8
Commodity	8

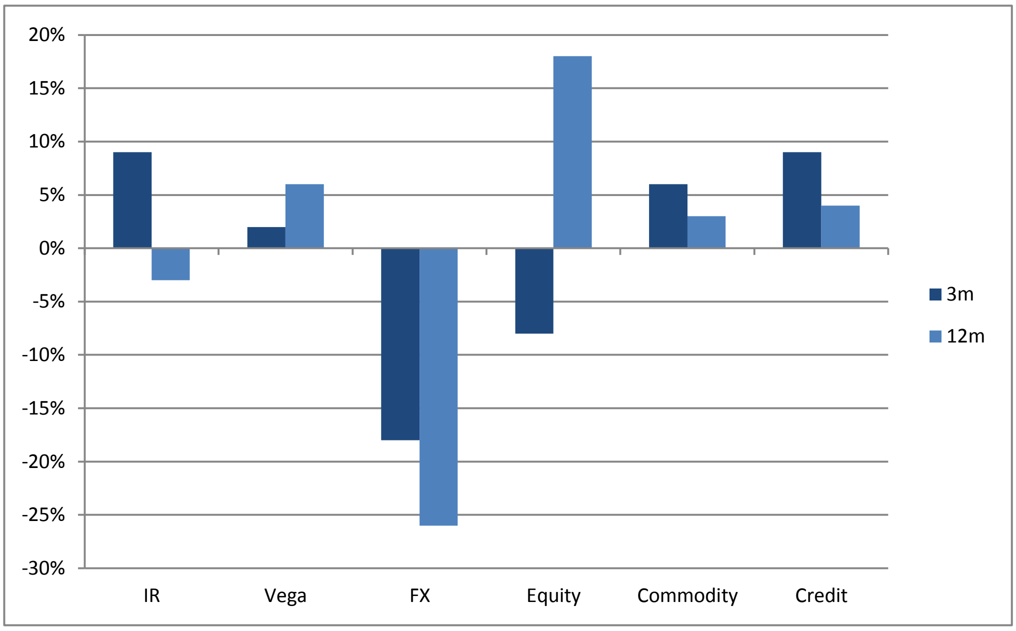
Source: BHCM; figures rounded to the nearest whole number.



Calculated using historical simulation based on a 1 day, 95% confidence interval.

Source: BHCM; figures rounded to the nearest whole number. Data may differ from those published for BHMS as BHG may hold cash for short-term working capital purposes.

BHG Exposure Changes as at 31 March 2017 (subject to change):



Source: BHCM; figures rounded to the nearest whole number.

Monthly Performance Review for BHG

The information in this section has been provided to BHG by BHCM.

BHG Monthly Commentary

The NAV per share of BHG's USD shares depreciated by 0.99% and the NAV per share of BHG's GBP shares depreciated by 1.15% in March 2017.

Monthly Performance of BHMS Underlying Allocations*

Investment	Rates	FX	Equity	Commodity	Credit	March 2017 Total	YTD Total
Brevan Howard Master Fund Limited Class Z (USD)**	-1.98%	-0.81%	-0.01%	0.02%	0.07%	-2.71%	-1.82%
Brevan Howard Asia Master Fund Limited (USD)**	0.23%	0.06%	-0.10%	-0.00%	0.00%	0.19%	-1.39%
BH-DG Systematic Trading Master Fund Limited Class Z (USD)**	-2.18%	-1.24%	1.83%	-1.59%	0.00%	-3.17%	-1.73%
Direct Investment Portfolio	-0.26%	-0.82%	-0.13%	-0.01%	0.77%	-0.45%	2.05%

*As at 31 March 2017

** The USD currency class of each fund is used as a proxy for the performance of each of the funds; BHMS also invests in other currency classes of the funds.

Source: Data for the funds in which BHMS invests in is provided by their respective administrators, calculations by BHCM.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Brevan Howard Master Fund Limited ("BHMF")

The NAV per share of BHMF Class Z USD shares depreciated by 2.71% in March due mainly to losses from interest rate and FX trading. Interest rate losses were driven by a combination of directional and relative value positioning predominantly in European interest rates and to a lesser degree in the US. Declines in the level of implied option volatility across the major interest rate markets also contributed to the loss. FX trading losses were driven in the most part by the strength of the EUR vs USD and to a lesser degree versus CHF, with partially offsetting gains from long positions in MXN and SEK. Small credit gains were generated by liquid agency trading.

Brevan Howard Asia Master Fund Limited ("BHA")

The NAV per share of BHA Ordinary USD shares appreciated by 0.19% in March. Interest rate trading generated small gains, FX trading overall was virtually flat and equity trading detracted from performance. Interest rate trading gains were dominated by outright short and steepening positions in the US curve early in the month, which reversed to some extent after the FOMC meeting. Steepening curve positioning in AUD curve also contributed. Weakness in the USD versus several Asian currencies in the second half of the month combined with declining levels of implied volatility saw gains in FX trading in the early part of the month also eroded to finish very close to flat. Moderate equity trading losses came from short positions in South Korean and European equity indices as well as a general decline in implied volatilities.

BH-DG Systematic Trading Master Fund Limited ("BHDGST")

The NAV per share of BHDGST Class Z USD shares depreciated by 3.17% in March. March saw a divergence in equity performance across different geographic regions. European indices continued to rally strongly, whilst the S&P 500 and Russell 2000 were broadly unchanged on the month and Japanese stock indices sold off. BHDGST continued to profit as it maintained its long exposure to equity indices, with the largest individual contributions coming from the Euro STOXX 50 and CAC 40. Overall, equity indices added approximately 1.92% to gross returns for the month. It was a challenging month for trend-following in other asset classes. The bond sector was the largest detractor for the month, reducing gross returns by approximately 1.69%, whilst BHDGST sustained more modest losses on its positioning in STIRs. Currency markets also experienced volatile trading during the month of March. BHDGST experienced losses from long positions in precious metals, as Gold and Silver sold off during the first half of the month. It responded by cutting risk and reversing its position to a short, before reverting to a long position again as markets rallied in the latter part of the month.

Direct Investment Portfolio ("DIP")

In March the Direct Investment Portfolio ("DIP") depreciated by 0.45%. FX trading was the largest detractor. Gains in long exposure to SEK against the EUR were more than offset by losses in other currencies where short exposure to the EUR against USD was the key detractor. Directional and relative value trading in EUR and USD interest rates generated additional smaller losses. Tactical trading in equity indices was a small detractor. The decline in the Nikkei during the second half of the month was one of the negative drivers. A part of the losses in the DIP were offset by gains in credit, where agency trading was the main driver with additional gains from non-agency RMBS and legacy (i.e. pre-crisis) CMBS continued to perform well. RMBS are increasingly in demand from outright long money managers as "safe yield" assets, while underlying loan performance and refinancing activity in the legacy CMBS continued to beat market expectations. Corporates showed a small loss for the month where bespoke tranches slightly outperformed hedges, while single name longs and shorts generally performed in line with one another, though longs lagged shorts a little during the sharp month-end rally.

Manager's Market Review and Outlook

The information in this section has been provided to BHG by BHCM.

US

The labour market sent mixed signals in March, with the unemployment rate hitting a new cycle low of 4.5% accompanied by a slowdown in the pace of hiring. Although estimates of the long-run sustainable unemployment rate have wide confidence intervals, the 4.5% unemployment rate is slightly below most point estimates of full employment. At the same time, payroll employment growth dipped. However, smoothing through the weather impacts over the last three months, the average monthly increase is a still healthy 175,000 (approximately). Wage indicators appear to be sturdy but not accelerating in any marked way.

Growth in the first quarter appears to have slowed to around 1% (annualised). For a variety of reasons, first-quarter growth has often disappointed in recent years. However, the reasons have ranged from technical factors such as seasonal adjustment, temporary factors like the weather or trade disruptions, and more sustained weakness as previously seen in business investment or government spending. In the current situation, consumption spending, which makes up the vast majority of the overall GDP, has been weak. Some of that owed to the weather and what appears to be temporary weakness in outlays on lumpy goods like autos. A bounce back in the second quarter is expected. By contrast, business investment looks like it firmed in the first quarter. More generally, there is a debate about how the gap between the so-called soft data like surveys and the hard data like retail sales will resolve itself. It is thought, the strength in the soft data may overstate the underlying strength in the economy, and the weakness in the hard data is exaggerated by transitory volatility that often accompanies the business cycle.

Inflation developments were unusually interesting in March. The headline figure has been flattered by the lagged impact of higher energy prices and is probably poised to top out around 2%. Apart from energy and food, the core category was remarkably soft, showing its largest outright monthly decline in the last thirty years. Whenever there is such a marked decline, special factors are at work. In this case, the combination of new adjustment of mobile phone plans and various vendors' introduction of unlimited data plans combined to account for the decline. Apart from this special story, price changes were still unusually weak. Some of that owed to volatile categories. However, the large and persistent housing inflation categories look like they are no longer putting upward pressure on overall inflation.

The Federal Reserve has turned more constructive on the economy and delivered its second consecutive quarterly rate hike in March. Its communications have pointed to more rate hikes this year and beginning to shrink passively its US$4.5 trillion balance sheet, perhaps as soon as later this year. The market doesn't seem to believe it, although, the market did not believe the Fed would raise rates in March until very close to the meeting. President Trump's legislative agenda suffered a setback when the Republican Congress failed to pass its version of repealing and replacing Obamacare. That setback impedes progress on the more macro-relevant legislation on tax cuts and reform. For now, developments in Washington are stalled and the question is whether this is temporary or a more persistent feature of a potentially gridlocked Congress. Time will tell.

UK

After the UK economy had proved resilient in the second half of 2016 in response to the Brexit vote, the latest data suggest that a slowdown in economic activity may at last be under way. As inflation rises, any given nominal amount of spending buys fewer goods and services; correspondingly, as consumer price inflation hit 2.3% y/y in February, up from 1.6% y/y in December, the growth of retail sales excluding fuel slowed to an average of 3.1% y/y in the two months ended February 2017 from 5.7% y/y in the two months ended December 2016. House price growth also decelerated on a broad range of metrics, to around 2.5% y/y at the end of the first quarter from around 5.0% y/y at the end of last year. It remains to be seen as to what extent the emerging domestic weakness can be offset by the remarkable and broad-based global upswing that, along with weaker Sterling, could provide a welcome boost to UK exports. All told, however, the National Institute of Economic and Social Research's monthly tracking of UK GDP currently points to a loss of momentum to about 0.5% q/q in March from around 0.7% q/q at the start of the year, back in line with the Bank of England's ("BoE") initial projection in the February Inflation Report. More important for the BoE is that the unexpected strength of economic activity in the second half of 2016 and the currency-induced rise in inflation have not led to the emergence of domestic price pressure beyond the expected price-level adjustment. Average weekly earnings excluding bonuses have slowed to 1.9% y/y in January from 2.3% y/y in December, and several price components on the major surveys have come off their highs.

Hence, it came as a slight surprise to the market when the BoE's Monetary Policy Committee ("MPC") at its most recent policy meeting in mid-March seemingly endorsed the implied policy rate path for a moderate tightening in interest rates priced by financial markets. One of the rate setters on the committee even voted for a 25bps rate hike at this meeting, resulting in an 8-1 split vote in favour of unchanged monetary policy. The minutes of the meeting hinted at the possibility that other members of the committee could start voting for hikes soon. Other members, however, found confirmation in the latest data for the MPC's baseline scenario set out in the Inflation Report. Whether the BoE will actually hike interest rates over the coming year will depend on real economic activity and the extent to which the Sterling-induced rise in inflation feeds through to inflation expectations and wages. Should inflation expectations and wages show no signs of acceleration, it is hard to see a majority of MPC members vote for a rate hike, especially now that some signs of weakness in economic activity are emerging. On 18 April 2017, Prime Minister Theresa May, called a General Election for 8 June 2017, in which she and her Conservative party will seek to boost their majority in the House of Commons, cementing her power and giving her more flexibility in the exit negotiations with the remaining 27 EU member states.

EMU

Survey indicators remain positive with the EMU March composite Purchasing Managers' Index ("PMI") at a fresh high since April 2011 and the IFO business climate index at its strongest since July 2011, although some overshooting of indications stemming from business surveys relative to actual data has been noted. Developments in the labour market remain favourable as the EMU unemployment rate edged down again to 9.5% in February (its lowest since April 2009). Despite this, wage growth remains sluggish: euro area negotiated wage growth was 1.4% y/y in Q4 2016 and averaged 1.5% for the whole of 2016 - the slowest annual growth rate since 1991 - after 1.5% in 2015, 1.7% in 2014 and 2.3% on average during 1991-2012. Consistently, EMU headline inflation dropped back to 1.5% y/y in March, due to a correction of food prices after the overshooting due to an unseasonal cold winter in the South of Europe and the impact of the later timing of Easter which helped core inflation to fall from 0.9% y/y in February to just 0.67% y/y in March. While there will likely be some unwind next month, the core inflation trend remains subdued.

Underlying inflation is currently the main argument of the ECB's reaction function and the ECB is poised to be surprised to the downside on core inflation, which should limit the risks of premature tightening. The ECB's core inflation forecast is 1.1% for 2017, 1.5% for 2018 and 1.8% for 2019. The ECB having an optimistic outlook on core inflation is nothing new and depends crucially on wage inflation, which is kept low by a falling NAIRU. ECB policy has been in sharp focus following the suggestion by some Governing Council members that the sequencing within the forward guidance could be changed and interest rates could increase before the end of Quantitative Easing. However, there has been strong pushback to this view, with Draghi and Praet at the ECB Watchers' conference confirming there was no reason to deviate from the guidance, including on sequencing and also there is no convincing sign of self-sustained inflation yet. Furthermore, accounts from the 9 March ECB meeting confirmed that discussions on forward guidance were focussed on whether to remove the downward bias on interest rates, rather than on sequencing (even though the debate quickly turned to the latter following the meeting). However, the prevailing counter-argument was that changes to the current guidance could lead to an undue upward shift in market rates and tighten financial conditions (so it proved during the debate that followed). That meant that "on balance" removing the downward bias on interest rates within the forward guidance was seen as "premature". That said, the reference to "on balance" suggests its removal is probably not far off, most likely to happen in June. Renewed downside risks in 2017 are linked mainly to political developments in Europe. The next important election focus is France (7 May Presidential and 11/18 June legislative). Dovish tones were maintained by the ECB at the April policy meeting, when the ECB slightly upgraded its growth assessment, while keeping their views unchanged on underlying inflation.

China

On average, activity data held up in March. The official PMI improved on February to print 51.8, however, the Caixin PMI weakened from 51.7 for February to 51.2 in March. Fixed asset investment growth recorded a further improving 9.2% y/y. In addition, industrial production growth exceeded expectations to register a 7.6% gain while retail sales growth also gained on February to deliver a 10.9% gain y/y. Inflation ticked up a little to 0.9% from 0.8% prior, although still lower than a previous survey of 1.0%. Producer prices, however, did tick down from the prior month of 7.8% for February to 7.6% in March. On the external side, export data improved to 16.4% y/y for March and imports gave back some of the strong gains from February.

Total Social Financing increased to RMB 2,120bn in March from RMB 1,150bn in February. The seven day repo rate was guided higher from 2.9% for February to 3.4% on average during March.

Japan

Japanese policy and economic conditions in March were generally uninteresting. Inflation remained flat. The core Consumer Price Inflation was unchanged on a seasonally adjusted basis in February and was up only 0.2% year-on-year. Non-fresh food and energy prices edged up, while the western core measure, which excludes all food and energy slipped in February and was flat over the last twelve months. Tokyo data have been a touch weaker. Oil prices have firmed in the last few weeks, but are only back to levels seen over the winter. Meanwhile, the firming in the Yen since the start of the year has reversed half of the Trump-related depreciation against the dollar in the immediate aftermath of the election. As there is still a moderate-sized output gap, it is unclear from where the Bank of Japan (“BoJ”) thinks reinflationary pressures are going to come from.

Survey data have likewise been quiet. The latest data point from the Tankan survey improved slightly, but is better thought of as continuing the sideways trend seen for almost four years. The monthly Shoko-Chukin survey of small and medium-sized businesses reversed half of the previous month’s jump, but it too has mostly just moved sideways at a level a little below the 50 par line. The economy watchers survey has been more volatile. Over the last three months it has decreased but from a slightly elevated level to a little below its four-year average. The one exception to this dull outlook is industrial production which has been trending up at about a 0.7% (monthly rate) for over half a year.

The BoJ’s latest statement suggests no upcoming policy changes. The BoJ reiterated its yield-control policy and repeated its expected pace of JGB purchases. In its summary of opinions released a couple of weeks after the meeting, it stated that “there have been no obstacles to its [monetary policy] operations” and that “there is no need to change the current policy framework in the near future”.

Enquiries

Northern Trust International Fund Administration Services (Guernsey) Limited
Harry Rouillard +44 (0) 1481 74 5315

Important Legal Information and Disclaimer

Brevan Howard Capital Management LP ("BHCM") has supplied certain information herein regarding BHG, BHMS and the funds which BHMS invests, or has invested, in (together the "Funds").

The material relating to the Funds included in this report is provided for information purposes only, does not constitute an invitation or offer to subscribe for or purchase shares in the Funds and is not intended to constitute "marketing" of the Funds as such term is understood for the purposes of the Alternative Investment Fund Managers Directive as it has been implemented in states of the European Economic Area. This material is not intended to provide a sufficient basis on which to make an investment decision. Information and opinions presented in this material relating to the Funds have been obtained or derived from sources believed to be reliable, but none of the Funds or BHCM make any representation as to their accuracy or completeness. Any estimates may be subject to error and significant fluctuation, especially during periods of high market volatility or disruption. Any estimates should be taken as indicative values only and no reliance should be placed on them. Estimated results, performance or achievements may materially differ from any actual results, performance or achievements. Except as required by applicable law, the Funds and BHCM expressly disclaim any obligations to update or revise such estimates to reflect any change in expectations, new information, subsequent events or otherwise.

Tax treatment depends on the individual circumstances of each investor in BHG and may be subject to change in the future. Returns may increase or decrease as a result of currency fluctuations.

You should note that, if you invest in BHG, your capital will be at risk and you may therefore lose some or all of any amount that you choose to invest. This material is not intended to constitute, and should not be construed as, investment advice. All investments are subject to risk. You are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions.

THE VALUE OF INVESTMENTS CAN GO DOWN AS WELL AS UP. YOU MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED AND YOU MAY LOSE ALL OF YOUR INVESTMENT. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS.

Risk Factors

Acquiring shares in BHG may expose an investor to a significant risk of losing all of the amount invested. Any person who is in any doubt about investing in BHG (and therefore gaining exposure to BHMS and the investment funds in which BHMS invests (together with BHMS "the Underlying Funds")) should consult an authorised person specialising in advising on such investments. Any person acquiring shares in BHG must be able to bear the risks involved. These include the following:

• The Underlying Funds are speculative and involve substantial risk.

• The Underlying Funds will be leveraged and will engage in speculative investment practices that may increase the risk of investment loss. The Underlying Funds may invest in illiquid securities.

• Past results of each Underlying Fund's investment manager(s) are not necessarily indicative of future performance of that Underlying Fund, and that Underlying Fund's performance may be volatile.

• An investor could lose all or a substantial amount of his or her investment.

• An investment manager may have total investment and trading authority over an Underlying Fund and each Underlying Fund is dependent upon the services of its investment manager(s).

• Investments in the Underlying Funds are subject to restrictions on withdrawal or redemption and should be considered illiquid.

• The investment managers' incentive compensation, fees and expenses may offset an Underlying Fund's trading and investment profits.

• No Underlying Fund is required to provide periodic pricing or valuation information to investors with respect to individual investments.

• The Underlying Funds are not subject to the same regulatory requirements as mutual funds.

• A portion of the trades executed for the Underlying Funds may take place on foreign markets.

• The Underlying Funds are subject to conflicts of interest.

• Each Underlying Fund is dependent on the services of certain key personnel, and, were certain or all of them to become unavailable, an Underlying Fund may prematurely terminate.

• Each Underlying Fund's managers will receive performance-based compensation. Such compensation may give such managers an incentive to make riskier investments than they otherwise would.

• An Underlying Fund may make investments in securities of issuers in emerging markets. Investment in emerging markets involve particular risks, such as less strict market regulation, increased likelihood of severe inflation, unstable currencies, war, expropriation of property, limitations on foreign investments, increased market volatility, less favourable or unstable tax provisions, illiquid markets and social and political upheaval.

The above summary risk factors do not purport to be a complete description of the relevant risks of an investment in shares in BHG or the Underlying Funds and therefore reference should be made to publicly available documents and information.