

BH GLOBAL LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS 2020

31 December 2020

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

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CHAIRMAN'S STATEMENT

Dear Shareholder,

Within living memory, 2020 was an unprecedented year for the world with the COVID-19 pandemic sweeping through many countries taking a horrendous death toll as well as disrupting societies and economies in unprecedented ways. The world has a long way to go yet to see normal life restored. The same applies to the outlook for economies and financial markets.

2020 was also an exceptional year for BH Global Limited (the "Company" or "BH Global"). Exceptional both in terms of substantial positive growth in the Company's Net Asset Value ("NAV") and in the fact that it was achieved in such a year of turmoil in traditional equity markets. Such performance is of great credit to Brevan Howard Capital Management LP's (the "Manager"), disciplined and focussed approach. In addition to the NAV, the further narrowing of the discount to NAV per share at which the shares traded, delivered a very satisfactory return for shareholders and also delivered on the Company's aim of being a safe haven in times of stress in equity markets.

The US Dollar is the Company's functional currency and the NAV per share of the US Dollar class grew by 22.45%. The NAV per share of the much larger Sterling class appreciated by 21.76%. The share price of the US Dollar class rose by 27.9% and that of the Sterling class by 26.9%.

The Manager's Report follows this Statement and sets out in detail the performance of the Company for the year.

ASSETS

BH Global invests all of its assets, save for working cash balances, in Brevan Howard Multi-Strategy Master Fund Ltd ("BHMS"). BHMS in turn invests its capital in a number of funds and trading books managed by the Manager's affiliated entities. At 31 December 2020 the Company's net assets were \$593.0 million and it owns 82.6% of the total capital of BHMS, effectively unchanged from the percentage owned at 31 December 2019. The Board has received regular assurances from the Manager that the liquidity profile of the assets held by BHMS is consistent with the redemption notice periods granted to BH Global and that, as far as liquidity is concerned, BH Global's holding of approximately 83% of BHMS is not a cause for concern.

As opportunities presented themselves during the year in individual funds and trading books, BHMS significantly increased the capital committed through the Single Manager Portfolio ("SMP"). At the year-end, the proportion of capital committed through the SMP of 64.7%, spread across 9 trading books or funds managed by an individual portfolio manager, was a material increase from the 40.0% a year earlier. That, together with an increase in capital committed to the Brevan Howard Alpha Strategies Master Fund ("BHALMF") were the main determinants of a significant reduction from 43.5% at 31 December 2019 in the capital committed to the

Brevan Howard Master Fund ("BHMF") to 15.6% at 31 December 2020. Both BHALMF and the SMP added very positively to NAV growth in 2020, appreciating by 20.4% and 27.6% respectively gross of fees.

DISCOUNT, SHARE ISSUANCE AND SIZE OF COMPANY

At 31 December 2020 the discount to NAV at which the Company's shares have traded for long periods in the middle of the last decade had effectively disappeared. The price of the Sterling Shares at the year-end was £19.25, being a discount to NAV of 1.85%. For the US Dollar class the figures were \$20.15 and 0.16%. Indeed, during 2020 there were periods where the Company's shares traded at a premium and advantage was taken of the opportunity to reverse, in a small way, the shrinkage in the size of the Company which had occurred through multi-year buy backs, the last of which was undertaken in June 2018. At a minimum premium of 2% over the estimated NAV per share, in December 2020 the Company sold 240,000 GBP shares from Treasury raising £4.7 million. Sales continued in January 2021 with the sale of a further 301,070 GBP shares and 35,000 USD shares raising £6.0 million and \$0.7 million, respectively.

The average discount at which the two classes traded during 2020 was 3.69% (GBP class) and 1.73% (USD class), comfortably lower than the 10% trigger at which the Board would be required to bring forward Class Closure votes. Equally, with year-end net assets of \$593 million the size of the Company was nearly double the \$300 million floor, as had been agreed with the Manager in 2017, at which the Board would be required to bring forward a vote on a liquidation resolution.

In early January 2021 the Company's shares were still trading either side of NAV, but more generally at a premium, and thus afforded shareholders who might wish to raise cash the opportunity to sell shares in the market. Accordingly, in order that tax paying shareholders would have maximum notice to order their affairs in good time, on 11 January the Company announced that it did not intend to return by way of Capital Redemption any part of the NAV per share appreciation generated in 2020.

FEE FREE BUY BACK ALLOWANCE

In 2017 the Board agreed with the Manager that, as part of the package of measures whereby the Management Fee would be reduced to 1%, the Company would be permitted to buy back up to 5% of the shares of each class in any one year, free of the 2% fee payable to the Manager in respect of a reduction of net asset value of a share class by reason of a share buyback (the "Buy Back Allowance").

No buy backs were undertaken in 2020 and the "clock" is now reset at 1 January 2021. For 2021 the fee free buy back allowance is 1,007,121 GBP shares and 131,210 USD shares.

CHAIRMAN'S STATEMENT CONTINUED

MANAGEMENT AGREEMENT AND INCREASED FEES PAYABLE TO THE MANAGER

On 22 January 2021 the Manager wrote to the Board (the "Letter") accelerating the discussions which were already in train and proposing an increase in the Management Fee. If that increase was not agreed by the Company, the Manager advised that it intended to serve notice terminating the Management Agreement. The fee increase proposed was from a 1.00% Management Fee to 2.00% to apply across all of the Company's assets. The 20% Performance Fee would remain unchanged. In practice, on account of the cap in the quantum of assets subject to the Management Fee that had been agreed in October 2016, the actual Management Fee paid in 2020 was 0.88% for the GBP class and 0.82% for the USD class. Thus the Manager was requesting an increase in the Management Fee of approximately two and a half times the rate that had pertained in 2020.

As the Board has explained in a release to the Stock Exchange dated 16 February, both the 2016 cap on applicable quantum and the 1.00% headline Management Fee agreed in April 2017 were proposals that the Manager itself originally put forward. When the new fee basis was agreed in April 2017 the Board agreed to the introduction of the Buy Back Allowance as described above. The Board considered that the proposal to return the Management Fee to the 2.00% which had applied prior to April 2017 without the concomitant restoration of the position that applied to buy backs was not even handed. Nevertheless, the Board recognised the contractual position under the Management Agreement.

Ever since discussions had commenced in 2020 about a possible increase in the Management Fee, and irrespective of any regulatory requirements, the Board had resolved that any fee increase should be a matter for shareholders to decide on. Following receipt of the Letter and in conjunction with the Company's corporate adviser, Investec Bank Ltd., I held numerous conversations with shareholders to hear their views. Then, after extensive discussions with the Manager over several weeks including putting forward alternative proposals, the Board brought the matter to the EGM for a shareholder vote on the Manager's proposals as put forward in the Letter of 22 January. On 25 March shareholders voted by a majority of 65.56% in favour to 33.87% against, with 0.57% voting to abstain, on a turnout of approximately 55% to accept the increase in the Manager's Fees. That increase will take effect from 1 July 2021. The Board is grateful to so many shareholders for expressing their views and notes the significant, albeit minority, vote against the Proposal. The Board will shortly seek to engage further with principal shareholders and discuss the consequences of the vote with them.

As set out in the Circular that preceded the EGM, the Board has agreed with the Manager that shareholders, however they voted at the EGM, who no longer wished to remain invested in the Company will have the right to tender their shares at a price of not less than 98% of the NAV per share, less the associated costs of the tender (the "Tender Offer"). The Manager has agreed not to levy the 2% fee payable to the Manager in respect of a reduction of net asset value by reason of the Tender Offer. Together with the proposed tender price, this will have the effect of enhancing the NAV per share for shareholders that do not tender their shares in the Tender Offer. The Tender Offer will be capped at 40% of the issued share capital of each share class, excluding those shares held in Treasury. Further details of the Tender Offer will be set out in a circular to shareholders to be posted during April. The timetable for receipt of the tender proceeds will be set out in the Tender Offer circular. Tendering shareholders will not bear the increased management fee that will apply from 1 July 2021.

Since receipt of the Letter the Board has relied heavily on the advice given by Investec Bank Ltd. In addition, the Company's solicitors, Stephenson Harwood have been in regular dialogue with the Manager to agree the content of the Circular and the proposed amendments to the Management Agreement. I would like to thank the Company's advisers for the support and advice that they have given thus far and will continue to give in respect of the Tender Offer.

THE BOARD AND GOVERNANCE

During 2020 the Board underwent an external appraisal conducted by BoardAlpha Ltd. Such an external appraisal is not a requirement of a company such as BH Global as the Company is not within the FTSE 350 Index. However, the Board are of the view that an external, independent person's scrutiny of the Board at work, together with feedback from shareholders, the Manager and others with whom the Board deals, is valuable in helping to ensure that the Board is directing the affairs of the Company effectively.

BoardAlpha reported in November and the Board considered the report at the December Board meeting. The report was positive in its message that the Board clearly understands its responsibilities as the steward of the shareholders' interests. The Board accepted almost all the points and recommendations made.

The Company reports against the AIC Code of Corporate Governance. This is tailored for Investment Companies and differs in some respects from the FRC Code that most operating companies report under. As with that code, companies are expected to "comply or explain". The Company is not at present fully compliant with two provisions of the AIC Code. The first of those is the provision that there should be plans in place for an

orderly succession to the Board. The second is that there should be a disclosed policy on the tenure of the Chair.

In earlier Chairman's Statements I have referred to uncertainty as to the future for the Company and that uncertainty has slowed down Board changes. However, since the outlook improved in early 2017 we have seen three retirements and three new appointments to a Board that totals five persons. Those appointments have been made with the aim of ensuring that the Board is made up of directors who fully understand their duty to be independent guardians of the shareholders' interests. In recent weeks all my fellow directors have amply demonstrated their independence and on behalf of shareholders I thank them for their robustness. In respect of diversity, the Company now has two female directors. I realise that gender alone is not complete diversity. But the Board consists of only five persons which may limit further scope at present.

In normal circumstances the Board would be actively addressing plans for future changes and indeed plans were in train for the Company to put in front of shareholders through this Annual Report. However, events over recent weeks all have caused the Board temporarily to put on hold any changes of directors, be they future retirements or appointments, until the outcome of the EGM and subsequent tender offer was known, and those shareholders tendering shares have received the monetary proceeds. The directors hold the view that stability of the Board is critical at this time and we trust that shareholders will agree with us. I hope to be able to outline the Board's future plans in the Chairman's Statement that will accompany the Company's 6-month report to 30 June which is normally released in August.

In addition it should be noted that COVID-19 has seriously curtailed physical Board meetings – the Board has not met in person since December 2019, with all subsequent meetings having been held virtually. Thus any process for approaching and then interviewing prospective new directors when the current directors live in three separate locked down islands would be difficult. Hopefully later in 2021 a reasonable degree of normality will have returned and matters relating to Board succession can move forward.

On a positive note, the Board is working with the GTA University Centre in Guernsey with the intention of appointing a Board apprentice as part of that person's development programme. The GTA's programme supports individuals who normally would not be able to find Board appointments as part of their existing role but who have the potential and desire to find such appointments in the future. The successful candidate will be appointed for twelve months and will be invited to attend future Board and committee meetings as an unpaid observer to help them understand the workings of a listed company's Board.

All that I write is dependent on the Company remaining in a stable state with shareholders who wish to see it managed by Brevan Howard as a viable stand-alone entity and with Brevan Howard wanting both to continue to be the Manager and also wanting to see the Company grow in size from the position in which it will find itself once the Tender Offer has been undertaken. In addition, it will be important to restore a professional working relationship between the Manager and individual directors, and the Board as a whole, after some difficult recent weeks. Should those conditions precedent not be achieved that may throw a different perspective on the pace of future Board changes.

RELATIONSHIP WITH THE MANAGER

Successful investment companies need to have a strong professional relationship between Board and Manager. Although the Board did not welcome the Manager's proposal to increase the Management Fee, and indeed sought vigorously to modify it, now that Shareholders have voted by a majority to accept the increased fee both Board and Manager are committed to working together to further the success of the Company in the interests of shareholders.

THE FUTURE OF THE COMPANY AND CONCLUSION

The Manager has confirmed that it is committed to supporting the success of the Company, subject to that continuing to be the desire of the shareholders and the Company being of an economic size. In 2017 the Board agreed that, should the net assets of the Company fall below \$300 million, it would bring forward to an EGM a resolution that the Company should be liquidated. As at 31 December 2020 the Company had net assets of \$593 million and has grown further since then. Dependent on the outcome of the proposed tender referred to above and any further changes, as long as the net assets remain above \$300 million, the Board anticipates that the Company will continue in its present guise and be managed by Brevan Howard. However, that depends upon shareholders remaining supportive of the present investment policy whereby the Company is a feeder into the Brevan Howard Multi-Strategy Master Fund.

I end by thanking shareholders for their support and hope that 2021 will prove both successful for the Company and, by the end of the year, more settled for the world.

As always, I would be happy for any shareholder to contact me through the Company's Administrator, Northern Trust, at BHGChairman@ntrs.com.

Sir Michael Bunbury
CHAIRMAN
29 March 2021

STRATEGIC REPORT

The Directors have pleasure submitting to the shareholders their Strategic Report of the Company for the year ended 31 December 2020.

This Report provides a review of the business of the Company for the financial year, provides an insight into the Company's business model and its main objectives, describes principal and emerging risks the Company faces and how they might affect future prospects of the Company. In addition, the report outlines key developments and financial performance of the Company during the financial year and the position at the end of the year, and discusses the main factors that could affect the future performance, and financial position of the Company.

The purpose of this strategic report is to inform members of the Company and help them assess how the Directors have performed their duty to promote the success of the Company.

BUSINESS MODEL AND STRATEGY

Company Structure

The Company is organised as a feeder fund and invests substantially all of its investable assets in the ordinary US Dollar and Sterling denominated Class G shares issued by Brevan Howard Multi-Strategy Master Fund Limited ("BHMS" or the "Master Fund"), and, as such, the Company is directly and materially affected by the performance and actions of BHMS.

Investment Objective

The Company's investment objective is to seek to generate consistent long-term capital appreciation through an investment policy of investing all of its assets (net of funds required for its short-term working capital requirements) in the Master Fund.

BHMS's investment strategy is managed by Brevan Howard Capital Management LP ("BHCM") as (the "Manager").

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

BHMS has flexibility to invest in a wide range of instruments including, but not limited to, debt securities and obligations (which may be below investment grade), bank loans, listed and unlisted equities, other collective investment schemes or vehicles (which may be open-ended or closed-ended, listed or unlisted, regulated or unregulated and may employ leverage (each an "Investment Fund")), currencies, commodities, futures, options, warrants, swaps and other derivative instruments. Derivative instruments may be exchange-traded or OTC.

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

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

Sources of cash and liquidity requirements

As the Master Fund is not expected to pay dividends, the Company expects that the primary source of its future liquidity will depend on the periodic redemption of shares from the Master Fund and borrowings in accordance with its leverage policies as disclosed in the Note Purchase Agreement note 9 to the Financial Statements.

BUSINESS ENVIRONMENT

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board is satisfied, by using the risk management procedures and internal controls set out in the Company's risk matrix and by monitoring the Company's investment objective and policy that it has carried out a robust assessment of the principal and emerging risks and uncertainties facing the Company.

The principal and emerging risks and uncertainties which have been identified and the steps which are taken by the Board to mitigate them are as follows:

- **Investment Risks:** The Company is exposed to the risk that its portfolio fails to perform in line with the Company's objectives if it is inappropriately invested or markets move adversely. The Board reviews reports from the Manager, which has discretion over portfolio allocation, at each quarterly Board meeting, paying particular attention to this allocation and to the performance and volatility of underlying investments;
- **Financial Market Risks:** The financial risks faced by the Company, include market, and credit risk. These risks and the controls in place to mitigate them are reviewed at each quarterly Board meeting;
- **Liquidity Risks:** While the Company retains sufficient working capital to ensure that it can meet its normal running costs, this is a relatively modest amount. It is therefore dependent on its continued access to funding from third parties and the timely receipt of the proceeds from redemption requests made to BHMS for all other purposes. The Board, in conjunction with the Manager and the Administrator, monitors the liquidity needs of the Company and takes such action as is appropriate;

- **Operational Risks:** The Company is exposed to the risks arising from any failure of systems and controls in the operations of the Manager or the Administrator. The Board receives reports annually from the Manager and Administrator on their internal controls;
- **Accounting, Legal and Regulatory Risks:** The Company is exposed to risk if it fails to comply with the regulations of the UK Listing Authority, Guernsey Financial Services Commission, or if it fails to maintain accurate accounting records. The accounting records prepared by the Administrator are reviewed by the Manager. The Administrator provides the Board with regular reports on changes in regulations and accounting requirements;
- **Manager Continuity:** The Company is exposed to the risk that the Manager will no longer have an appetite to run a multi-strategy mandate for the Company. Steps to mitigate that risk include regular dialogue with the Manager, regular review of the economic arrangements and contractual protections. In addition, the recent shareholder vote on the proposed amendments to the management agreement and the planned tender offer has resulted in the Manager confirming its continuation;
- **Emerging risks:** In order to recognise any new risks that may impact the Company and to ensure that appropriate controls are in place to manage those risks, the Audit and Risk Committee undertakes regular reviews of the Company's Risk Matrix. This review took place on four occasions during the year during Audit and Risk Committee Meetings;
- **Brexit Risk:** The UK left the EU on 31 January 2020 and entered into a transition period ending on 31 December 2020. During this period the UK's arrangements with the EU remained unchanged. The Board and the Manager still expect an ongoing period of market uncertainty as the implications are processed; and
- **COVID-19 Risk:** The Board has been monitoring the development of the COVID-19 outbreak and has considered the impact it has had to date on the Company, and will continue to have on the future of the Company. There remains continued uncertainty about the development and scale of the COVID-19 outbreak, however the Board does not consider COVID-19 to have an impact on going concern. Consideration of going concern is unlike many companies as performance and net asset value has increased during the COVID-19 pandemic. From an operational perspective, the Company uses a number of service providers. These providers have established, documented and regularly tested Business Resiliency Policies in place, to cover various possible scenarios

whereby staff cannot attend work at the designated office and conduct business as usual. Since the COVID-19 pandemic outbreak, service providers have deployed these alternative working policies to ensure continued business service and the Company has not encountered any problems.

The Board seeks to mitigate and manage these risks through continual review, policy-setting and enforcement of contractual obligations and will update the risk assessment matrix to reflect any changes to the control environment.

Future Prospects

The Board's main focus is the achievement of long-term appreciation. The future of the Company is dependent upon the success on the investment strategy of BHMS. The investment outlook and future developments are discussed in both the Chairman's Statement pages 1 to 3 and the Manager's report on pages 13 to 16.

Board Diversity

When appointing new Directors and reviewing the board composition, the Board considers, amongst other factors, diversity, balance of skills, knowledge, gender, ethnicity and experience. The Board however does not consider it appropriate to establish targets or quotas in this regard. As at 31 December 2020, the Board has a 40% representation of females which is within The Hampton Alexander Recommendations. The Company has no employees.

Environmental, Social and Governance Factors

On a regular basis, the Manager assesses the trading activity of the investment funds it manages, including BHMS, to ascertain whether environmental, social and governance ("ESG") factors are appropriate or applicable to such funds. Most ESG principles have been envisaged in the context of equity or corporate fixed income investment and therefore are not readily applicable to most types of instruments traded by the majority of funds managed by the Manager.

The Manager continues to monitor developments in this area and will seek to implement industry best practice where applicable. The Manager is a signatory to the UN Principles for Responsible Investment and will apply the principles where appropriate considering the structure of relevant Brevan Howard managed funds and the applicable trading universe.

STRATEGIC REPORT CONTINUED

Environmental, Social and Governance Factors (continued)

Whilst it has no employees or premises, the Company acknowledges its ESG responsibilities to its investors, its suppliers and its regulators. The Board prides itself on its independence and its robust approach to corporate governance. It has introduced a number of environmental initiatives that include minimising the printing and mailing of board papers by using an online portal. Shareholders receive electronic copies of documents and communications where possible. In addition, the Board have agreed to purchase Carbon Credits to offset any air travel that the Board undertakes in relation to the Company once travel restrictions caused by the COVID-19 pandemic are relaxed.

The Administrator is a wholly owned indirect subsidiary of Northern Trust Corporation, which has adopted the UN Global Compact principles, specifically: implementing a precautionary approach to addressing environmental issues through effective programs, undertaking initiatives that demonstrate the acknowledgement of environmental responsibility, promoting and using environmentally sustainable technologies, and UN Sustainable Development Goals, specifically: using only energy efficient appliances and light bulbs, avoiding unnecessary use and waste of water, implementing responsible consumption and production, and taking action to reduce climate change.

POSITION AND PERFORMANCE

Packaged Retail and Insurance Based Investment Products ("PRIIPs")

The Company is subject to European Union Regulation (2017/653) (the "Regulation") which deems it to be a PRIIP. In accordance with the requirements of the Regulation, the Manager published the latest standardised three-page Key Information Document ("KID") on the Company on 30 April 2020 (data as at 31 December 2019). The KID is available on the Company's website <https://www.bhglobal.com/reporting/regulatory-disclosures/> and will be updated at least every 12 months.

BHCM is the manufacturer of the PRIIP document and are responsible for the content therein. The process for calculating the risks, cost and potential returns are prescribed by regulation. The figures in the KID may not reflect the expected returns for the Company and anticipated returns cannot be guaranteed.

Performance

Key Performance Indicators ("KPIs")

At each Board meeting, the Directors consider a number of key performance measures to assess the Company's success in achieving its objectives. The main KPIs which have been identified by the Board for determining the progress of the Company are as follows:

1. Net Asset Value ("NAV")

The Company's net asset value has appreciated from £10.00 and US\$10.00 per share at launch to £19.61 and US\$20.18 at the year end, for the Sterling share class and US Dollar share class respectively. This increase in NAV is largely attributable to the long term growth strategy and returns. The Directors and the Manager expect that the current strategy will continue to return positive levels of growth in future.

The net asset value per Sterling share, as at 31 December 2020 was £19.61 based on net assets of £395,034,397 divided by number of Sterling shares in issue of 20,142,421 (2019: £16.11 based on net assets of £320,013,395 divided by number of Sterling shares in issue of 19,868,275).

The net asset value per US Dollar share, as at 31 December 2020 was US\$20.18 based on net assets of US\$52,964,066 divided by number of US Dollar shares in issue of 2,624,216 (2019: US\$16.48 based on net assets of US\$43,922,947 divided by number of US Dollar shares in issue of 2,664,844).

2. Share Prices, Discount/Premium

The Company has traded at an average discount of 3.69% and 1.73% (2019: 3.74% and 2.82%) to NAV for its Sterling shares and US Dollar shares respectively for year ending 31 December 2020.

3. Ongoing Charges

The Company's ongoing charges ratio has increased from 2.80% to 6.09% on the US Dollar share class and from 2.50% to 5.94% on the Sterling share class (including performance fees), due to increase in the NAV of the Company which generated a 20% performance fee charge against the variable element of the ongoing charges.

The Company reports a consolidated view of the ongoing charges for both the US Dollar and Sterling share classes. Further details are on page 24 in the Corporate Governance Statement of the Directors' Report to the Financial Statements.

4. Total return after performance fees

Total return per share is based on the net investment gain per US Dollar share class and Sterling share class of US\$9,807,904 and £69,692,306 (2019: US\$2,600,958 and £14,598,440) respectively after adjusting for capital (costs) proceeds of (USD\$97,139) and £913,094 (2019: (US\$18,159) and £15,124) divided by the weighted average monthly shares in issue for the year of 2,610,512 US Dollar shares and 19,933,622 Sterling shares (2019: 2,679,642 US\$ shares and 19,856,142 Sterling shares).

The return per share for the year ended 31 December 2020, was US\$3.70 per US Dollar share and £3.50 per Sterling share (2019: US\$0.97 per US Dollar share and £0.74 per Sterling share) translating to 22.45% and 21.76% (2019: 6.25% and 4.79%) return for US Dollar share and Sterling share respectively.

Dividends

No dividends were paid during the year (31 December 2019: Nil).

Viability Statement

The investment objective of the Company, as outlined earlier, is currently implemented through a policy of investing all of its assets (net of monies required for its short-term working capital requirements) in the ordinary US Dollar and Sterling denominated Class G shares issued by BHMS.

The Company's investment performance depends upon the performance of BHMS and the Manager as manager of BHMS. The Directors, in assessing the viability of the Company, pay particular attention to the risks facing BHMS. The Manager operates a risk management framework which is intended to identify, measure, monitor, report and where appropriate, mitigate key risks identified by it or its affiliates in respect of BHMS.

The Company's assets exceed its liabilities by a considerable margin. Further, the majority of the Company's most significant liabilities, being the fees owing to the Manager and to the Company's administrator, fluctuate by reference to the Company's investment performance and net asset value.

The Directors confirm that their assessment of the principal and emerging risks facing the Company was robust and that they have assessed the viability of the Company over the period to 31 December 2023. The viability statement covers a period of three years, which the Directors consider appropriate given the inherent uncertainty of the investment world and the strategy period. In selecting this period, the Directors considered the environment within which the Company operates, its liabilities, the performance of the Master Fund and the risks associated with the Company.

The continuation of the Company in its present form is, inter alia, dependent on the Management Agreement with the Manager remaining in place. As referred to in the Chairman's Statement, at the recent EGM the shareholders voted in favour of the increased management fee along with a potential tender offer up to a maximum of 40% of the net asset value of the Company. The vote in favour has resulted in the continuation of the Manager's appointment. The Directors note that the Management Agreement with the Manager is terminable on one year's notice by either party, however, the Directors know of no other current reason why either the Company or the

Manager might serve notice of termination of the Management Agreement during the three year period covered by this viability statement, it being noted that, even if the tender offer was to be taken up in its entirety, this would not trigger the automatic termination which is set at a NAV of US\$300 million.

To ensure that the Company maintains a constructive and informed relationship with the Manager, the Directors meet regularly with the Manager to review BHMS's performance, and through the Management Engagement Committee, they review the nature of the Company's relationship with the Manager.

Besides the possible termination of the Management Agreement, at the Company level, the main risks to the Company's continuation would be:

- a) the Company's shares trading at a significant and/or persistent discount to NAV, or
- b) the Company's NAV falling below US\$300 million.

The Company's Discount Management Programme is described within note 8 including details as to when class closure resolutions would have to be put to shareholders. The Company considers discount management actions, including share buybacks when appropriate, so that as far as possible the share prices properly reflect the Company's underlying performance.

As a part of the agreement to reduce the management fee in 2017, it was agreed that should the Company's NAV fall below US\$300 million at the end of any calendar quarter, the Board will convene a general meeting at which a special resolution proposing the liquidation of the Company would be put forward. Further details are provided in note 4. In addition, as referred to above, the recent EGM and the shareholder vote that agreed to the increase in management fees and a resulting tender offer up to a maximum of 40% of the number of shares in each class of the Company (excluding any held in treasury). Therefore, as a result of the EGM and the Company's discount management programme, the Directors do not currently anticipate that the Company's NAV will fall below US\$300 million.

After having considered the above risks based on the assumption that they are managed or mitigated in the ways noted above, and having reviewed the budgeted ongoing expenses, the Directors have a reasonable expectation that the Company would be able to continue in operation and meet its liabilities as they fall due over the three year period of their assessment.

Key Service Providers and Stakeholder interests

The Company does not have any employees and as such the Board delegates responsibility for its day to day operations to a number of key service providers. The activities of each service provider are closely monitored by the Board and they are required to report to the Board at set intervals. In addition, a formal review of the performance of each service provider is carried out once a year by the Management Engagement Committee.

The Company's key stakeholders are shareholders and service providers. The Board welcomes shareholders' views and places great importance on communication with its shareholders. The Chairman has conducted and continues to conduct meetings with a number of major shareholders in order to receive their view on the Company, especially prior to the circular regarding the management fees being published on 12 March 2021. The Board also receives regular reports on the views of its shareholders from its brokers, JPMorgan Cazenove and Investec Bank plc, marketing consultants, Kepler Partners LLP and from the Manager. In addition, the Chairman and other Directors are available to shareholders if requested and the Annual General Meeting of the Company provides a forum for shareholders to meet and discuss issues with the Directors of the Company when COVID-19 restrictions do not apply. In respect of the 2020 and 2021 Annual General Meetings, COVID-19 has meant that shareholders are unable to attend. However, the Board welcomes questions from its shareholders in advance on the Annual General Meeting.

Although the Company is domiciled in Guernsey, the Board has considered the guidance set out in the AIC Code in relation to Section 172 of the Companies Act 2006 in the UK. Section 172 of the Companies Act requires that the Directors of the Company act in the way they consider, in good faith, is most likely to promote the success of the Company for the benefit of all stakeholders, including suppliers, customers and shareholders. In doing so, consideration has been given to factors such as the likely consequences of any decision in the long term, the need to foster the Company's business relationships with suppliers, customers and others, the impact of the Company's operations on the community and the environment, the desirability of the Company maintaining a reputation for high standards of business conduct, and the need to act fairly between members of the Company.

The Manager

The Manager is a leading and well established hedge fund manager. In exchange for its services a fee is payable as detailed in note 4 to the Financial Statements.

The Board considers that the interests of Shareholders, as a whole, are best served by the ongoing appointment of the Manager to achieve the Company's investment objective.

Administrator and Corporate Secretary

Northern Trust International Fund Administration Services (Guernsey) Limited is the Administrator and Corporate Secretary. Further details on fee structure are included in note 4 to the Financial Statements.

Signed on behalf of the Board by:

Sir Michael Bunbury
CHAIRMAN

Sally-Ann Farnon
DIRECTOR

29 March 2021

COMPANY PERFORMANCE

STERLING SHARES
SHARE PRICE VS NET ASSET VALUE



US DOLLAR SHARES
SHARE PRICE VS NET ASSET VALUE



GLOSSARY OF ACRONYMS

BHAHMF	Brevan Howard AH Master Fund Limited
BHALMF	Brevan Howard Alpha Strategies Master Fund Limited
BHCM or the Manager	Brevan Howard Capital Management LP
BHDGST	BH-DG Systematic Trading Master Fund Limited
BHG, BH Global or the Company	BH Global Limited
BHGVMF	Brevan Howard Global Volatility Master Fund Limited
BHMF	Brevan Howard Master Fund Limited
BHMS or the Master Fund	Brevan Howard Multi-Strategy Master Fund Limited
SMP*	Single Manager Portfolio

* Prior to 1 January 2019, the Single Manager Portfolio ("SMP") was described as the Direct Investment Portfolio ("DIP").

UNAUDITED SUPPLEMENTAL FINANCIAL STATEMENTS

In order to provide shareholders with further information regarding the net asset value of each class of shares, coupled with greater transparency as to the income, gains and expenses incurred and the changes in net assets of the two classes, the results have been presented in the tables on pages 10 to 12. These tables show the allocation of all transactions in the currency of the respective share class.

It should be noted that these tables have not been subject to audit by KPMG Channel Islands Limited whose report is on pages 32 to 37.

UNAUDITED SUPPLEMENTAL STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 2020

	US DOLLAR SHARES US\$'000	STERLING SHARES £'000	COMPANY TOTAL US\$'000
ASSETS			
Investment in BHMS	52,706	392,236	588,952
Amount due from BHMS	2,600	15,000	23,107
Sale of own shares receivable	–	391	535
Other debtors	3	21	32
Cash and bank balances denominated in US Dollars	172	–	172
Cash and bank balances denominated in Sterling	–	5,357	7,323
TOTAL ASSETS	55,481	413,005	620,121
LIABILITIES			
Management fees payable	67	537	801
Performance fees payable	2,428	17,356	26,156
Accrued expenses and other liabilities	19	57	98
Administration fees payable	3	21	32
TOTAL LIABILITIES	2,517	17,971	27,087
NET ASSETS	52,964	395,034	593,034
NUMBER OF SHARES IN ISSUE	2,624,216	20,142,421	–
NET ASSET VALUE PER SHARE	US\$20.18	£19.61	–

UNAUDITED SUPPLEMENTAL STATEMENT OF OPERATIONS

For the year ended 31 December 2020

	US DOLLAR SHARES US\$'000	STERLING SHARES £'000	COMPANY TOTAL US\$'000
Interest income	79	586	837
Expenses	(209)	(1,555)	(2,221)
TOTAL NET INVESTMENT LOSS ALLOCATED FROM BHMS	(130)	(969)	(1,384)
COMPANY INCOME			
Foreign exchange (losses)/gains*	(65)	49	18,928
TOTAL COMPANY INCOME	(65)	49	18,928
COMPANY EXPENSES			
Management fees	399	3,202	4,539
Performance fees	2,428	17,356	24,873
Other expenses	55	400	572
Directors' fees and expenses	41	302	432
Administration fees	16	120	171
TOTAL COMPANY EXPENSES	2,939	21,380	30,587
NET INVESTMENT LOSS	(3,134)	(22,300)	(13,043)
NET REALISED AND UNREALISED GAINS/(LOSSES) ON INVESTMENTS ALLOCATED FROM BHMS			
Net realised gain on investments	5,398	40,641	57,956
Net unrealised gain on investments	7,545	54,136	77,555
Net realised and unrealised foreign exchange loss – on hedging	–	(2,785)	(3,603)
NET REALISED AND UNREALISED GAINS ON INVESTMENTS ALLOCATED FROM BHMS	12,943	91,992	131,908
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	9,809	69,692	118,865

* The Company total for foreign exchange (losses)/gains also contains the results of translating the Sterling class into US Dollars, which was US\$18,930,237 for the year ended 31 December 2020.

The trades carried out in the various underlying portfolios have structures of varying complexity and inherent leverage. This can result in situations where, at an individual trade level, interest income or expense is offset by losses or gains on other investments to achieve a net return. However, accounting conventions require that all these elements are disclosed gross which can result in separate reporting of what would otherwise be off-setting interest income and expenses, realised gains and losses or unrealised gains and losses.

UNAUDITED SUPPLEMENTAL FINANCIAL STATEMENTS CONTINUED

UNAUDITED SUPPLEMENTAL STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2020

	US DOLLAR SHARES US\$'000	STERLING SHARES £'000	COMPANY TOTAL US\$'000
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS			
Net investment loss	(3,134)	(22,300)	(13,043)
Net realised gain on investments allocated from BHMS	5,398	40,641	57,956
Net unrealised gain on investments allocated from BHMS	7,545	54,136	77,555
Net realised and unrealised foreign exchange loss allocated from BHMS	–	(2,785)	(3,603)
	9,809	69,692	118,865
SHARE CAPITAL TRANSACTIONS			
Net share conversions	(768)	632	–
Sale of own shares	–	4,697	6,419
	(768)	5,329	6,419
NET INCREASE IN NET ASSETS	9,041	75,021	125,284
NET ASSETS AT THE BEGINNING OF THE YEAR	43,923	320,013	467,750
NET ASSETS AT THE END OF THE YEAR	52,964	395,034	593,034

MANAGER'S REPORT

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

PERFORMANCE SUMMARY

The NAV per share of the USD shares appreciated by 22.45% in 2020, while the NAV per share of the GBP shares appreciated by 21.76% in 2020.

The month-by-month NAV performance of the USD and GBP currency classes of BHG since it commenced operations in 2008 is set out below:

USD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2008	–	–	–	–	–	1.16*	0.10	0.05	(3.89)	1.13	2.74	0.38	1.55
2009	3.35	1.86	1.16	1.06	2.79	(0.21)	1.07	0.27	1.49	0.54	0.11	0.04	14.31
2010	0.32	(0.85)	(0.35)	0.53	(0.06)	0.60	(0.79)	0.80	1.23	0.39	(0.21)	(0.06)	1.54
2011	0.09	0.42	0.34	1.20	0.19	(0.56)	1.61	3.51	(1.29)	(0.14)	0.19	(0.88)	4.69
2012	1.22	1.02	(0.54)	(0.10)	(0.65)	(1.53)	1.46	0.70	1.47	(0.72)	0.81	1.26	4.44
2013	1.33	0.49	0.33	1.60	(0.62)	(1.95)	(0.14)	(0.86)	0.09	(0.13)	0.95	0.75	1.79
2014	(0.98)	(0.04)	(0.26)	(0.45)	0.90	0.70	0.60	0.05	1.56	(0.75)	0.71	0.44	2.49
2015	3.37	(0.41)	0.35	(1.28)	1.03	(1.49)	(0.06)	(1.56)	(0.58)	(0.67)	3.06	(3.31)	(1.73)
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)	(0.10)	0.26	0.19	3.21	0.21	(0.44)	(0.85)	(0.02)	0.03	2.59
2018	3.08	(0.89)	(1.35)	0.72	5.46	(1.12)	0.30	(0.09)	(0.29)	0.22	(0.01)	0.52	6.55
2019	0.17	(0.81)	1.63	(1.15)	3.79	3.06	(1.20)	2.27	(2.10)	0.57	(1.24)	1.28	6.25
2020	(1.18)	4.14	12.40	0.13	(0.66)	(0.29)	2.25	1.14	(2.33)	(0.14)	1.78	3.97	22.45

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)	(0.04)	0.10	(0.21)	3.12	0.24	(0.43)	(0.75)	(0.02)	(0.11)	1.75
2018	3.09	(0.99)	(1.42)	0.71	5.43	(1.21)	0.20	(0.21)	(0.38)	0.06	(0.13)	0.37	5.43
2019	0.04	(0.99)	1.59	(1.36)	3.88	2.85	(1.35)	2.19	(2.16)	0.38	(1.29)	1.12	4.79
2020	(1.32)	4.19	12.36	0.04	(0.61)	(0.29)	2.11	2.11	(2.41)	(0.16)	1.75	3.88	21.76

Source: BHG NAV and NAV per Share data is provided by BHG's administrator, Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust"). BHG NAV per Share % Monthly Change calculations are made by BHCM.

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

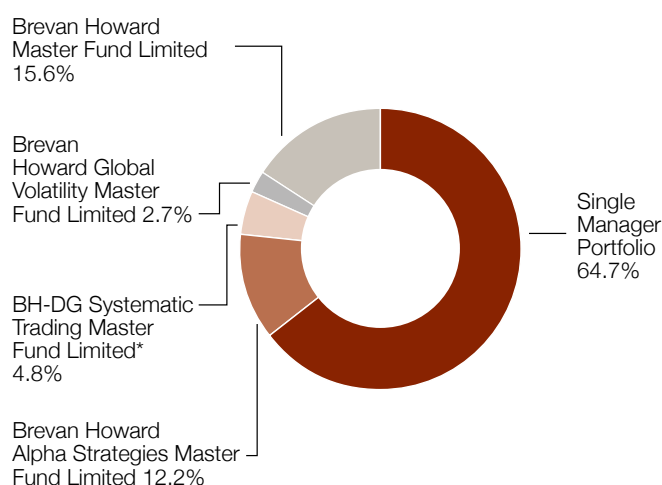
* Performance is calculated from a base NAV per Share of 10 in each currency. The opening NAV in May 2008 was 9.9 (after deduction of the IPO costs borne by BHG). Data as at 31 December 2020. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

MANAGER'S REPORT CONTINUED

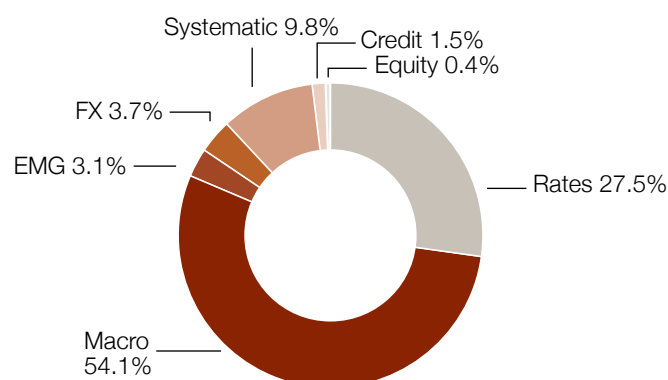
UNDERLYING ALLOCATION REVIEW

Allocations of BHMS as at 31 December 2020 (allocations subject to change):

By Underlying Fund & SMP



By Strategy Group



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

* Known as Brevar 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 Single Manager 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 BHMS, 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
- "Systematic": rules-based futures trading
- "Equity": global equity markets including indices and other derivatives
- "Credit": corporate and asset-backed indices, bonds and CDS

Throughout the year, the Investment Committee's ("IC") main allocation decision was to increase the allocation to the SMP and to reduce its allocation to Brevar Howard Master Fund Limited ("BHMF"). This was driven by an improved opportunity set and an increasing availability of new and existing talent.

In the second half of the year there were several other fund allocation changes within BHMS as a whole. There was a slight increase in the exposure to Brevar Howard Alpha Strategies Master Fund Limited ("BHAL") and Brevar Howard MB Macro Master Fund Limited ("BHMB"). The increased exposure to BHAL was driven by the increasingly diverse underlying traders and strategies within the fund. The increased exposure to BHMB was due to an underweight allocation and an improved opportunity set within the fund.

The IC made several changes to books throughout the year within the SMP. In the first half of the year, the SMP added exposure to a senior trader focusing on emerging market trading and another senior trader using a systematic macro strategy. In the second half of the year, a new senior trader was added, who follows a discretionary macro strategy with potential exposures in emerging markets and credit. In addition, due to changing opportunity sets there were minor adjustments to select trading books within the SMP during the year.

2020 saw an increase in the number of traders at Brevar Howard. It is expected that further trader hires will occur in 2021. As such, the IC increasingly has a broader pool of talent from which to select from. The SMP is the area of the portfolio whereby the IC has the ability to allocate directly to trading books and funds which are managed by an individual portfolio manager. At the end of 2020, the SMP had exposure to nine trading books and funds. The IC will continue to pursue high risk-adjusted returns whilst keeping a healthy diversification across strategies, asset classes and traders.

PERFORMANCE REVIEW

BH Global's performance for the year was the largest NAV gain in the Company's history, with the NAV per share of the GBP and USD class gaining 21.76% and 22.45% respectively. This compared favourably to the HFRI Macro Total Index, which was up 5.47% over the period.

The year was characterised by significant moves in price and volatility across most asset classes. All asset classes contributed positively to returns for the fund for the year. The first quarter generated the majority of the year's returns in interest rate trading across directional, volatility and relative value trading strategies in a range of different markets. Throughout the remainder of the year BHMS generated positive returns through exposure to themes such as short USD vs Asian currencies, tactical equity trading, long precious metals including gold and silver as well as related ETFs, and long exposure to select credits in emerging markets. After the first quarter the majority of the fund's returns came from gains in equities, commodities and credit illustrating the diversification benefits of BHMS.

With regard to the returns of the underlying fund allocations, all of the underlying funds and the SMP contributed positively

to performance for 2020. BHMF delivered strong gains in Q1 within interest rates trading, where directional positioning within US rates was the main driver but also in Q4, where short USD positioning and long equity indices and thematic baskets of equities produced strong gains. Brevan Howard FG Macro Master Fund Limited had a particularly strong year and delivered notable attribution across all asset classes in a standout year for the fund.

ATTRIBUTION TABLES

In measuring the attribution of the underlying portfolios, the Manager employs a number of metrics including the two set out in the tables below.

All positions, regardless of which trading book holds them, are allocated to an asset class and the attribution per asset class is summarised in the first table below. The second table summarises the attribution, but by reference to the overall strategy classification of each trading book. It should be noted that, as the second table indicates, there are some strategy groups which at 31 December 2020 had been allocated no trading books.

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

	RATES	FX	EQUITY	COMMODITY	CREDIT	DISCOUNT MANAGEMENT	TOTAL
Q1 2020	12.56	(0.14)	1.68	0.54	1.01	0.00	15.67
Q2 2020	(0.34)	(2.23)	(0.34)	0.72	1.39	0.00	(0.82)
Q3 2020	0.02	0.46	(0.22)	0.80	(0.01)	0.00	1.01
Q4 2020	0.25	4.24	1.28	0.34	(0.45)	0.00	5.67
YTD 2020	12.48	2.24	2.39	2.43	1.94	0.00	22.45

*Data as at 31 December 2020

Quarterly figures are calculated by BHCM based on performance data for each period provided by BHG's administrator, Northern Trust. Figures rounded to two decimal places.

YTD 2020 totals may not equal the sum of the quarterly returns due to compounding of returns over the year. Quarterly totals may not equal the sum of the asset class contributions due to monthly compounding within each quarter.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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

"Equity": equity markets including indices and other derivatives

"Commodity": commodity futures and options

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

"Discount Management": buyback activity for discount management purposes

MANAGER'S REPORT CONTINUED

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
Q1 2020	14.80	(0.06)	2.46	0.10	0.00	0.00	(1.49)	(0.07)	0.00	15.67
Q2 2020	(0.23)	(0.77)	(0.01)	(0.03)	0.00	0.00	0.23	0.00	0.00	(0.82)
Q3 2020	0.82	0.19	0.08	0.03	0.00	0.00	(0.11)	0.00	0.00	1.01
Q4 2020	4.90	0.42	0.18	0.06	0.00	0.04	0.06	0.00	0.00	5.67
YTD 2020	21.13	(0.22)	2.72	0.15	0.00	0.04	(1.31)	(0.08)	0.00	22.45

*Data as at 31 December 2020

Quarterly figures are calculated by BHCM based on performance data for each period provided by BHG's administrator, Northern Trust. Figures rounded to two decimal places. YTD 2020 totals may not equal the sum of the quarterly returns due to compounding of returns over the year. Quarterly totals may not equal the sum of the strategy group contributions due to monthly compounding within each quarter.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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 BHMS, 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

OUTLOOK

The first half of 2021 should see an uneven recovery as governments respond to the third wave of COVID-19. In some countries mass vaccination is proceeding efficiently; in other countries it has been delayed for a variety of reasons. At the same time, new more transmissible variants of COVID-19 have strained public health systems and led to additional restrictions on social and economic activity. As vaccine distribution and uptake improve, the expectation is for a brisk rebound of the service sector in the second half of the year. Highly accommodative monetary policy will help underpin risk sentiment and fiscal easing will provide targeted relief. However, the magnitude of the fiscal response differs across countries, with the US at one extreme rolling out multiple trillion-dollar programs and China at the other extreme with some withdrawal of fiscal support. While policymakers are generally committed

to providing a risk-friendly environment, the heterogeneity in policy responses sets up some interesting cross-country trading opportunities. In emerging markets, some countries have been hit especially hard by COVID-19, some less so. North Asia and Australia & New Zealand have generally been standouts with successful public-health responses and gearing to the recovery in global trade. Some analysts argue that the reopening of the global economy will generate inflation and others argue that the global economy is still stuck in secular stagnation. Regardless, the big increase in oil and industrial commodity prices means that many investors are looking for a sustained rebound in the commodity complex and concomitant decline in the US Dollar against emerging market currencies. In any event, monetary policy is tuned to try and create inflation in all the major developed market economies, especially in the US where the Fed promises to overshoot its traditional 2% target. At a minimum, that commitment points to low rates for years. If successful, a return of inflation would be a remarkable macroeconomic development against a backdrop in which investors have become complacent about inflation. Finally, politics isn't going away in 2021. There are a number of loose ends accompanying Brexit, the Eurozone project is still a work-in-progress, and geopolitical tensions remain with the US-China relationship perhaps being the most important hotspot.

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

29 March 2021

DIRECTORS' REPORT

The Directors submit their Report together with the Company's Audited Statement of Assets and Liabilities, Audited Statement of Operations, Audited Statement of Changes in Net Assets, Audited Statement of Cash Flows, and the related notes (together, the "Financial Statements") for the year ended 31 December 2020. The Directors' Report together with the Audited Financial Statements give a true and fair view of the financial position of the Company. They have been prepared properly, in conformity with United States Generally Accepted Accounting Principles ("US GAAP") and are in accordance with any relevant enactment for the time being in force, and are in agreement with the accounting records.

THE COMPANY

The Company is a limited liability closed-ended investment company which was incorporated in Guernsey on 25 February 2008.

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

The Company can offer multiple classes of ordinary shares, which differ in terms of currency of issue with ordinary shares denominated in US Dollar and Sterling currently being in issue.

RESULTS AND DIVIDENDS

The results for the year are set out in the Audited Statement of Operations on page 39. The Directors do not recommend the payment of a dividend.

SHARE CAPITAL

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

INTERNATIONAL TAX REPORTING

For the purposes of the US Foreign Account Tax Compliance Act, the Company registered with the US Internal Revenue Services ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI"), received a Global Intermediary Identification Number (U2S6ID.99999.SL.831), and can be found on the IRS FFI list.

The Common Reporting Standard ("CRS") is a global standard for the automatic exchange of financial account information developed by the Organisation for Economic Co-operation and Development ("OECD"), which has been adopted by Guernsey and which came into effect on 1 January 2016. The Board has taken the necessary action to ensure that the Company is compliant with Guernsey regulations and guidance in this regard.

DISCOUNT MANAGEMENT PROGRAMME

In consultation with the broker and other advisors, the Directors review the share price in relation to NAV on a regular basis and

take such action as they consider to be in the best interests of shareholders. For additional information, refer to note 8 of the Financial Statements.

GOING CONCERN

After making enquiries and given the nature of the Company and its investment, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these Financial Statements and, after due consideration, the Directors consider that the Company is able to continue for the foreseeable future and at least twelve months from the date of this report.

In addition, a circular was issued to shareholders on 12 March 2021. The circular had a proposal to approve an increase in the management fee together with the opportunity of shareholders to have a return of capital of up to 40% of the net asset value of the Company. The result of this resolution was a vote of 65.56% in favour of the proposal. Therefore there will be a tender offer to shareholders in the near future. The maximum amount of the tender will be 40% of the number of shares in each class of the Company (excluding any held in treasury) and therefore the Company will continue to be managed by Brevan Howard and as a result will continue to be a going concern.

In reaching this conclusion the Board is mindful of the nature and liquidity of the assets that underlie its investment in BHMS, the terms under which it may redeem its investment in BHMS and utilise the borrowing facilities available to it and has concluded that moderate adverse investment performance would not have a material impact on the Company's ability to meet its liabilities as they fall due.

There remains continued uncertainty about the development and scale of the COVID-19 outbreak, however the Board does not consider COVID-19 to have an impact on going concern as unlike many companies performance and net asset value has increased during the COVID-19 pandemic.

Signed on behalf of the Board by:

Sir Michael Bunbury
CHAIRMAN

Sally-Ann Farnon
DIRECTOR

29 March 2021

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE

To comply with the UK Listing Regime, the Company must comply with the requirements of the UK Corporate Governance Code (the "UK 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 2019 AIC Code of Corporate Governance for the year ("AIC Code") is deemed to comply with both the UK and Guernsey Codes of Corporate Governance.

The Board has considered the principles and recommendations of the AIC Code and consider that reporting against these will provide appropriate information to shareholders. The AIC Code includes provisions relating to:

- the establishment of an audit committee;
- the main roles and responsibilities of the audit committee;
- the responsibilities of the audit committee;
- the Directors' responsibility for preparing the annual report and accounts;
- the robust assessment of the Company's emerging and principal risks;
- the monitoring of the company's risk management and internal control systems;
- the appropriateness of the going concern basis; and
- longer-term viability of the Company.

To ensure ongoing compliance with these principles the Board reviews a report from the Corporate Secretary, at each quarterly meeting, identifying how the Company is in compliance and identifying any changes that might be necessary.

For the reasons set out in the AIC Code the Board considers certain provisions of the UK Code are not relevant to the position of the Company as it is an externally managed investment company. The Directors are all non-executive and the Company does not have employees, hence no whistle blowing policy is required. The key service providers all have whistle blowing policies in place. The Board as a whole fulfils the function of a Remuneration Committee. Details of compliance are noted in the succeeding pages.

The Company has adopted a policy that the composition of the Board of Directors, which is required by the Company's Articles to comprise of at least two persons, is at all times such that a majority of the Directors are independent of the Manager and any company in the same group as the Manager; the Chairman of the Board of Directors is free from any conflicts of interest and is independent of the Manager and of any company in the same group as the Manager; and that no more than one director, partner, employee or professional adviser to the Manager or any company in the same group as the Manager may be a Director of the Company at any one time.

Under Provision 10 of the AIC Code, having considered the directorship of Julia Chapman in DG Macro Fund Limited (formerly London Select Fund Limited), whose Alternative Investment Fund Manager is one in which Brevan Howard has an economic interest, the Board has determined that she remains independent.

RISK MANAGEMENT

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

THE BOARD

The Board, which currently consists solely of independent non-executive Directors, meets at least four times a year and between these formal meetings there is regular contact with both the Manager and the Administrator. There is a schedule of matters that are reserved for decision by the Board and clear terms of reference governing the roles and responsibilities of its committees. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company and which 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, 19 ad-hoc meetings were held in 2020, to deal with matters that were of a fundamentally administrative nature, the majority being to deal with conversions between share classes. These meetings were attended by those Directors available at the time.

On 26 June 2020, at the Annual General Meeting of the Company, shareholders re-elected all Directors of the Company. Section 21.3 of the Company's Articles requires all Directors at the date of the notice convening the annual general meeting, shall retire from office and may offer themselves for re-election.

THE BOARD (CONTINUED)

The Board of Directors has overall responsibility for safeguarding the Company's assets, for the determination of the investment policy of the Company, for reviewing the performance of the Manager and the other service providers and for the Company's activities. The Directors are listed on pages 30 to 31, and on the inside back cover.

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

BOARD EVALUATION AND SUCCESSION PLANNING

There is a formal and rigorous process for the annual evaluation of the Board, its committees, the Chairman and individual Directors including a periodic externally facilitated board evaluation. During 2020, the Board commissioned an external evaluation of its performance by BoardAlpha. The report of the evaluation confirmed that the Company applies a high standard of corporate governance. The report indicated that there were no significant issues to raise; some helpful recommendations were offered which the Board will consider and implement going forward.

The Board has chosen not to adopt a definitive policy with quantitative targets for board diversity. However, gender diversity, knowledge, skills, experience, residency and governance credentials are all considered by the Nominations Committee when recommending appointments to the Board and in formulating succession plans. With 40% female Directors, the Board exceeds diversity targets recommended by the Hampton Alexander Review.

The Board, Audit and Risk Committee, Management Engagement Committee and Nominations Committee undertake an evaluation of their own performance and that of individual Directors on an annual basis. In order to review their effectiveness, the Board and its Committees carry out a process of formal self-appraisal. The Board and Committees consider how they function as a whole and also review the individual performance of its members.

This process is conducted by the respective Chairman reviewing each member's performance, contribution and commitment to the Company. Julia Chapman, as Senior Independent Director (appointed 1 January 2021, previously Graham Harrison), takes the lead in reviewing the performance of the Chairman. Each Board member undertakes ongoing training and maintenance of continuing professional development requirements.

The Board considers it has a breadth of experience relevant to the Company, and the Directors believe that any changes to the Board's composition can be managed without undue disruption. An induction programme has been put in place for all Director appointments.

The Board considers independence including consideration of tenure in line with the AIC Code. Succession plans are regularly reviewed to ensure that board membership continues to be refreshed at suitable intervals whilst maintaining the necessary balance between fresh insight and experience.

CORPORATE GOVERNANCE STATEMENT CONTINUED

BOARD AND COMMITTEE MEETINGS

The table below sets out the number of Board, Audit, Management Engagement and Nominations Committee scheduled meetings held during the year ended 31 December 2020 and, where appropriate, the number of such meetings attended by each Director.

Attendance at scheduled Board and Committee meetings are detailed below, in addition the Directors attended many adhoc board meetings during the year.

	BOARD	AUDIT AND RISK	MANAGEMENT ENGAGEMENT	NOMINATIONS
No of meetings	4	4	1	1
Attendance				
Sir Michael Bunbury ¹	4	4	1	1
Julia Chapman	4	4	1	1
Sally-Ann Farnon	4	4	1	1
Graham Harrison ²	4	4	1	1
Andreas Tautscher	4	4	1	1

1 Sir Michael Bunbury is not a member of the Audit and Risk Committee and attends by invitation.

2 Graham Harrison resigned from the Audit and Risk Committee on 12 March 2020 and attended all subsequent Audit and Risk Committee meetings by invitation.

DIRECTORS' INDEPENDENCE

The Company has five non-executive Directors, all of whom are independent of the Manager.

Under the AIC Code, the Board must consider whether directors continue to be independent of the Company if they have served for over nine years.

Graham Harrison was appointed to the Board in March 2010 and has served for more than nine years. The Board considers that he remains independent and that his continuing service and his expertise is in the best interests of shareholders.

At a Board meeting held on 1 May 2019, Andreas Tautscher was appointed to the Board. Andreas Tautscher and Julia Chapman are both employed by the Altair Group which is a regulated provider of Director Services in the Channel Islands.

DIRECTORS' INTERESTS

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

	US DOLLAR SHARES	31.12.2020 STERLING SHARES	US DOLLAR SHARES	31.12.2019 STERLING SHARES
Sir Michael Bunbury ¹	–	14,200	–	11,000
Julia Chapman	–	1,081	–	1,081
Sally-Ann Farnon	–	1,700	–	1,700
Graham Harrison	–	1,500	–	1,500
Andreas Tautscher ²	–	600	–	–

1 Sir Michael Bunbury acquired an additional 3,200 shares on 26 March 2020.

2 Andreas Tautscher acquired 600 shares on 31 March 2020.

The Company has adopted a Code of Directors' dealings in securities.

Directorships in other public companies are disclosed in the Board Members' report on page 31.

DIRECTORS' INDEMNITY

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

COMMITTEES OF THE BOARD

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

AUDIT AND RISK COMMITTEE

At the date of this statement, the Audit and Risk Committee is chaired by Sally-Ann Farnon, and its other members are Julia Chapman and Andreas Tautscher. The Committee meets formally at least three times a year.

Appointment to the Audit and Risk 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 and Risk Committee remain independent of the Manager.

The table on page 20 sets out the number of Audit and Risk Committee Meetings held during the year ended 31 December 2020 and the number of such meetings attended by each Committee member.

A report of the Audit and Risk Committee detailing its responsibilities and its key activities is presented on pages 25 to 27.

MANAGEMENT ENGAGEMENT COMMITTEE

The Board has established a Management Engagement Committee with formal duties and responsibilities. The function of the Management Engagement Committee is to ensure that the Company's Management Agreement is competitive and reasonable for the Shareholders, along with the Company's agreements with all other third party service providers (other than the external auditors).

The Management Engagement Committee meets formally at least once a year and comprises all Directors of the Board, with Julia Chapman as Chairman.

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

Details about the management fees charged by the Manager and its notice period are contained in note 4 to the Financial Statements.

The Manager has wide experience in managing and administering investment companies and has access to extensive investment management resources. At its meeting of 1 December 2020, the Management Engagement Committee concluded that the continued appointment of the Manager on the terms agreed would be in the best interests of the Company's shareholders as a whole. At the date of this report the result of the EGM referred to in the Chairman's Statement regarding the management fees will result with effect from 1 July 2021 in increased management fees. The Board continues to be of the opinion that this is in the best interests of the Company's shareholders.

NOMINATIONS COMMITTEE

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

The other duties of the Committee include:

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

At its meeting of 1 December 2020 the Nominations Committee concluded that the continued appointment of the Board would

CORPORATE GOVERNANCE STATEMENT CONTINUED

be in the best interests of the Company's shareholders as a whole. At the date of this report the Board continues to be of the same opinion.

REMUNERATION COMMITTEE

In view of its non-executive and independent nature, the Board considers that it is not appropriate for there to be a separate Remuneration Committee as anticipated by the AIC Code. The Board as a whole fulfils the functions of the Remuneration Committee, although the Board has included a separate Remuneration Report on page 29 of these Financial Statements. The consideration of the Chairman's remuneration is led by the Senior Independent Director without the Chairman being present.

INTERNAL CONTROLS

The Board is ultimately responsible for establishing and maintaining the Company's system of internal control and for maintaining and reviewing its effectiveness. To achieve this, a process has been established which seeks to:

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

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

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

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

The Board has delegated the investment management of the Company, the administration, corporate secretarial and registrar functions including the independent calculation of the Company's NAV and the production of the Annual Report and Financial Statements, which are independently audited. Whilst the Board delegates these functions, it remains responsible for the functions it delegates and for the systems of internal control. Formal contractual agreements have been put in place between the Company and providers of these services. On an ongoing basis, Board reports are provided at each quarterly Board meeting from the Manager, Administrator and Company Secretary and Registrar. A representative from the Manager is asked to attend these meetings. The Board reviews the Manager's and Administrator's annual service organisation control ("SOC") ISAE 3402 reports and during the year, there were no significant observations or recommendations noted.

The Board has reviewed the need for an internal audit function and has decided that the systems and procedures employed by the Manager, Administrator and the Company Secretary and Registrar, including their own internal review processes, and the work carried out by the Company's external auditors, 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.

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

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

CORPORATE SOCIAL RESPONSIBILITY

Anti-Bribery and Corruption Policy

The Board has adopted a formal Anti-bribery and Corruption Policy. The policy applies to the Company and to each of its

Directors. Furthermore, the policy is shared with each of the Company's main service providers.

UK Criminal Finances Act 2017

In respect of the UK Criminal Finances Act 2017 which has introduced a new Corporate Criminal Offence of 'failing to take reasonable steps to prevent the facilitation of tax evasion', the Board confirms that it is committed to zero tolerance towards the criminal facilitation of tax evasion.

General Data Protection Regulation ("GDPR")

The Board has received assurance from its service providers that they are compliant with the General Data Protection Regulation ("GDPR").

Environmental and Social Issues

As part of the Board's social engagement the Board is currently working with the GTA University Centre to appoint a Board apprentice as part of their development programme. This programme supports individuals who normally would not be able to find Board appointments as part of their existing role but who have the potential and desire to find appointments in the future. The successful candidate will attend future Board meetings as an observer which will allow them to gain experience and confidence.

The Board also keeps under review developments involving other social and environmental issues, such as Modern Slavery, and will report on those to the extent they are considered relevant to the Company's operations.

Other environmental and social issues are referred to in the Strategic Report on pages 5 and 6.

Relations with Shareholders

In line with the AIC Code, the Board also consult with shareholders where 20% or more of the votes cast go against a resolution and an update is published within six months and a summary of each qualifying vote will be presented in the Annual Report. At the Annual General Meeting held on 26 June 2020, there was no motion that received 20% or more votes against a resolution. On 12 March 2021 a circular was issued regarding increased management fees and a tender offer up to a maximum of 40% of the Company's net asset value. On 25 March 2021 shareholders voted by a majority of 65.56% in favour to 33.87% against with 0.57% voting to abstain on a turnout of approximately 55% to accept the increase in Manager's fees. The Board notes the significant, albeit minority, vote against the Proposal. The Board will shortly seek to engage further with principal shareholders and discuss the consequences of the vote with them. As set out in the circular there will be a Tender Offer that will be capped at 40% of the issued share capital of each share class excluding those shares held in Treasury. Further details of the Tender Offer will be set out in a circular to shareholders to be posted during April.

The Company provides weekly unaudited estimates of the NAVs, month-end unaudited NAVs and a monthly newsletter. These are published via RNS and are also available on the Company's website, www.bhglobal.com. Risk reports are also available on the Company's website.

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

Significant Shareholders

As at 31 December 2020, the following registered shareholders had significant shareholdings in the Company:

SIGNIFICANT SHAREHOLDERS	TOTAL SHARES HELD	% HOLDINGS IN CLASS
STERLING SHARES		
Cheviot Capital (Nominees) Ltd	2,686,588	13.35%
Rathbone Nominees Limited	2,279,588	11.33%
Smith & Williamson Nominees Limited	2,048,926	10.18%
Ferlim Nominees Limited	1,361,941	6.77%
Pershing Nominees Limited	1,330,140	6.61%
Roy Nominees Limited	1,287,982	6.40%
Wealth Nominees Limited	969,078	4.82%
Nortrust Nominees Limited	940,070	4.67%
Vidacos Nominees Limited	926,378	4.60%

CORPORATE GOVERNANCE STATEMENT CONTINUED

The Bank Of New York (Nominees) Limited	691,341	3.44%
Platform Securities Nominees Limited	608,506	3.02%

SIGNIFICANT SHAREHOLDERS	TOTAL SHARES HELD	% HOLDINGS IN CLASS
US DOLLAR SHARES		
Wealth Nominees Limited	1,155,609	44.04%
Euroclear Nominees Limited	623,420	23.76%
Ferlim Nominees Limited	114,096	4.35%
Rathbone Nominees Limited	111,267	4.24%
Pershing Nominees Limited	87,152	3.32%

ONGOING CHARGES

Ongoing charges for the year ended 31 December 2020 and 31 December 2019 have been prepared in accordance with the AIC's recommended methodology. Note this was not the methodology used when producing the Key Information Document ("KID").

The Ongoing Charges figures include the ongoing charges of BHMS.

The Company's investments in BHMS are not subject to management fees, operational services fees or performance fees but do bear normal administrative expenses.

The following table presents the Ongoing Charges and the Company's performance fees for each share class:

31.12.20

	US DOLLAR SHARES	STERLING SHARES
Company – Ongoing Charges	1.03%	1.10%
BHMS – Ongoing Charges	0.11%	0.11%
Performance fee	4.95%	4.73%
TOTAL ONGOING CHARGES PLUS PERFORMANCE FEES	6.09%	5.94%

31.12.19

	US DOLLAR SHARES	STERLING SHARES
Company – Ongoing Charges	1.21%	1.25%
BHMS – Ongoing Charges	0.09%	0.09%
Performance fee	1.50%	1.16%
TOTAL ONGOING CHARGES PLUS PERFORMANCE FEES	2.80%	2.50%

Further information regarding expenses is provided in the KID for each share class which is available on the Company's website.

Signed on behalf of the Board by:

Sir Michael Bunbury

CHAIRMAN
29 March 2021

Sally-Ann Farnon

DIRECTOR

AUDIT AND RISK COMMITTEE REPORT

Dear Shareholder,

On the following pages, we present the Audit and Risk Committee's Report for 2020, setting out the responsibilities of the Audit and Risk Committee and its key activities in 2020. As in previous years, the Audit and Risk Committee has reviewed the Company's financial reporting, the independence and effectiveness of the Independent Auditor and the internal control and risk management systems of the Company's service providers. In order to assist the Audit and Risk Committee in discharging these responsibilities, regular reports are received and reviewed from the Manager, Administrator and Independent Auditor. Following the review of the independence, objectivity and effectiveness of the Company's Independent Auditor, the Audit and Risk Committee has recommended to the Board that KPMG Channel Islands Limited be reappointed as Independent Auditor, which the Board will submit to the Company's Members for approval.

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

Sally-Ann Farnon

CHAIRMAN, AUDIT AND RISK COMMITTEE

RESPONSIBILITIES

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

The role of the Audit and Risk Committee includes:

- monitoring the integrity of the published Financial Statements of the Company and any formal announcements relating to the Company's financial performance;
- reviewing and reporting to the Board on the significant issues and judgements made in the preparation of the Company's published Financial Statements, (having regard to matters communicated by the Independent Auditor) and other financial information;
- monitoring and reviewing the quality and effectiveness of the Independent Auditor and their independence;
- considering and making recommendations to the Board on the appointment, reappointment, replacement and remuneration to the Company's Independent Auditor;

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

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

KEY ACTIVITIES OF THE AUDIT AND RISK COMMITTEE:

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

Financial Reporting:

The Audit and Risk Committee's review of the Annual Financial Statements focused on what it believes to be the only significant issue:

The Company's investment in BHMS had a fair value of US\$588,952,375 as at 31 December 2020 and represents the majority of the net assets of the Company and as such is the biggest factor in relation to the accuracy of the Financial Statements. The valuation of the investment is determined in accordance with the accounting policy in note 3 to the Financial Statements. The Financial Statements of BHMS for the year ended 31 December 2020 were audited by KPMG Cayman Islands who issued an unqualified audit opinion dated 26 March 2021. The Audit and Risk Committee considered the Financial Statements of BHMS and its accounting policies in determining that the fair value of the investment in BHMS at 31 December 2020 is reasonable.

The Independent Auditor reported to the Committee that no material misstatements were found in the course of their work. Furthermore, the Manager and Administrator confirmed to the Committee that they were not aware of any material misstatements including matters relating to financial statement presentation. The Audit and Risk Committee confirms that it is satisfied that the Independent Auditor has fulfilled its responsibilities with diligence and professional scepticism. At the request of the Board, the Audit and Risk Committee considered whether the 2020 Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced and understandable and whether they provided the necessary information for shareholders to assess the Company's performance, business model and strategy. The Audit and Risk Committee are satisfied that the Annual Report and Audited Financial Statements, taken as a whole, are fair, balanced and understandable, and provide the necessary information for the shareholders to assess the Company's performance.

AUDIT AND RISK COMMITTEE REPORT CONTINUED

Following a review of the presentations and reports from the Administrator and consulting where necessary with the Independent Auditor, the Audit and Risk Committee is satisfied that the financial statements appropriately address any critical judgements and key estimates (both in respect to the amounts reported and the disclosures). The Audit and Risk Committee is also satisfied that the significant assumptions used for determining the value of assets and liabilities have been appropriately scrutinised, challenged and are sufficiently robust.

Risk Management:

The Audit and Risk Committee continued to consider the process for managing the risks faced by the Company and its service providers. Risk management procedures for the Company, as detailed in the Company's risk assessment matrix, were reviewed and approved by the Audit and Risk Committee. The process of risk management includes procedures to identify, manage and mitigate financial risks, operational risks and emerging risks faced by the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Audit and Risk Committee, in conjunction with the Management Engagement Committee, continued to monitor and review the procedures of the Company to combat fraud, bribery and corruption. Confirmation is received from all major service providers that they are not aware of any instances of fraud, bribery or corruption.

THE INDEPENDENT AUDITOR:

Independence, objectivity and fees:

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

The services which the Independent Auditor may not provide are any which:

- places them in a position to audit their own work;
- creates a mutuality of interest;
- results in the Independent Auditor developing close relationships with service providers of the Company;
- results in the Independent Auditor functioning as a manager or employee of the Company; or

- puts the Independent Auditor in the role of advocate of the Company.

As a general rule, the Audit and Risk Committee does not utilise the Independent Auditor for internal audit purposes, secondment or valuation advice. Services limited to quarterly reviews are normally permitted but must be pre-approved by the Audit and Risk Committee where fees are likely to be in excess of £25,000.

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

The following table summarises the remuneration paid to KPMG Channel Islands Limited for audit and non-audit services provided to the Company during the years ended 31 December 2020 and 31 December 2019:

	01.01.20 TO 31.12.20	01.01.19 TO 31.12.19
KPMG CHANNEL ISLANDS LIMITED		
– Annual audit	£33,250	£31,000
– Auditor's interim review	£15,750	£15,350

In line with the policies and procedures above, the Audit and Risk Committee does not consider that the provision of the non-audit services, which comprised the Auditor's interim review, to be a threat to the objectivity and independence of the Independent Auditor. The Audit and Risk Committee has also considered the overall level of services provided by KPMG member firms to the wider Brevan Howard organisation and does not consider these to pose a threat to the Independent Auditor's independence.

KPMG Channel Islands Limited has been the Company's Independent Auditor from the date of the initial listing on the London Stock Exchange. The external audit was most recently tendered for the years commencing after 31 December 2015. As reported in the Annual Report for the year ended 31 December 2015, KPMG Channel Islands Limited was re-appointed as auditor following the completion of the tender process and currently it is anticipated that the audit will be tendered within the next five years.

THE INDEPENDENT AUDITOR (CONTINUED)

The Audit and Risk Committee has examined the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the Independent Auditor, with particular regard to non-audit fees, and considers KPMG Channel Islands Limited, as Independent Auditor, to be independent of the Company.

PERFORMANCE AND EFFECTIVENESS:

During the year, when considering the effectiveness of the Independent Auditor, the Audit and Risk Committee has taken into account the following factors -

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

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

REAPPOINTMENT:

Consequent to the review discussed above, the Audit and Risk Committee has recommended to the Board that a resolution be put to the 2021 AGM for the reappointment of KPMG Channel Islands Limited as Independent Auditor. The Board has accepted this recommendation.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS:

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

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

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

The Audit and Risk Committee Report was approved by the Board on 29 March 2021 and signed on its behalf by:

Sally-Ann Farnon
CHAIRMAN, AUDIT AND RISK COMMITTEE

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

The Directors are responsible for preparing the Annual Report and Audited Financial Statements in accordance with applicable law and regulations.

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 accordance with accounting principles generally accepted in the United States of America and applicable law.

Under Company law, the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss 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, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless liquidation is imminent.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its Financial Statements comply with the Companies (Guernsey) Law, 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We confirm that to the best of our knowledge:

- 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;
- the Financial Statements, 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
- the Chairman's Statement, Strategic Report, Directors' Report and Manager's Report include a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Audited Financial Statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Signed on behalf of the Board by:

Sir Michael Bunbury
CHAIRMAN

Sally-Ann Farnon
DIRECTOR

29 March 2021

DIRECTORS' REMUNERATION REPORT

As at 31 December 2020

INTRODUCTION

An ordinary resolution for the approval of this Directors' Remuneration Report will be put to the shareholders at the forthcoming Annual General Meeting to be held in 2021.

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.

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 Chairman of the Audit and Risk Committee and Management Engagement Committee. The policy is to review fee rates periodically, although such a review will not necessarily result in any changes to the rates, and account is taken of fees paid to Directors of comparable companies.

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

The fees payable by the Company in respect of each of the Directors who served during the year, and during 2019, were as follows:

	01.01.20 TO 31.12.20 £	01.01.19 TO 31.12.19 £
Sir Michael Bunbury	150,000	150,000
Julia Chapman	45,600	41,574
Sally-Ann Farnon	53,000	50,000
Graham Harrison	45,600	43,000
Nicholas Moss ¹	–	20,292
Andreas Tautscher ²	42,400	26,666
TOTAL	336,600	331,532

1 Nicholas Moss retired from the Board on 21 June 2019.

2 Andreas Tautscher was appointed to the Board on 1 May 2019.

COMPANY PERFORMANCE

The graphs on page 9 detail the share price returns of the Company.

Signed on behalf of the Board by:

Sir Michael Bunbury
CHAIRMAN
29 March 2021

Sally-Ann Farnon
DIRECTOR

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. Section 21.3 of the Company's Articles requires, as does the AIC Code, that all of the Directors to retire at each Annual General Meeting. At the Annual General Meeting of the Company, on 26 June 2020, shareholders re-elected all Directors of the Company. Director appointments can also be terminated in accordance with the Articles. Should shareholders vote against a Director standing for re-election, the Director affected will not be entitled to any compensation. There are no set notice periods and a Director may resign by notice in writing to the Board at any time.

Directors are remunerated in the form of fees, payable quarterly in arrears.

DIRECTORS' FEES

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

With effect from 1 January 2021, Senior Independent Director has rotated from Graham Harrison to Julia Chapman. Graham Harrison's fee was reduced to £42,600 and Julia Chapman's fee was increased to £48,600.

BOARD MEMBERS

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

SIR MICHAEL BUNBURY (CHAIRMAN)

Sir Michael Bunbury is Chairman and Non-Executive Director of the Company. He is an experienced Director of listed and private investment, property and financial services companies. He is former Chairman of HarbourVest Global Private Equity Limited, former Chairman of JP Morgan Claverhouse Investment Trust plc and a former Director of Invesco Perpetual Select Trust plc and of Foreign & Colonial Investment Trust plc. Sir Michael began his career in 1968 at Buckmaster & Moore, before joining Smith & Williamson, Investment Managers and Chartered Accountants, in 1974 as a Partner. He later served as Director and Chairman and retired as a consultant to the firm in 2017. Sir Michael was appointed to the Board in 2013.

JULIA CHAPMAN (SENIOR INDEPENDENT DIRECTOR, FROM 1 JANUARY 2021)

Julia Chapman is a solicitor qualified in England & Wales and in Jersey with over 25 years' experience in the investment fund and capital markets sector. After working at Simmons & Simmons in London, she moved to Jersey and became a partner of Mourant du Feu & Jeune (now Mourant Ozannes) in 1999. She was then appointed general counsel to Mourant International Finance Administration (the firm's fund administration division). Following its acquisition by State Street in April 2010, Mrs Chapman was appointed European Senior Counsel for State Street's alternative investment business. In July 2012, Mrs Chapman left State Street to focus on the independent provision of directorship and governance services to a small number of investment fund vehicles (including GCP Infrastructure Investments Limited and Henderson Far East Income Limited). Mrs Chapman was appointed to the Board on 16 January 2017.

GRAHAM HARRISON, (SENIOR INDEPENDENT DIRECTOR, UNTIL 31 DECEMBER 2020)

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

SALLY-ANN FARNON

Sally-Ann ("Susie") Farnon is a Guernsey resident and is a fellow of the Institute of Chartered Accountants in England and Wales, having qualified as an accountant in 1983. Mrs Farnon is a Non-Executive Director of a number of property and investment companies and also serves on the Board of the Association of Investment Companies. Mrs Farnon was a Banking and Finance Partner with KPMG Channel Islands from 1990 until 2001 and head of Audit KPMG Channel Islands from 1999 until 2001. She has served as President of the Guernsey Society of Chartered and Certified Accountants and as a member of The States of Guernsey Audit Commission and Vice-Chairman of the Guernsey Financial Services Commission. Mrs Farnon was appointed to the Board in 2018.

ANDREAS TAUTSCHER

Andreas Tautscher is a Guernsey based independent Director with over 30 years' financial services experience. From 1994 until 2018, Andreas was a senior executive at Deutsche Bank and was most recently CEO Channel Islands and Head of Financial Intermediaries for EMEA and LATAM. He has experience across the full spectrum of funds, trust and banking services in most of the major financial centers. He sat on the UK Regional Governance Board of Deutsche Bank and the EMEA Wealth Management Exco. Andreas has also served on Local Government advisory committees and was for 6 years a Non-Executive Director on the Virgin Group Board. He is a member of the Board of Directors of Elizabeth College, a Guernsey based public school. Andreas started his career with PricewaterhouseCoopers and qualified as a Chartered Accountant in 1994. Andreas Tautscher was appointed to the Board in 2019.

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

COMPANY NAME	EXCHANGE
Sir Michael Bunbury	
None	
Julia Chapman	
GCP Infrastructure Investments Limited	London
Henderson Far East Income Limited	London and New Zealand
Sanne Group PLC	London
Graham Harrison	
Real Estate Credit Investments Limited	London
Volta Finance Limited	London and Amsterdam
Sally-Ann Farnon	
Apax Global Alpha Limited	London
Bailiwick Investments Ltd	TISE
HICL Infrastructure Company Limited	London
Real Estate Credit Investments Limited	London
Andreas Tautscher	
Doric Nimrod Air One Limited	London
Doric Nimrod Air Two Limited	London
Doric Nimrod Air Three Limited	London
MJ Hudson PLC	AIM

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BH GLOBAL LIMITED

OUR OPINION IS UNMODIFIED

We have audited the financial statements of BH Global Limited (the "Company"), which comprise the Audited Statement of Assets and Liabilities as at 31 December 2020, the Audited Statements of Operations, Changes in Net Assets and Cash Flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2020, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in conformity with U.S. generally accepted accounting principles; and
- comply with the Companies (Guernsey) Law, 2008.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards, as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

KEY AUDIT MATTERS: OUR ASSESSMENT OF THE RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2019):



	THE RISK	OUR RESPONSE
<p><i>Valuation of Investment in Brevan Howard Multi-Strategy Master Fund Limited (the "Master Fund")</i></p> <p>\$588,952,000;</p> <p>(2019: \$464,269,000)</p> <p>Refer to page 25 of the Audit and Risk Committee Report and note 3 accounting policy</p>	<p>BASIS:</p> <p>The Company, which is a multi-class feeder fund, had invested 99.31% (2019: 99.26%) of its net assets at 31 December 2020 into the ordinary US Dollar and Sterling denominated Class G Shares issued by the Master Fund, which is an open ended investment company.</p> <p>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.</p> <p>RISK:</p> <p>The valuation of the Company's investment in the Master Fund, given that it represents the majority of the net assets of the Company, is a significant area of our audit.</p>	<p><i>Our audit procedures included, but were not limited to:</i></p> <ul style="list-style-type: none"> • Obtained an independent confirmation from the administrator of the Master Fund of the net asset value per share for both the US Dollar and Sterling Class G shares and reconciled these to the net asset values used in the valuation of the Investment in the Master Fund • Reviewed the audit work performed by the auditor of the Master Fund to gain insight over the work performed on the significant elements of the Master Fund's net asset value; and held discussions on key audit findings with the auditor of the Master Fund • Examined the Master Fund's coterminous audited financial statements to corroborate the net asset value per share of both the US Dollar and Sterling Class G shares <p>We also considered the Company's investment valuation policies as disclosed in note 3 to the financial statements for conformity with U.S. generally accepted accounting principles</p>

OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

Materiality for the financial statements as a whole was set at \$8,895,000, determined with reference to a benchmark of net assets of \$593,034,000, of which it represents approximately 1.5% (2019: 1.5%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2019: 75%) of materiality for the financial statements as a whole, which equates to \$6,671,000. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding \$444,000, in addition to other identified misstatements that 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 as detailed above.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BH GLOBAL LIMITED CONTINUED

GOING CONCERN

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:

- Availability of capital to meet operating costs and other financial commitments; and
- The likelihood of share class closure or liquidation resolution votes being triggered

We considered whether these risks could plausibly affect the liquidity or ability of the Company to continue to operate in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 3 to the financial statements gives a full and accurate description of the directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the directors' statement in the notes to the financial statements on the use of the going concern basis

of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period, and that statement is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.



IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO NON-COMPLIANCE WITH LAWS AND REGULATIONS

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

CONTEXT OF THE ABILITY OF THE AUDIT TO DETECT FRAUD OR BREACHES OF LAW OR REGULATION

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of

internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

DISCLOSURES OF EMERGING AND PRINCIPAL RISKS AND LONGER TERM VIABILITY

We are required to perform procedures to identify whether there is a material inconsistency between the directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the directors' confirmation within the Viability Statement (page 7) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal disclosures describing these risks and explaining how they are being managed or mitigated;
- the directors' explanation in the Viability Statement (page 7) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BH GLOBAL LIMITED CONTINUED

We are also required to review the Viability Statement, set out on page 7 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

CORPORATE GOVERNANCE DISCLOSURES

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- 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 shareholders to assess the Company's position and performance, business model and strategy;
- the section of the Annual Report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

WE HAVE NOTHING TO REPORT ON OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law, 2008 requires us 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.

RESPECTIVE RESPONSIBILITIES

Directors' responsibilities

As explained more fully in their statement set out on page 28, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless liquidation is imminent.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body



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. 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.

Barry Ryan

for and on behalf of KPMG Channel Islands Limited

Chartered Accountants and Recognised Auditors

Guernsey

29 March 2021

AUDITED STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 2020

	31.12.2020 US\$'000	31.12.2019 US\$'000
ASSETS		
Investment in BHMS	588,952	464,269
Amount due from BHMS	23,107	8,746
Sales of own shares receivable	535	–
Other debtors	32	16
Cash and bank balances denominated in US Dollars	172	167
Cash and bank balances denominated in Sterling*	7,323	1,004
TOTAL ASSETS	620,121	474,202
LIABILITIES		
Management fees payable (note 4)	801	775
Performance fees payable (note 4)	26,156	5,478
Accrued expenses and other liabilities	98	119
Administration fees payable (note 4)	32	80
TOTAL LIABILITIES	27,087	6,452
NET ASSETS	593,034	467,750
NUMBER OF SHARES IN ISSUE (NOTE 5)		
US Dollar shares	2,624,216	2,664,844
Sterling shares	20,142,421	19,868,275
NET ASSET VALUE PER SHARE (NOTES 7 AND 10)		
US Dollar shares	US\$20.18	US\$16.48
Sterling shares	£19.61	£16.11

* As at 31 December 2020 the cash and bank balances denominated in Sterling was £5,356,546 (31 December 2019: £757,905).

See accompanying notes to the Financial Statements.

Signed on behalf of the Board by:

Sir Michael Bunbury
CHAIRMAN

Sally-Ann Farnon
DIRECTOR

29 March 2021

AUDITED STATEMENT OF OPERATIONS

For the year ended 31 December 2020

	01.01.20 TO 31.12.20 US\$'000	01.01.19 TO 31.12.19 US\$'000
NET INVESTMENT LOSSES ALLOCATED FROM BHMS		
Interest income	837	1,187
Expenses	(2,221)	(1,998)
NET INVESTMENT LOSSES ALLOCATED FROM BHMS	(1,384)	(811)
COMPANY INCOME		
Interest income	–	1
Foreign exchange gains	18,928	16,125
TOTAL COMPANY INCOME	18,928	16,126
COMPANY EXPENSES		
Management fees (note 4)	4,539	4,431
Performance fees (note 4)	24,873	5,313
Other expenses	572	555
Directors' fees and expenses	432	424
Administration fees (note 4)	171	155
TOTAL COMPANY EXPENSES	30,587	10,878
NET INVESTMENT (LOSSES)/GAINS	(13,043)	4,437
NET REALISED AND UNREALISED GAINS ON INVESTMENTS ALLOCATED FROM BHMS		
Net realised gain on investments	57,956	26,927
Net unrealised gain on investments	77,555	12,768
Net realised and unrealised foreign exchange loss – on hedging	(3,603)	(6,729)
NET REALISED AND UNREALISED GAINS ON INVESTMENTS ALLOCATED FROM BHMS	131,908	32,966
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	118,865	37,403

See accompanying notes to the Financial Statements.

AUDITED STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2020

	01.01.20 TO 31.12.20 US\$'000	01.01.19 TO 31.12.19 US\$'000
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		
Net investment (loss)/gain	(13,043)	4,437
Net realised gain on investments allocated from BHMS	57,956	26,927
Net unrealised gain on investments allocated from BHMS	77,555	12,768
Net realised and unrealised foreign exchange loss allocated from BHMS	(3,603)	(6,729)
	118,865	37,403
SHARE CAPITAL TRANSACTIONS		
Sale of own shares from Treasury (note 5)		
Sterling shares	6,419	–
	6,419	–
NET INCREASE IN NET ASSETS	125,284	37,403
NET ASSETS AT THE BEGINNING OF THE YEAR	467,750	430,347
NET ASSETS AT THE END OF THE YEAR	593,034	467,750

See accompanying notes to the Financial Statements.

AUDITED STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	01.01.20 TO 31.12.20 US\$'000	01.01.19 TO 31.12.19 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	118,865	37,403
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Net investment loss allocated from BHMS	1,384	811
Net realised gain on investments allocated from BHMS	(57,956)	(26,927)
Net unrealised gain on investments allocated from BHMS	(77,555)	(12,768)
Net realised and unrealised foreign exchange loss allocated from BHMS	3,603	6,729
Proceeds from sale of investment in BHMS	11,772	2,976
Foreign exchange gain	(18,928)	(16,125)
(Increase)/decrease in other debtors	(16)	34
Increase in management fees payable	26	388
Increase in performance fees payable	20,678	12
(Decrease)/increase in accrued expenses and other liabilities	(22)	23
(Decrease)/increase in administration fees payable	(48)	42
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	1,803	(7,402)
CASH FLOWS FROM FINANCING ACTIVITIES		
Sales of own shares	5,886	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	5,886	–
CHANGE IN CASH	7,689	(7,402)
CASH, BEGINNING OF THE YEAR	1,171	8,738
Effect of exchange rate fluctuations	(1,365)	(165)
CASH, END OF THE YEAR	7,495	1,171
CASH, END OF THE YEAR		
Cash and bank balances denominated in US Dollars	172	167
Cash and bank balances denominated in Sterling ¹	7,323	1,004
	7,495	1,171
¹ Cash and bank balances in Sterling (GBP'000)	5,357	758

See accompanying notes to the Financial Statements.

NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2020

1. THE COMPANY

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

The Company has a Premium Listing on the London Stock Exchange.

The Company can offer multiple classes of ordinary shares, which differ in terms of currency of issue with ordinary shares denominated in US Dollar and Sterling currently being in issue.

2. ORGANISATION

The Company's investment objective is to seek to generate consistent long-term capital appreciation through an investment policy of investing all of its assets (net of funds required for its short-term working capital requirements) in Brevan Howard Multi-Strategy Master Fund Limited ("BHMS" or the "Master Fund").

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

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

At 31 December 2020, the Company's US Dollar and Sterling capital account represents 7.39% and 75.17% (2019: 7.78% and 74.91%) respectively of BHMS's capital.

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

BHMS's underlying investments in funds at 31 December 2020 and the percentage that BHMS's investment represented of the underlying fund's Net Asset Value ("NAV") are as follows:

Brevan Howard AH Master Fund Limited*	2.17%
Brevan Howard Alpha Strategies Master Fund Limited	2.02%
Brevan Howard AS Macro Master Fund Limited*	4.40%
Brevan Howard FG Macro Master Fund Limited*	6.84%
Brevan Howard Global Volatility Master Fund Ltd	7.43%
Brevan Howard Master Fund Limited	1.94%
Brevan Howard MB Macro Master Fund Limited*	3.31%
BH-DG Systematic Trading Master Fund Limited	5.11%

*Investment is made through the Single Manager Portfolio ("SMP").

BHMS has flexibility to invest in a wide range of instruments including, but not limited to, debt securities and obligations (which may be below investment grade), bank loans, listed and unlisted equities, other collective investment schemes or vehicles (which may be open-ended or closed-ended, listed or unlisted, regulated or unregulated and may employ leverage (each an "Investment Fund")), currencies, commodities, futures, options, warrants, swaps and other derivative instruments. Derivative instruments may be exchange traded or OTC. BHMS may engage in short sales. BHMS may retain amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or if this is considered appropriate to the investment objective.

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

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

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

The Manager

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

The Manager also manages BHMS.

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 Company is an Investment Company which has applied the provisions of Accounting Standards Codification ("ASC") 946.

Going concern

After making enquiries and given the nature of the Company and its investment, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing these Financial Statements and, after due consideration, the Directors consider that the Company is able to continue for the foreseeable future and at least twelve months from the date of this report.

In addition, a circular was issued to shareholders on 12 March 2021. The circular had a proposal to increase the management fee together with the opportunity of shareholders to have a return of capital of up to 40% of the number of shares in each class (excluding Treasury shares). The result of this resolution was a vote of 65.56% in favour of the proposal. Therefore there will be a tender offer to shareholders in the near future. The maximum amount of the tender will be 40% and therefore the Company will continue to be a going concern and is expected to be managed by Brevan Howard.

In reaching this conclusion the Board is mindful of the nature and liquidity of the assets that underlie its investment in BHMS, the terms under which it may redeem its investment in BHMS and utilise the borrowing facilities available to it and has concluded that moderate adverse investment performance would not have a material impact on the Company's ability to meet its liabilities as they fall due.

There remains continued uncertainty about the development and scale of the COVID-19 outbreak, however the board does not consider COVID-19 to have an impact on going concern as unlike many, companies performance and net asset value has increased during the COVID-19 pandemic.

The following are significant accounting policies adopted by the Company:

Valuation of investments

The Company records its investment in the Class G shares of BHMS as the Company's proportionate share of BHMS's net assets which approximates fair value. The net asset value of

BHMS is used as a measure of fair value as this is the price at which the Company may redeem its investment.

Fair value measurement

ASC Topic 820 defines fair value as the price that the Company would receive upon selling a security in an orderly transaction to an independent buyer in the principal or most advantageous market of the security.

The valuation and classification of securities held by BHMS is discussed in the notes to its Financial Statements which are available on the Company's website, www.bhglobal.com.

Income and expenses

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

Use of estimates

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

Foreign exchange

Transactions reported in the Audited Statement of Operations are translated into US Dollar amounts at the date of such transactions. Assets and liabilities denominated in foreign currencies are translated into US Dollars at the exchange rate at reporting date. The share capital and other capital reserves are translated at the historic ruling at the date of the transaction.

Investment securities and other assets and liabilities of the Sterling share class are translated into US Dollars, the Company's reporting currency, using exchange rates at the reporting date. The Statement of Operations items of the sterling share class are converted into US Dollar using the average exchange rate. Exchange differences arising on translation are included in the Audited Statement of Operations. This foreign exchange 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.

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Treasury shares

Where the Company purchases its own share capital, the consideration paid, which includes any directly attributable costs, is recognised as a deduction from equity Shareholders' funds through the Share capital account. When such shares are subsequently sold or reissued to the market, any consideration received, net of any directly attributable incremental transaction costs, is recognised as an increase in equity Shareholders' funds through the Share capital account. Where the Company cancels treasury shares, no further adjustment is required to the share capital account of the Company at the time of cancellation. Shares held in Treasury (see note 5) are excluded from calculations when determining NAV per share as detailed in note 7 and in the Financial Highlights in note 10.

Allocation of results of BHMS

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

Loan notes payable

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

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

4. MANAGEMENT, PERFORMANCE, AND ADMINISTRATION AGREEMENTS

Management fee

The Company has entered into a Management Agreement with the Manager to manage the Company's investment portfolio.

With effect from 3 October 2016, the Manager does not charge the Company a management fee in respect of any increase in the NAV of each class of shares of the Company. The management fee is calculated on the basis of the lower of the NAV of the relevant share class and the Base NAV, as defined in the Amended and Restated Management Agreement dated 4 July 2017, of that share class (adjusted for certain changes in shares in issue).

With effect from 1 April 2017, the management fee was reduced from 2% to 1% per annum. On 12 March 2021 a circular was issued regarding increased management fees. On 25 March 2021, the shareholders voted in favour of this increase. Therefore, from 1 July 2021 the management fee will increase from 1% to 2% per annum. The increased rate will be applied to the NAV of the relevant share class, removing the previous consideration of the Base NAV.

The Company may repurchase or redeem shares of either class in each calendar year, including pursuant to the class closure and annual partial capital return provisions contained in the Company's articles of incorporation (the "Articles"), in respect of the 2020 calendar year and all subsequent years, up to an aggregate number equal to 5% of the shares of that class in issue as at 31 December in the prior calendar year (the "Annual Buy Back Allowance") without making any payment to the Manager.

In the event that, in any calendar year, the aggregate number of shares repurchased or redeemed by the Company exceeds the Annual Buy Back Allowance for that class, the Company will be required to pay the Manager an amount equal to 2% of the repurchase price of any share that is repurchased or redeemed by the Company in excess of the Annual Buy Back Allowance, including pursuant to the class closure and annual partial capital return provisions contained in the Articles.

The Board has agreed with the Manager that if, on the last business day in March, June, September or December of any year, the net asset value of the Company were to be below US\$300 million (on the basis of the prevailing US Dollar/Sterling exchange rate), the Board would convene a general meeting of the Company's shareholders at which a special resolution proposing the liquidation of the Company would be put forward. Were the resolution to be passed, the Company would be liquidated and an amount equal to 2% of the Company's net asset value (subject to a deduction in respect of any amount of the Annual Buy Back Allowance for the relevant calendar year that remains unused) would be paid to the Manager in addition to any other fees due to the Manager up to the date of termination of the Management Agreement.

In respect of 2020, the Annual Buy Back Allowance for the Company's Sterling share class was 993,413 Sterling shares (2019: 990,378 Sterling shares) and for the US Dollar share class was 133,242 US Dollar shares (2019: 137,035 US Dollar shares).

During the year ended 31 December 2020, the Company did not repurchase any Sterling shares (31 December 2019: nil Sterling shares), or US Dollar shares (31 December 2019: nil US Dollar shares).

During the year ended 31 December 2020, the Company issued 240,000 Sterling shares from Treasury (31 December 2019: nil Sterling shares), and no US Dollar shares were issued during the year ended 31 December 2020 (31 December 2019: nil US Dollar shares).

During the year ended 31 December 2020, there was no charge (2019: US\$nil) by the Manager due to the Annual Buy Back Allowance being exceeded. As at 31 December 2020, the Company had 993,413 Sterling shares and 133,242 US Dollar shares remaining from the 2020 Annual Buy Back Allowance (31 December 2019: 990,378 Sterling shares and 137,035 US Dollar shares).

There are no fees charged by the Manager at the level of BHMS on the G Class into which the Company is invested. There are also no fees charged by the Manager in relation to BHMS's investment into underlying funds managed by the Manager.

In respect of the year ended 31 December 2020, the Manager charged the Company a total of US\$4,539,417 (31 December 2019: US\$4,430,767) as a management fee under the terms of the Management Agreement. At 31 December 2020, US\$801,150 (31 December 2019: US\$774,931) of the fee remained outstanding.

Performance fee

The Manager is entitled to an annual performance fee for each share class accrued monthly in arrears. The performance fee is equal to 20% of the appreciation in the NAV per share (adjusted for any increases or decreases in NAV arising from issues (including the sale or re-issue of Shares held in treasury), repurchases or redemptions of Shares and calculated before deduction of the performance fee in respect of the relevant period) which is above the performance fee Base NAV per share of that class multiplied by the number of shares of such class at the end of the relevant period.

The performance fee Base NAV per share is the greater of (a) the NAV per share of the relevant class as at 31 December 2016 and (b) the highest NAV per share of the relevant class of shares achieved as at the final BHMS NAV calculation date as at the end of any calculation period after the calculation period ending on 31 December 2016.

The Manager is not entitled to any performance fee in respect of any increase in NAV (whether in respect of a class of shares as a whole or on a per share basis) arising to the remaining shares of the relevant class from any repurchase, redemption or cancellation of any share, provided that any performance fee due to the Manager shall not be reduced below zero.

Any accrued performance fee in respect of shares which are converted into another share class prior to the date on which the performance fee would otherwise have become payable in respect of those Shares will crystallise and become payable on the date of such conversion. The performance fee is accrued on an on-going basis and is reflected in the Company's published NAV.

On the business day preceding the last business day of each period in respect of which a performance fee is payable, the Company shall pay an estimated performance fee to the Manager in respect of that period. The estimated fee shall be the performance fee payable to the Manager in respect of that period as estimated by the Company's administrator on the basis of the estimated NAV of each class of Shares as at the close of business on the second Friday of December in each year. The difference between the estimated fee paid in respect of any period and the actual performance fee payable in respect of that period shall be paid to the Manager within 5 business days of the publication of the final NAV of each class of Shares as at the end of the period, provided that if the difference is a negative amount then it shall be repaid by the Manager to the Company at such time.

During the year ended 31 December 2020, US\$24,873,153 (31 December 2019: US\$5,313,517) was charged as performance fees and US\$26,156,387 (31 December 2019: US\$5,477,699) remained payable at year end. The total performance fee charged during the year includes fees crystallised upon conversion of shares at points when the NAV per share of the shares exceeded their performance fee Base NAV per share (being £16.11 (Sterling shares) and US\$16.48 (US Dollar shares)).

Of the total crystallised performance fee charged for the year, US\$205,032 (31 December 2019: US\$32,174) related to share conversions and US\$nil (31 December 2019: US\$nil) related to the buyback of shares.

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

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

4. MANAGEMENT, PERFORMANCE, AND ADMINISTRATION AGREEMENTS (CONTINUED)

Performance Fee (continued)

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

Were the Management Agreement to be terminated by the Company before 30 June 2021, the management fee would revert to 2% of the prevailing net asset value in respect of the notice period, or in respect of any payment in lieu of notice.

Administration fee

The Company has appointed Northern Trust International Fund Administration Services (Guernsey) Limited as Administrator and Corporate Secretary. The Administrator is paid fees based on the NAV of the Company, payable monthly in arrears. The fee is at a rate of 0.03% of the first US\$1 billion of net assets of the Company and then 0.01% per annum thereafter, subject to a minimum fee of £115,000 per annum. In addition to the NAV based fee the Administrator is also entitled to an annual fee of £6,000 (2019: £6,000) for certain additional administration services. The Administrator is entitled to be reimbursed out-of-pocket expenses incurred in the course of carrying out its duties as Administrator.

During the year ended 31 December 2020, US\$171,423 (31 December 2019: US\$154,816) was earned by the Administrator as administration fees. At 31 December 2020, US\$31,587 (31 December 2019: US\$80,429) of the fee remained outstanding.

5. SHARE CAPITAL

Issued and authorised share capital

The Company's Articles permit the issuance of an unlimited number of ordinary shares with no par value which may be divided into at least two classes denominated in US Dollars and Sterling. The treasury shares have arisen as a result of the discount management programme as described in note 8.

	US DOLLAR SHARES	STERLING SHARES
NUMBER OF ORDINARY SHARES		
IN ISSUE AT 1 JANUARY 2020	2,664,844	19,868,275
Share conversions	(40,628)	34,146
Sale of own shares from Treasury	–	240,000
IN ISSUE AT 31 DECEMBER 2020	2,624,216	20,142,421
NUMBER OF TREASURY SHARES		
IN ISSUE AT 1 JANUARY 2020	267,443	1,667,180
Shares sold and released from Treasury during the year:		
– On market sales	–	(240,000)
IN ISSUE AT 31 DECEMBER 2020	267,443	1,427,180
TOTAL SHARES IN ISSUE	2,891,659	21,569,601
PERCENTAGE OF CLASS HELD AS TREASURY SHARES	9.25%	6.62%

SHARE CAPITAL ACCOUNT	US\$'000	£'000	COMPANY TOTAL US\$'000
AT 1 JANUARY 2020	–	165,544	374,988
Share conversions	(768)	632	–
Sale of own shares from Treasury	–	4,697	6,419
Transfer from realised investment reserve	768	–	768
AT 31 DECEMBER 2020	–	170,873	382,175

	US DOLLAR SHARES	STERLING SHARES
NUMBER OF ORDINARY SHARES		
IN ISSUE AT 1 JANUARY 2019	2,740,700	19,807,562
Share conversions	(75,856)	60,713
IN ISSUE AT 31 DECEMBER 2019	2,664,844	19,868,275
NUMBER OF TREASURY SHARES		
IN ISSUE AT 1 JANUARY 2019	267,443	1,667,180
IN ISSUE AT 31 DECEMBER 2019	267,443	1,667,180
TOTAL SHARES IN ISSUE	2,932,287	21,535,455
PERCENTAGE OF CLASS HELD AS TREASURY SHARES	9.12%	7.74%

SHARE CAPITAL ACCOUNT	US\$'000	£'000	COMPANY TOTAL US\$'000
AT 1 JANUARY 2019	–	164,596	373,793
Share conversions	(1,195)	948	–
Transfer from realised investment reserve	1,195	–	1,195
AT 31 DECEMBER 2019	–	165,544	374,988

Share classes

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

Voting rights

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

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

5. SHARE CAPITAL (CONTINUED)

As prescribed in the Company's Articles, the different classes of ordinary shares have different values attributable to their votes. The attributed values have been calculated on the basis of the Weighted Voting Calculation (as described in the Articles) which takes into account the prevailing exchange rates on the date of initial issue of ordinary shares. Currently, on a vote, a single US Dollar ordinary share has one vote and a single Sterling ordinary share has 1.97950 votes.

Treasury shares do not have any voting rights.

Repurchase of ordinary shares

The Directors have been granted authority to purchase in the market up to 401,205 US Dollar shares, and 2,976,784 Sterling shares respectively and they intend to seek annual renewal of this authority from shareholders which was last granted at the 2020 Annual General Meeting on 26 June 2020. The Directors may, at their discretion, utilise this share repurchase authority to address any imbalance between the supply of and demand for shares.

Under the Company's Articles, the Directors are required to convene a shareholders' meeting to consider the redemption of a class of shares in certain circumstances. See note 8 for further details.

Further issue of shares

As approved by the shareholders at the Annual General Meeting held on 26 June 2020 (the "AGM"), the Directors have the power to issue further shares on a non-pre-emptive basis for cash in respect of 267,648 US Dollar shares, and 1,985,847 Sterling shares respectively.

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

Distributions

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

The Company operates in such a manner that its shares are not categorised as non-mainstream pooled investments. This may mean that the Company pays 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.

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

Treasury shares are not entitled to distributions.

Annual redemption offer

Each calendar year the Directors may, in their absolute discretion, determine that the Company should make an offer to redeem such number of shares of the Company in issue as they may determine provided that the maximum amount distributed does not exceed 100% of the increase in the NAV of the Company in the prior calendar year.

The Directors shall, in their absolute discretion, determine the particular class or classes of shares in respect of which an Annual Redemption Offer will be made, the timetable for that Annual Redemption Offer and the price at which the shares of each relevant class will be redeemed.

Whether a return of capital is made in any particular year and, if so, the amount of the return may depend, among other things, on prevailing market conditions, the ability of the Company to liquidate its investments to fund the capital return, the success of prior capital returns and applicable legal, regulatory and tax considerations.

On 11 January 2021, the Directors announced that they have determined, in view that the shares were trading at a premium to NAV, that no such capital return will be made with respect to the investment returns achieved in 2020.

Share conversion scheme

The Company has implemented a Share conversion scheme which provides shareholders with the ability to convert some or all of their ordinary shares in the Company of one class into ordinary shares of the other class on the last business day of every month. Each conversion will be based on the NAV (note 7) of the share classes to be converted.

6. TAXATION

Overview

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

Uncertain tax positions

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

The Company analyses all open tax years for all major tax jurisdictions. Open tax years are those that are open for examination by taxing authorities, as defined by the Statute of Limitations in each jurisdiction.

The Company identifies its major tax jurisdictions as Guernsey, the Cayman Islands and foreign jurisdictions where the Company makes significant investments. The Company has no examinations by tax authorities in progress.

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

7. PUBLICATION AND CALCULATION OF NET ASSET VALUE

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

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

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

8. DISCOUNT MANAGEMENT PROGRAMME

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

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

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

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

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

During the year to 31 December 2020, the Company recorded an average discount to NAV of 1.73% and 3.69% for US Dollar shares and Sterling shares respectively (year to 31 December 2019: 2.82% and 3.74% for US Dollar shares, and Sterling shares respectively).

9. NOTE PURCHASE AGREEMENT

The Company is party to a Note Purchase Agreement with JP Morgan Chase Bank, pursuant to which the Company may obtain financing, of up to US\$2 million (31 December 2019: US\$2 million) and £15 million (31 December 2019: £15 million), if required, to finance (inter alia) share buybacks pending receipt of the proceeds of redemption from its underlying investments. As at 31 December 2020 and 31 December 2019, there were no amounts outstanding under the Note Purchase Agreement, neither was any interest payable.

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

10. FINANCIAL HIGHLIGHTS

The following tables include selected data for a single ordinary share of each of the ordinary share classes in issue at the year end and other performance information derived from the Financial Statements.

The per share amounts and ratios which are shown reflect the income and expenses of the Company for each class of ordinary share.

	01.01.20 TO 31.12.20 US DOLLAR SHARES US\$	01.01.20 TO 31.12.20 STERLING SHARES £
PER SHARE OPERATING PERFORMANCE		
NET ASSET VALUE AT BEGINNING OF THE YEAR	16.48	16.11
Income from investment operations		
Net investment loss ¹ (excluding net realised and unrealised gains and losses on investments allocated from BHMS)	(1.22)	(1.13)
Net realised and unrealised gain on investment	4.96	4.59
Other capital items ²	(0.04)	0.04
TOTAL RETURN	3.70	3.50
NET ASSET VALUE, END OF THE YEAR	20.18	19.61
TOTAL RETURN BEFORE PERFORMANCE FEES		
	28.09%	27.17%
Performance fees	(5.64%)	(5.41%)
TOTAL RETURN AFTER PERFORMANCE FEES	22.45%	21.76%

Total return reflects the net return for an investment made at the beginning of the year and is calculated as the change in the NAV per ordinary share during the year ended 31 December 2020. An individual shareholder's return may vary from these returns based on their timing of purchases and sales of Shares.

	01.01.20 TO 31.12.20 US DOLLAR SHARES US\$'000	01.01.20 TO 31.12.20 STERLING SHARES £'000
SUPPLEMENTAL DATA		
NET ASSET VALUE, END OF THE YEAR	52,964	395,034
AVERAGE NET ASSET VALUE FOR THE YEAR	48,957	365,848

	01.01.20 TO 31.12.20 US DOLLAR SHARES	01.01.20 TO 31.12.20 STERLING SHARES
RATIO TO AVERAGE NET ASSETS		
Operating expense		
Company expenses ³	1.05%	1.10%
Master Fund expenses ⁴	0.43%	0.43%
PERFORMANCE FEES	4.96%	4.74%
TOTAL OPERATING EXPENSE	6.44%	6.27%
NET INVESTMENT LOSS ¹	(6.40%)	(6.10%)
	01.01.19 TO 31.12.19 US DOLLAR SHARES US\$	01.01.19 TO 31.12.19 STERLING SHARES £
PER SHARE OPERATING PERFORMANCE		
NET ASSET VALUE AT BEGINNING OF THE YEAR	15.51	15.37
INCOME FROM INVESTMENT OPERATIONS		
Net investment loss ¹ (excluding net realised and unrealised gains and losses on investments allocated from BHMS)	(0.45)	(0.41)
NET REALISED AND UNREALISED GAIN ON INVESTMENT	1.43	1.15
Other capital items ²	(0.01)	–
TOTAL RETURN	0.97	0.74
NET ASSET VALUE, END OF THE YEAR	16.48	16.11
TOTAL RETURN BEFORE PERFORMANCE FEES	7.81%	5.99%
Performance fees	(1.56%)	(1.20%)
TOTAL RETURN AFTER PERFORMANCE FEES	6.25%	4.79%

Total return reflects the net return for an investment made at the beginning of the year and is calculated as the change in the NAV per ordinary share during the year ended 31 December 2019. An individual shareholder's return may vary from these returns based on the timing of their purchases and sales of Shares.

	01.01.19 TO 31.12.19 US DOLLAR SHARES US\$'000	01.01.19 TO 31.12.19 STERLING SHARES £'000
SUPPLEMENTAL DATA		
NET ASSET VALUE, END OF THE YEAR	43,923	320,013
AVERAGE NET ASSET VALUE FOR THE YEAR	43,014	314,928

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2020

10. FINANCIAL HIGHLIGHTS (CONTINUED)

	01.01.19 TO 31.12.19 US DOLLAR SHARES	01.01.19 TO 31.12.19 STERLING SHARES
RATIO TO AVERAGE NET ASSETS		
OPERATING EXPENSE		
Company expenses ³	1.21%	1.25%
Master Fund expenses ⁴	0.45%	0.45%
Performance fees	1.50%	1.16%
	3.16%	2.86%
NET INVESTMENT LOSS¹	(2.84%)	(2.60%)

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

2 Included in other capital items are the discounts and premiums on conversions between share classes during the year, share buybacks and partial capital returns, as compared to the NAV per share at the beginning of the year.

3 Company expenses are as disclosed in the Audited Statement of Operations, excluding performance fees and foreign exchange gains and losses on aggregation.

4 Master Fund expenses are the allocated operating expenses of BHMS.

11. RELATED PARTY TRANSACTIONS

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

The payments to and receipts from the Master Fund are disclosed in the Audited Statement of Cash Flows.

Management and performance fees are disclosed in note 4.

Directors' Fees

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

With effect from 1 January 2021, Senior Independent Director has rotated from Graham Harrison to Julia Chapman. Graham Harrison's fee was reduced to £42,600 and Julia Chapman's fee was increased to £48,600.

The fees payable by the Company in respect of each of the Directors who served during the year, and during 2019, were as follows:

	01.01.20 TO 31.12.20 £	01.01.19 TO 31.12.19 £
Sir Michael Bunbury	150,000	150,000
Julia Chapman	45,600	41,574
Sally-Ann Farnon	53,000	50,000
Graham Harrison	45,600	43,000
Nicholas Moss ¹	–	20,292
Andreas Tautscher ²	42,400	26,666
TOTAL	336,600	331,532

1 Nicholas Moss retired from the Board on 21 June 2019.

2 Andreas Tautscher was appointed to the Board on 1 May 2019.

Directors' Interests

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

	31.12.2020		31.12.2019	
	US DOLLAR SHARES	STERLING SHARES	US DOLLAR SHARES	STERLING SHARES
Sir Michael Bunbury ¹	–	14,200	–	11,000
Julia Chapman	–	1,081	–	1,081
Sally-Ann Farnon	–	1,700	–	1,700
Graham Harrison	–	1,500	–	1,500
Andreas Tautscher ²	–	600	–	–

¹ Sir Michael Bunbury acquired an additional 3,200 shares on 26 March 2020.

² Andreas Tautscher acquired 600 shares on 31 March 2020.

12. FOREIGN EXCHANGE

The following foreign exchange rates were used to translate the Sterling share class into US Dollars, being the Company's reporting currency.

	2020	2019
Year end rate	1.3672	1.3244
Average rate for the year	1.2932	1.2794

13. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**Coronavirus (COVID-19)**

The Board has been monitoring the development of the COVID-19 outbreak and has considered the impact it has had to date on the Company, and will continue to have on the future of the Company. There remains continued uncertainty about the development and scale of the COVID-19 outbreak, however the Board does not consider COVID-19 to have an impact on going concern. Consideration of going concern is unlike many companies as performance and net asset value has increased during the COVID-19 pandemic. From an operational perspective, the Company uses a number of service providers. These providers have established, documented and regularly tested Business Resiliency Policies in place, to cover various possible scenarios whereby staff cannot attend work at the designated office and conduct business as usual. Since the COVID-19 pandemic outbreak, service providers have deployed these alternative working policies to ensure continued business service and the Company has not encountered any problems.

14. SUBSEQUENT EVENTS

On 12 March 2021 a circular was issued regarding increased management fees and a tender offer up to a maximum of 40% of the Company's net asset value. On 25 March 2021, the shareholders voted in favour of this. From 1 July 2021 the management fee will increase from 1% to 2% per annum. The increased rate will be applied to the NAV of the relevant share class, removing the previous consideration of the Base NAV.

Throughout January 2021, 301,070 GBP shares and 35,000 USD shares were sold from treasury raising £6.0 million and \$0.7 million respectively.

The Directors have evaluated subsequent events up to 29 March 2021, which is the date that the Audited Financial Statements were available to be issued, and have concluded there are no further items that require disclosure or adjustment to the Audited Financial Statements.

HISTORICAL PERFORMANCE SUMMARY

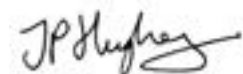
As at 31 December 2020

	31.12.2020 (AUDITED) US\$'000	31.12.19 (AUDITED) US\$'000	31.12.18 (AUDITED) US\$'000	31.12.17 (AUDITED) US\$'000
Net increase in net assets resulting from operations	118,865	37,403	2,187	41,032
TOTAL ASSETS	620,121	474,202	436,335	443,707
TOTAL LIABILITIES	(27,087)	(6,452)	(5,988)	(1,416)
NET ASSETS	593,034	467,750	430,347	442,291
NUMBER OF SHARES IN ISSUE				
US Dollar shares	2,624,216	2,664,844	2,740,700	3,004,442
Sterling shares	20,142,421	19,868,275	19,807,562	20,346,871
NET ASSET VALUE PER SHARE				
US Dollar shares	US\$20.18	US\$16.48	US\$15.51	US\$14.56
Sterling shares	£19.61	£16.11	£15.37	£14.58

AFFIRMATION OF THE COMMODITY POOL OPERATOR

31 December 2020

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



Name: Jonathan Hughes

Title: Chief Financial Officer and Authorised Signatory

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

29 March 2021

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURES ("APMS")

This Annual Report and Audited Financial Statements and other communications to investors contain certain financial performance measures, Alternative Performance Measures ("APMs"), which are not defined by United States Generally Accepted Accounting Principles ("US GAAP") and The Companies (Guernsey) Law, 2008, that are used by the Board and management to assess, evaluate and report on financial and operational performance of the Company.

These non-US GAAP financial performance measures provide useful information regarding the Company's financial and operating performance and such measures may not be easily comparable to similar measures presented by other companies.

Discounts to NAV

In the Chairman's Statement on pages 1 to 3 references are made to Discount range, Discount at year end and average discounts as a measure of performance under heading "Discount, Share Issuance and Size of the Company". These discounts are calculated based on the following formulas for each:

Discount range

The discount referred to where stating the range of discount to premium is calculated for each share class for any London Stock Exchange trading day by using the following formula:

$$\frac{A - B}{B}$$

Where:

- **A** : is the closing market price of a share of the share class as derived from the trading price on the London Stock Exchange on such London Stock Exchange trading day; and
- **B** : is the most recent estimated Net Asset Value per share of the share class available on such London Stock Exchange trading day.

Average Premium/Discount to NAV

The average premium/discount to NAV of the whole year is calculated for each share class by using the following formula:

$$\frac{A - B}{B}$$

Where:

- **A** : is the average closing market price of a share of the share class as derived from the trading price on the London Stock Exchange, calculated as the sum of all the closing

market prices per share of that class as at each London Stock Exchange trading day during a calendar year, divided by the number of such trading days in such period; and

- **B** : is the average Net Asset Value per share of the shares of the share class taken over the 12 NAV Calculation Dates in a calendar year calculated as the sum of the final Net Asset Value of the share class as at each NAV Calculation Date during a calendar year, divided by 12.

Year-end Premium/Discount to NAV

The year-end premium/discount to NAV is calculated for each share class by using the following formula:

$$\frac{A - B}{B}$$

Where:

- **A** : is the 2020 year end closing market price of a share of the share class as derived from the trading price on the London Stock Exchange on 31 December 2020; and
- **B** : is the final Net Asset Value per share of the share class as at 31 December 2020.

Ongoing charges

The ongoing charges represent the Company's management fee and all other operating expenses, excluding finance costs, performance fees share issue or buyback costs and non-recurring legal and professional fees unless otherwise disclosed, expressed as a percentage of the average of the daily net assets during the year. The ongoing charges are disclosed on pages 50 to 52 of note 10, Financial Highlights and are expressed as a percentage of the Monthly NAVs during the year.

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

Quarterly and annual contribution by asset class:

Attribution by asset class accumulates the returns in BHMS at an instrument level into each defined asset class. The discount management category refers to any returns from share buyback activity in BHG.

Quarterly and annual contribution by strategy:

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.

MANAGEMENT AND ADMINISTRATION

Directors

Sir Michael Bunbury (Chairman)
Julia Chapman (Senior Independent Director from 1 January 2021)
Sally-Ann ("Susie") Farnon
Graham Harrison (Senior Independent Director until 31 December 2020)
Andreas Tautscher

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Corporate Brokers

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