BREVAN HOWARD

BH GLOBAL LIMITED

MONTHLY SHAREHOLDER REPORT:
AUGUST 2016

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MONTHLY SHAREHOLDER REPORT: AUGUST 2016

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.

Total Assets: $467 mm[1]

1. As at 31 August 2016 by BHG’s administrator, Northern Trust.

Summary Information

BH Global Limited NAV per share (as at 31 August 2016)

Shares Class	NAV (USD mm)	NAV per Share
USD Shares	57.9	$13.55
GBP Shares	409.0	£13.71

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					2.58

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					1.98

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 August 2016.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Multi-Strategy Master Fund Limited

Unaudited as at 31 August 2016

	% of Gross Market Value* on a non-look through basis
Level 1	52.4
Level 2	22.1
Level 3	0.8
At NAV	24.7

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.

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	65.6
Level 2	33.7
Level 3	0.7

Source: BHCM

* This data reflects the combined ASC 820 levels of 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 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.

Portfolio Update for BHG

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
August 2016	-0.02	-0.14	-0.07	0.23	-0.13	0.22	0.10
Q1 2016	1.14	0.31	-0.22	0.50	-1.17	0.44	1.01
Q2 2016	0.61	-0.04	-0.12	1.03	-0.56	0.40	1.32
QTD 2016	-0.35	-0.19	-0.23	0.58	0.14	0.27	0.23
YTD 2016	1.41	0.07	-0.56	2.13	-1.58	1.12	2.58

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

*Data as at 31 August 2016

Monthly, quarterly and annual figures as at 31 August 2016, 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
August 2016	-0.23	-0.23	0.07	-0.01	-0.00	0.23	0.06	-0.00	0.22	0.10
Q1 2016	-0.04	0.63	0.14	-0.01	-0.00	-0.12	-0.04	-0.00	0.44	1.01
Q2 2016	-0.16	-0.14	-0.04	0.01	-0.00	0.97	0.28	-0.00	0.40	1.32
QTD 2016	-0.43	-0.12	0.07	-0.05	-0.00	0.57	-0.07	-0.00	0.27	0.23
YTD 2016	-0.63	0.37	0.17	-0.04	-0.00	1.42	0.17	-0.00	1.12	2.58

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

*Data as at 31 August 2016

Monthly, quarterly and annual figures as at 31 August 2016, 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

BHG Underlying Investment Exposures as at 31 August 2016 (allocations subject to change):

Investment	Allocation (% NAV)
Brevan Howard Master Fund Limited ("BHMF")	27.8
Brevan Howard Asia Master Fund Limited ("BHA")	8.7
BH-DG Systematic Trading Master Fund Limited ("BHDGST")*	7.8
Direct Investment Portfolio ("DIP")**	50.8
Net Cash and Other	4.9

*Known as Brevan Howard Systematic Trading Master Fund Limited prior to 8 April 2016.
Data may differ from those published for BHMS as BHG may hold cash for short-term working capital purposes.
**The DIP is the allocation of the Fund's assets to individual trading books.

Exposures by Asset Class as at 31 August 2016 (exposures subject to change):

Asset Class	VaR** by asset class as a % of total VaR
IR	16
Vega	14
Equity	33
Credit	8
FX	18
Commodity	11

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 appreciated by 0.10% and the NAV per share of BHG's GBP shares depreciated by 0.14% in August 2016.

Monthly Performance of BHMS Underlying Allocations*

Investment	Rates	FX	Equity	Commodity	Credit	August 2016 Total	YTD Total
Brevan Howard Master Fund Limited Class Z (USD)**	0.22%	-0.14%	-0.17%	0.02%	0.08%	0.01%	-0.88%
Brevan Howard Asia Master Fund Limited (USD)**	-0.09%	0.24%	0.06%	-0.00%	0.00%	0.21%	-0.63%
BH-DG Systematic Trading Master Fund Limited Class Z (USD)**	-0.70%	-1.08%	0.54%	-1.10%	0.00%	-2.34%	5.04%
Direct Investment Portfolio	0.02%	0.05%	-0.11%	0.08%	0.47%	0.50%	6.35%

*As at 31 August 2016

** 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 appreciated by 0.01% in August. Interest rate trading generated small overall gains from directional and curve positions. Short positions in USD and EUR rates, and long positioning in the UK over the Bank of England's interest rate cut, all contributed. Further small gains in interest rates were generated by basis trading in the US. Interest rate volatility trading generated small losses overall as gains from Sterling and European volatility trades only partially offset losses from long positions in Japanese volatility. Emerging Markets trading and Japanese swap spreads also were small detractors. In FX, losses mostly came from EUR currency trading as well as AUD and NZD. Gains from directional positioning in GBP and JPY partially offset these losses. Credit gains were generated across several trading books from positions in Asset Backed Securities as well as US mortgage agency debt, while equity trading lost money from Japanese equity volatility positions as well as US and European directional trading.

Brevan Howard Asia Master Fund Limited ("BHA")

The NAV per share of BHA Ordinary USD shares appreciated by 0.21% in August. The main detractor of performance in August was due to the sell-off and flattening of the Korean interest rate curve. Offsetting gains in FX came from a combination of long positioning in volatility and gamma across a variety of G10 and Asian currencies as well as directional trading of USDJPY. Further gains came from volatility trading in US interest rates and to a lesser degree equity trading.

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

The NAV per share of BHDGST Class Z USD shares depreciated by 2.34% in August. In fixed income, BHDGST recorded losses primarily due to long positions in European and US bond futures as yields rose and prices fell. Improving US economic data and a more hawkish FOMC saw US bonds sell-off, while European bonds came under additional pressure from seasonally light QE buying from the

ECB ahead of heavy Government debt issuance. Within short term interest rate futures, a short exposure to Canadian Bankers' Acceptance notes and a long exposure to Eurodollar futures were both significantly reduced. Short Sterling was the only market to see risk increased, with a small addition made to an already sizeable long, taking exposure in this market to 27%/NAV. Long equity exposure to Asia and the US performed particularly well. With some key macro data recovering, particularly across the US & Emerging markets, and a growing interest across developed economies in alternative policy action via fiscal stimulus, risk assets were well supported. With volatility depressed amid a quiet summer and markets unable to break out of increasingly narrowing trading ranges, the extra yield offered by emerging markets attracted strong inflows after a period of protracted underperformance. BHDGST increased its net equity risk across all geographies in August to 80%/NAV. The biggest winners throughout the month were the NASDAQ and Hang Seng indices as 12bps and 10bps respectively.

Direct Investment Portfolio ("DIP")

The DIP appreciated by 0.50% in August. The DIP generated the bulk of its profits in credit where smaller gains across ABS/MBS, corporate credit and agency trading contributed positively. Additional gains arose in GBP interest rates but the gains were partly offset by losses in JPY interest rates. In FX, gains from short exposure to GBP and JPY were offset by losses from long exposure to the EUR towards the end of August. In equity, a modest short exposure to European equity indices generated small losses. Long exposure to oil generated small gains.

Manager's Market Review and Outlook

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

Market Commentary

US

The highly anticipated August report on the labour market was mildly disappointing in each of its major components. Job gains slowed from the robust pace set in the prior three months. The unemployment rate was unchanged at 4.9%, which is the same rate seen at the beginning of the year. In addition, broader measures of labour market slack are approximately unchanged since the start of the year. The work week was revised down and ticked down further still. Finally, indicators of wage growth were soft and are showing only moderate gains over the last year. Putting those pieces together, it looks like the labour market is slowing a little rather than strengthening.

By contrast, the early readings on current-quarter growth have improved. The sizable inventory liquidation that subtracted from real GDP over the last year appears to be reversing, adding to growth noticeably. Apart from the inventory swing, the positive trend in consumption spending has been maintained, albeit at a slower rate than the outsized gain in the second quarter. Business fixed investment appears to be treading water, which is better than the outright declines in prior quarters. Residential investment also seems to be stabilising in the face of strong underlying fundamentals, including attractive mortgage rates, tight inventories, and positive demographic trends.

Inflation continues in a narrow channel. Core personal consumption expenditure inflation in August was 1.6% over the last year, the same rate as at the start of the year. Headline inflation has been stuck below 1% for most of the year, weighed down by past declines in energy prices that should lift over the next year.

The Federal Reserve ("the Fed") tried in August to send a consistent message about the likelihood of further gradual rate hikes. Chair Yellen in Jackson Hole said the case for hikes had "strengthened" and Vice Chair Fischer didn't rule out a faster pace of rate increases than present, discounted by market pricing. Other Fed officials were generally supportive of the thrust of the Chair's message while being noncommittal about the exact timing. In Presidential politics, the national polls generally favoured Secretary Clinton over Mr Trump by a small margin as the campaign season entered its final stage. Since the campaign has been light on policy specifics, investors are left to wonder what the next administration will bring in terms of concrete policy initiatives.

UK

Although growth has remained resilient up to the end of Q2, the UK faces considerable policy, and thus economic uncertainty on account of the June referendum vote to leave the European Union. GDP grew a firm 0.6% q/q in Q2, a touch stronger than the 0.4% increase in Q1. Whilst the Brexit vote is expected to weigh on the manufacturing sector, the depreciation in Sterling should support manufacturing activity and exports in general. Surveys on activity, which tend to lead GDP, have been somewhat mixed in recent months. The composite Purchasing Manager's Index ("PMI") rose 6 points in August to 53.6, after having fallen 4.9pp in the previous month. Current levels of the PMI suggest GDP should continue to grow (a better outlook than earlier expectations of a recession) albeit at a modest pace. Retail sales volumes continue to grow very strongly in recent months, reaching a pace of 4.8% on a quarterly basis. Whilst the fall in both retail surveys and consumer confidence would suggest retailing should moderate in coming months, it is possible that consumer spending is temporarily being boosted by the lower currency through tourism, especially if the rise in import prices is slow to feed through into retail prices. The housing market appears to have softened as well. House prices have moderated showing little growth in recent months; however there have not been any clear signs of the sharp fall that some commentators expected. Surveys on housing activity collapsed earlier in the year, but have picked up slightly returning to modest levels in the two months to August.

There has been little hard data on the labour market since the Brexit vote. The claimant count fell 8,600 in July and the unemployment rate recorded 4.9% in June, unchanged from the previous month. Moreover, employment grew at a robust pace of 2% y/y in June. However, there are signs that the labour market is softening; the composition of employment growth has been disappointing as it has been mostly come through growth in self-employment. Growth in full-time employees has grown very little in the three months to June. Moreover, surveys continue to suggest that employment growth should moderate in coming months. In addition, the claimant count has risen slightly in the first half of the year, despite the 8,600 fall in July. Core inflation ticked down 0.1pp to 1.3% y/y in July, however, headline inflation rose 0.1ppts to 0.6% y/y. Although the influence of the depreciation in the exchange rate has so far been modest, there are clear signs that the lower exchange rate will lift prices in the medium term. Surveys on prices have started to accelerate, reaching the highest levels in five years. Moreover, producer input prices rose 4.1% m/m in July, the largest monthly increase in the history of the series (starting in 1996). Over time, higher import prices and diminishing base effects can be expected to cause headline inflation to rise above the Bank of England's ("BoE") target of 2%.

The Prime Minister is expected to invoke Article 50 (the legal process in which the UK leaves the EU) in early 2017, although the exact timing remains unclear. As such, economic growth is expected to slow over the coming quarters as the uncertainty around the Brexit vote feeds into the economy. Due to projections of lower growth as well as downside risks to the inflation target in the longer-term, the Monetary Policy Committee ("MPC") lowered the policy interest rate by 25bps to 0.25% in August and sought to increase the asset purchase facility by £70bn to £445bn in an attempt to bolster the economy. In August, the MPC suggested that if growth were to match the BoE forecast of 0.1% q/q in Q3, then further monetary policy easing would be needed in November. Given the rebound in the latest PMI, it is becoming increasingly possible that growth will surprise above the BoE's forecast, implying that further easing may be delayed, if not halted.

EMU

Recent survey data have shown a loss of momentum of Eurozone economic activity. The final composite PMI for the euro area fell in August to 52.9 from 53.2 in July, led by a weakening of new orders, particularly in Germany and the manufacturing sector. Other key national surveys posted even more pronounced, sometimes non-linear falls, with the German IFO suffering a major setback which bodes badly for both the EMU and global growth outlook. While the declines may reflect some lagged reaction to the UK's decision to leave the European Union, weakness in other major jurisdictions outside of Europe indicate a broader slowing of the global economy. Sluggish EMU growth is therefore likely to persist in Q3 after growth slowed to 1.2% q/q (annualised) from 2.1% in Q1. In turn, overall slower growth will continue to pressure countries more vulnerable to slowdown, let alone a recession, due to the unresolved legacy of the past crisis. In particular, any turmoil in the Italian banking system could also negatively impact the outcome of Italy's constitutional referendum in November, to which Prime Minister Renzi has tied his political future.

The unemployment rate paused its downward trend and remained at 10.1% in July, down around 0.7pp on the year but still considerably above its pre-crisis average. Amid a still large output gap, extremely muted wage growth, lower NAIRU ("Non Accelerating Inflation Rate of Unemployment") and exchange rate dynamics, inflationary pressures remain largely absent beyond the base effects that are expected to raise headline inflation closer to its current core rate by the beginning of next year. Economic and market conditions are unlikely to allow the ECB to "exit" from its asset purchase programme as early as March 2017, hence the Governing Council's decision at the September meeting to refrain from extending the duration of its asset purchase programme is likely to be temporary and is poised to be revisited by the end of the year.

China

Chinese activity data for August showed tentative signs of stabilisation. The official PMI in July was better than expected with a 50.4 reading but the Caixin PMI fell. Hard data, from Industrial Production ("IP") to trade, fixed asset investments and retail sales was better than expected by the consensus. However, this moderate improvement was mainly due to a higher number of working days in the month relative to the previous year. Indeed, measures corrected for this effect and / or for seasonality indicate that the Chinese business cycle peaked at the turn between the second and the third quarters and are now rolling over; a dynamic that is expected to continue in the coming months. Consumer Price Index ("CPI") inflation fell sharply from 1.8% to 1.3% in August because of lower food inflation, undershooting consensus forecasts. Producer Price Inflation ("PPI") deflation continued to abate, mainly because of the past increases in commodity and intermediate goods prices, a process which seems to have come to a halt in recent weeks.

The People's Bank of China ("PBoC") has maintained a neutral monetary policy stance; the 7-day repo rate jumped to 2.6% temporarily, but soon fell back to 2.3%. The PBoC has maintained a somewhat stable exchange rate for the past month, although with some volatility. Official FX reserves declined slightly in August, by US$15bn to US$3.18tn.

Japan

Japanese economic activity continued to trudge along. Real GDP rose 0.7% (annualised rate) in the second quarter. IP was flat in the latest month. The Shoko-Chukin survey of small and medium-sized firms and the Economic Watchers survey improved but remains at subdued levels. Altogether, the latest data do not suggest that the remaining output gap will be closed anytime soon.

Inflation trends also continued apace. Those trends continue to be the wrong way relative to the Bank of Japan's ("BoJ") expressed goal of pushing inflation higher. Twelve-month changes in the national western core rate fell 0.2pp in July, and the Tokyo measure decreased another 0.1pp to only 0.1% in August. Inflation expectations remained unchanged at 1.7% for a third month. The last time they were lower was at the start of 2013. The drag from the appreciation of the yen over the first half of the year will extend for a while longer, but will wane overtime. As a result, inflation will increase slightly, but there is nothing in the pipeline to suggest that inflation will come close to approaching the 2% target.

The September BoJ meeting appears to confirm fears that it has added to its mandate the support of banks, pensions and insurance companies. While an upward sloping yield curve is a symptom of a well-functioning economy, it is not a means to achieve it. At the meeting, the BoJ left its target for the short rate unchanged at -0.1%. It announced no changes to the pace of government bond buying and in fact said that in the future it will be flexible in its purchases in order to manage the shape of the yield curve. In remarks afterwards, Chairman Kuroda said that the current intention was to keep the ten-year rate around zero percent, where it is presently. Obviously, that's no increase in monetary accommodation and seems designed to allow some support to longer rates prospectively. The BoJ made no changes to its stated commitment to achieve 2% inflation as early as possible, though its actions indicate otherwise. In that light, the Bank's "inflation-overshooting commitment", whereby the Bank commits to expand the monetary base until the year-on-year CPI rate exceeds 2% in a stable manner, is too distant to matter now.

Enquiries

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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.