

BH GLOBAL LIMITED

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS 2019

31 December 2019

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.

Contents

1	Chairman's Statement
3	Strategic Report
7	Company Performance
7	Glossary of Acronyms
8	Unaudited Supplemental Financial Statements
11	Manager's Report
15	Directors' Report
16	Corporate Governance Statement
23	Audit Committee Report
26	Statement of Directors' Responsibility in Respect of the Annual Report and Audited Financial Statements
27	Directors' Remuneration Report
28	Board Members
30	Independent Auditor's Report to the members of BH Global Limited
33	Audited Statement of Assets and Liabilities
34	Audited Statement of Operations
35	Audited Statement of Changes in Net Assets
36	Audited Statement of Cash Flows
37	Notes to the Audited Financial Statements
50	Historical Performance Summary
51	Affirmation of the Commodity Pool Operator
52	Glossary of Terms and Alternative Performance Measures
	IBC Management and Administration



CHAIRMAN'S STATEMENT

Dear Shareholder,

2019 saw the fourth consecutive year of appreciation of the Net Asset Value ("NAV") per share of BH Global Limited (the "Company" or "BH Global"). The US Dollar is the Company's functional currency and the NAV per share of the US Dollar class appreciated by 6.25%. The NAV per share of the much larger Sterling class appreciated by 4.79% with the difference being largely down to the interest rate differential between GBP and USD in relation to currency hedging. The growth in NAV per share was the fourth largest in the Company's 11-year history during which NAV per share has grown every year, save for a very modest reduction in 2015.

Over the course of 2019 the share price of the US Dollar class rose by 5.7% and that of the Sterling class by 2.4%. Once again, the Company with its controlled risk and low volatility compared to global equity markets demonstrated its benefits as a valuable building block in portfolio construction. Consequently, in a year such as 2019 with stellar performance of many equity markets, on a stand-alone basis the performance of BH Global may look pedestrian. Nevertheless, in 2019, and again in the turbulent times that have so far pertained in equity markets in 2020, the Company delivered exactly what it has always set out to deliver, namely positive returns with limited drawdowns and with no structural correlation to equity or bond markets.

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

ASSETS

The construction of the Company's portfolio is detailed in the Manager's Report. BH Global invests all of its assets, save for working cash balances, in Brevan Howard Multi-Strategy Master Fund Limited ("BHMS"). At 31 December 2019 the Company's net assets were \$468million and it owned 82.7% of total capital of BHMS, up from 73.8% a year earlier. The Company's holding in BHMS has grown significantly over the years as a percentage of that fund's assets. Nevertheless, the Manager has advised the Board that the liquidity profile of the assets held by BHMS is consistent with the redemption notice periods granted to BH Global and therefore the present position, whereby BH Global holds approximately 83% of BHMS, is not a cause for concern.

2019 saw a modest reduction from 46.35% to 43.95% in the percentage of BH Global's assets indirectly invested via BHMS in the Brevan Howard Master Fund ("BHMF"). Once again BHMF showed excellent performance with appreciation of 12.85% (gross of fees). The reduction in monies allocated to BHMF, together with modest reductions in the Systematic Trading and Volatility Funds made room for an allocation to a new strategy, the Brevan Howard Alpha Strategies Master Fund ("BHALMF"), to which 8.9% was allocated at year-end. BHALMF is managed

by a select set of traders, who typically employ relative value or directional strategies with a low drawdown tolerance in fixed income and FX markets.

The percentage allocated to the Single Manager Portfolio ("SMP") was also reduced modestly from 44.1% to 40.0%. At the end of the year the allocation was spread across 7 different trading books or funds managed by an individual portfolio manager. At 31 December 2019 the SMP returned 5.16% (gross of fees) for the year.

DISCOUNT, DISCONTINUATION THRESHOLD, CAPITAL REDEMPTION AUTHORITY AND SIZE OF THE COMPANY

No buy backs were undertaken during 2019 and the discount on the larger Sterling share class for most of the year fluctuated in a range from a discount of around 9.5% to a very small premium. At year end it was at 5.78% on the Sterling class and 4.44% on the US Dollar class although these figures were impacted by a strong NAV performance in December. For the whole year the average discount on the Sterling class was 3.74% and on the US Dollar class 2.82%.

The average discounts at which the two classes of shares traded in 2019 were significantly below the 10% discount threshold at which a class closure vote would have been triggered. In the light of the shares recently trading at a modest discount to NAV, the Board does not intend to exercise its authority to offer a partial return of capital.

As reported in earlier Statements, in the event of the net asset value of the Company falling below \$300 million at the end of any calendar quarter the Board has agreed with the Manager that it will bring forward a shareholders' resolution to liquidate the Company. At 31 December 2019 the net assets of the Company were \$467.8 million and as of today's date are approximately \$496.3 million.

SHARE BUY BACKS

At every recent Annual General Meeting shareholders have approved the authority to permit the Board to buy back shares. With the shares trading in a relatively tight spread around NAV during 2019, no shares were bought back during the year. Indeed the last occasion when shares were bought back was in June 2018.

As previously advised to shareholders, in April 2017 the core management fee payable to the Manager was halved to 1% and new provisions were added such that in any one year the Company was entitled to buy back up to 5% of the shares of each class in issue as at 31 December in the prior year and that buy backs in excess of that 5% allowance would involve the

CHAIRMAN'S STATEMENT CONTINUED

SHARE BUY BACKS (CONTINUED)

Company paying an additional fee of 2% of the repurchase price. A year ago the Manager generously allowed the "unused" allowances from 2018 to be added to the 2019 allocation. Given that there were no buy backs in 2019, that 2018 "unused" allocation has now lapsed. However, the Manager has agreed to carry forward 40% of the "unused" allowances from 2019 into 2020. The Board is very grateful to the Manager for agreeing to this shareholder friendly concession. Thus in 2020 the Company can repurchase up to 396,151 Sterling shares and 54,814 US Dollar shares as an extension for one year only of 40% the balance of the 2019 allowance. In addition, the "clock was reset" at 1 January 2020 and the 2020 fee-free allowance was calculated to be 993,413 Sterling shares and 133,242 US Dollar shares.

Should buy backs occur in 2020, and they have not done so to date, they will first be set against the balance of the 2019 allowance and thereafter against the 2020 allowance.

RELATIONSHIP WITH THE MANAGER

The Manager reports to the Board in detail at quarterly meetings and holds monthly telephone updates for directors. In addition, each year the Board meets a number of traders, risk controllers and other partners and staff at the Manager who brief the Board on their specialties. The Board finds those meetings very useful to help understand the Manager's current activities and risk controls.

The relationship with the Manager remains thoroughly professional. The Manager manages the assets of the Company at discretion whilst the Board continues to strive to be a good steward of the shareholders' interests. No changes have been made in the commercial arrangements between Manager and Company since my Statement a year ago.

In October 2019, Brevan Howard announced that Aron Landy was to be appointed as Chief Executive Officer. Over the years I have had a number of meetings with Aron in his former role of Chief Risk Officer and I feel confident that the business, as founded by Alan Howard who continues to focus on trading, will go forward with strong leadership appropriate for the current environment.

THE BOARD AND GOVERNANCE

In my Statement in August 2019 I reported that Andreas Tautscher had joined the Board. Andreas qualified as a Chartered Accountant with PwC and had a distinguished career over 24 years at Deutsche Bank.

Graham Harrison joined the Board in 2010 and is Senior Independent Director. In his position as founder and CEO of ARC Group he has a particular insight into the assets used in the construction of investors' portfolios. This gives him

skills that are very valuable to the Board of BH Global. On my recommendation, the Directors will be recommending that shareholders vote in favour of Graham remaining a Director of the Company notwithstanding that he has served for more than nine years.

BH Global is not a FTSE 350 company. Nevertheless, the Board considers it appropriate to follow the practice of FTSE 350 companies, as recommended by the Corporate Governance Code, and have periodic external appraisals of the performance of the directors and of the effectiveness of the Board as a whole. The last appraisal was undertaken in 2016 by BoardAlpha and the Board have asked that firm to repeat the process during 2020. I will report further in due course.

CONCLUSION

Financial markets have recently experienced a "Black Swan" event in the shape of the worldwide outbreak of coronavirus. Such events occur rarely; but when they do, as they are totally unexpected they hit equity markets hard, particularly after those markets have had a strong run. Increased market volatility has historically provided opportunities for Brevan Howard and the last few weeks have been no exception. BH Global has made a strong start in 2020. As I write this, it is clear that the world economy faces major uncertainties ahead which may lead into yet more uncharted territory in terms of official responses and the consequences for markets. It is my hope and expectation that BH Global will continue to be a rock of stability in a very uncertain 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

20 March 2020

STRATEGIC REPORT

The Directors have pleasure submitting to the shareholders their Strategic Report of the Company for the year ended 31 December 2019.

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 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 risks and uncertainties facing the Company.

The principal 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;

STRATEGIC REPORT CONTINUED

BUSINESS ENVIRONMENT (CONTINUED)

- **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. The Manager is monitoring developments relating to coronavirus (COVID-19) and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, relevant governments, and general pandemic response best practices;
- **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 Committee undertakes regular reviews of the Company's Risk Matrix. This review took place on four occasions during the year during Audit Committee Meetings; and
- **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 will remain unchanged. However, in view of the short time frame to negotiate the future relationship with the EU there remains a risk of a "cliff-edge Brexit".

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 2 and the Manager's report on pages 11 to 14.

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 2019, 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 applies ESG principles to its activity where appropriate, considering the structure of relevant Brevan Howard managed funds and the applicable trading universe. The Manager continues to monitor developments in this area and will seek to implement industry best practice where applicable.

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 4 June 2019 (data as at 31 December 2018). The KID is available on the Company's website <https://www.bhglobal.com/reporting/kids/> 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.

POSITION AND PERFORMANCE (CONTINUED)

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 £16.11 and US\$16.48 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 2019 was £16.11 based on net assets of £320,013,395 divided by number of Sterling shares in issue of 19,868,275 (2018: £15.37).

The net asset value per US Dollar share, as at 31 December 2019 was 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 (2018: US\$15.51).

2. Share Prices, Discount/Premium

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

3. Ongoing Charges

The Company's ongoing charges ratio has decreased from 3.00% to 2.80% on the US Dollar share class and from 2.66% to 2.50% on the Sterling share class, due to increase in the NAV of the Company against the fixed element of the ongoing charges.

The Company reports a consolidated view of the charges for both the US Dollar and Sterling share classes. Further details are on page 22 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\$2,600,958 and £14,598,440 (2018: US\$2,746,864 and £15,044,110) respectively after adjusting for capital (costs) proceeds of (USD\$18,159) and £15,124 (2018: US\$133,659 and £658,410) divided by the weighted average monthly shares in issue for the

year of 2,679,642 US Dollar shares and 19,856,142 Sterling shares (2018: 2,821,246 US\$ shares and 19,848,878 Sterling shares).

The return per share for the year ended 31 December 2019, was US\$0.97 per US Dollar share and 74 pence per Sterling share (2018: US\$0.95 per US Dollar share and 79 pence per Sterling share) translating to 6.25% and 4.79% (2018: 6.55% and 5.43%) return for US Dollar share and Sterling share respectively.

Dividends

No dividends were paid during the year (31 December 2018: 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 risks facing the Company was robust and that they have assessed the viability of the Company over the period to 31 December 2022. 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. The Directors note that the Management Agreement with the Manager is terminable on one year's notice by either party. The Directors know of no current reason why either the Company or the Manager might serve notice of termination of the Management Agreement during the three

STRATEGIC REPORT CONTINUED

POSITION AND PERFORMANCE (CONTINUED)

year period covered by this viability statement. 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 actively undertakes discount management actions, including share buybacks, 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. It is the Board's current view that it is unlikely that such a scenario will arise as a consequence solely of its discount management programme.

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. 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.

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

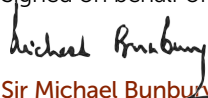
The Manager is a leading and well established hedge fund manager. In exchange for its services a fee is payable as detailed in note 4 to the Financial Statements.

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

24 March 2020

COMPANY PERFORMANCE

STERLING SHARES
SHARE PRICE VS NET ASSETS VALUE



US DOLLAR SHARES
SHARE PRICE VS NET ASSETS 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 8 to 10. 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 30 to 32.

UNAUDITED SUPPLEMENTAL STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 2019

	US DOLLAR SHARES US\$'000	STERLING SHARES £'000	COMPANY TOTAL US\$'000
ASSETS			
Investment in BHMS	43,697	317,556	464,269
Amount due from BHMS	800	6,000	8,746
Other debtors	2	10	16
Cash and bank balances denominated in US Dollars	167	–	167
Cash and bank balances denominated in Sterling	–	758	1,004
TOTAL ASSETS	44,666	324,324	474,202
LIABILITIES			
Management fees payable	68	535	775
Performance fees payable	647	3,647	5,478
Accrued expenses and other liabilities	21	74	119
Administration fees payable	7	55	80
TOTAL LIABILITIES	743	4,311	6,452
NET ASSETS	43,923	320,013	467,750
NUMBER OF SHARES IN ISSUE	2,664,844	19,868,275	–
NET ASSET VALUE PER SHARE	US\$16.48	£16.11	–

UNAUDITED SUPPLEMENTAL STATEMENT OF OPERATIONS

For the year ended 31 December 2019

	US DOLLAR SHARES US\$'000	STERLING SHARES £'000	COMPANY TOTAL US\$'000
Interest income	115	838	1,187
Expenses	(193)	(1,411)	(1,998)
TOTAL NET INVESTMENT LOSS ALLOCATED FROM BHMS	(78)	(573)	(811)

COMPANY INCOME

Interest income	1	–	1
Foreign exchange gains*	23	–	16,125
TOTAL COMPANY INCOME	24	–	16,126

COMPANY EXPENSES

Management fees	408	3,145	4,431
Performance fees	647	3,648	5,313
Other expenses	55	391	555
Directors' fees and expenses	44	297	424
Administration fees	15	109	155
Foreign exchange losses*	–	18	–
TOTAL COMPANY EXPENSES	1,169	7,608	10,878
NET INVESTMENT GAIN/(LOSS)	(1,223)	(8,181)	4,437

NET REALISED AND UNREALISED GAINS/(LOSSES) ON INVESTMENTS ALLOCATED FROM BHMS

Net realised gain on investments	2,543	19,060	26,927
Net unrealised gain on investments	1,281	8,978	12,768
Net realised and unrealised foreign exchange loss – on hedging	–	(5,259)	(6,729)
NET REALISED AND UNREALISED GAINS ON INVESTMENTS ALLOCATED FROM BHMS	3,824	22,779	32,966
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	2,601	14,598	37,403

* The Company total for foreign exchange gains/losses also contains the results of translating the Sterling class into US Dollars.

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 2019

	US DOLLAR SHARES US\$'000	STERLING SHARES £'000	COMPANY TOTAL US\$'000
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS			
Net investment (loss)/gain	(1,223)	(8,181)	4,437
Net realised gain on investments allocated from BHMS	2,543	19,060	26,927
Net unrealised gain on investments allocated from BHMS	1,281	8,978	12,768
Net realised and unrealised foreign exchange loss allocated from BHMS	–	(5,259)	(6,729)
	2,601	14,598	37,403
SHARE CAPITAL TRANSACTIONS			
Net share conversions	(1,195)	948	–
	(1,195)	948	–
NET INCREASE IN NET ASSETS	1,406	15,546	37,403
NET ASSETS AT THE BEGINNING OF THE YEAR	42,517	304,467	430,347
NET ASSETS AT THE END OF THE YEAR	43,923	320,013	467,750

MANAGER'S REPORT

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

PERFORMANCE SUMMARY

The NAV per share of the USD shares appreciated by 6.25% in 2019, while the NAV per share of the GBP shares appreciated by 4.79% in 2019.

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

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

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 2019.

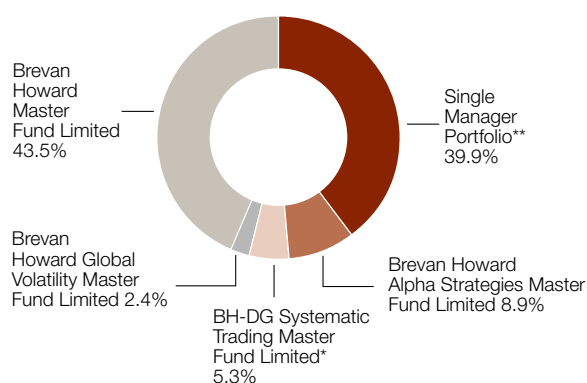
PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

MANAGER'S REPORT CONTINUED

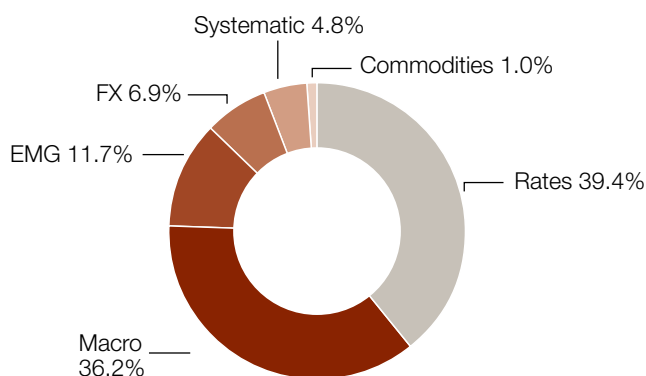
UNDERLYING ALLOCATION REVIEW

Allocations of BHMS as at 31 December 2019 (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 Brevan Howard Systematic Trading Master Fund Limited prior to 8 April 2016.

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

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 SMP to a single category. In cases where a trader book has activity in more than one category, the most relevant category has been selected.

The above strategies are categorised as follows:

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

"Rates": developed interest rates markets

"FX": global FX forwards and options

"EMG": global emerging markets

"Systematic": rules-based futures trading

"Commodities": liquid commodity futures and options

The Investment Committee ("IC") of the Manager made the decision to make an initial direct allocation to Brevan Howard Alpha Strategies Master Fund Limited ("BHALMF") with effect from 1 June 2019. BHALMF is managed by a select set of traders, who typically employ relative value or directional strategies with a low drawdown tolerance in fixed income and FX markets. Prior to the direct allocation, BHMS had gained exposure to BHALMF through Brevan Howard Master Fund Limited ("BHMF") only. The move to increase the exposure to BHALMF was driven by a perceived continued good opportunity set for BHALMF's strategies. At the end of the reporting period the direct allocation to BHALMF stood at approximately 9%.

The allocations to BH-DG Systematic Trading Master Fund Limited ("BHDGST"), the SMP and BHMF were reduced accordingly whereas the allocation to Brevan Howard Global Volatility Master Fund Limited ("BHGVMF") remained stable. At the end of the period, the allocations to BHMF and SMP stood at approximately 43.5% and 39.9% respectively.

The IC will continue to take advantage of the flexibility within BHMS's mandate in order to seek high risk-adjusted returns and keep a healthy diversification across strategies, asset classes and traders.

PERFORMANCE REVIEW

During 2019, the NAV per share of BHG's USD and GBP classes appreciated by 6.25% and 4.79% respectively.

The first half of the year proved to be relatively successful for BHMS's macro trading with BHMS correctly positioned around some of its core themes, in particular in US interest rates. The performance in the second quarter was particularly strong, generating one of the highest quarterly returns since inception.

The second half of the year was quieter, characterised by positive and negative monthly returns resulting in an overall modest loss. BHMS continued to show very low correlation to global equity markets, which in most cases generated strong double digit annual returns.

PERFORMANCE REVIEW (CONTINUED)

With regard to the performance contributions of the underlying fund allocations, BHMF was by some distance the main positive contributor, mainly as a result of solid gains within interest rates trading. Both BHMF and BHMS continued to benefit from the improved environment in interest rates trading that has developed since early 2018. The SMP, BHALMF and BHDGST also added to the gains whereas BHGVMF was a modest detractor.

Looking across the trading areas, nearly all the gains arose in interest rate trading strategies where directional positioning of US rates was the main driver, particularly during the second quarter. Directional and yield curve trading strategies in European as well as across a range of smaller markets including Singaporean dollar, South Korean won, Czech koruna and Mexican peso also contributed to returns. In several markets BHMS was positioned for lower interest rates through directional positions across the curve. One of the dominant trading themes over the period, in particular in the first half, was positioning for lower interest rates globally on back of a possible slowdown in global trade data leading to uncertainty around the future path of Federal Reserve policy.

Trading in commodities generated additional gains mainly from volatility strategies and tactical trading in oil.

FX trading was a detractor with short exposure to EUR being one of the negative drivers. Some of the losses were offset by gains from long exposure to the GBP during the second half of the year as GBP appreciated against USD and EUR.

Both credit and equity trading were small parts of BHMS's overall risk exposure during the year. Credit trading was essentially flat whereas directional trading in equity indices generated a modest loss.

Systematic trading generated solid gains in the first half of the year with the bulk of the profits from positioning for lower rates globally. Some of these gains were offset by losses during the second half which proved more challenging for the strategy. During the year, effectively all gains arose in interest rates with losses in FX and Commodities. In FX, a number of reversals and range bound markets generated losses. In commodities, a short exposure to energy at the beginning of the year was one of the main detractors. Returns across the equity indices were overall flat.

As has been the case in each of the past three years, the SMP was a positive contributor to BHMS's overall performance. The SMP is the area of the portfolio whereby the Manager's IC has the ability to allocate directly to trading books and funds which are managed by an individual portfolio manager. At the end of 2019, the SMP had exposure to seven trading books and funds. The profits were broadly generated in the same trading areas as described for BHMS overall.

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 2019 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 2019	2.14	(1.22)	(0.26)	0.40	(0.07)	0.00	0.98
Q2 2019	7.91	(1.91)	(0.29)	0.20	(0.04)	0.00	5.74
Q3 2019	(0.92)	0.06	(0.18)	0.07	(0.09)	0.00	(1.08)
Q4 2019	(0.72)	1.38	0.16	(0.28)	0.07	0.00	0.60
YTD 2019	8.41	(1.71)	(0.57)	0.38	(0.12)	0.00	6.25

* Data as at 31 December 2019

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 2019 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

MANAGER'S REPORT CONTINUED

ATTRIBUTION TABLES (CONTINUED)

Methodology and Definition of Contribution to Performance:

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.

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

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 2019	(0.35)	0.04	1.01	(0.13)	(0.00)	(0.00)	0.43	0.00	0.00	0.98
Q2 2019	3.20	0.43	2.13	(0.08)	(0.00)	(0.00)	(0.01)	(0.01)	0.00	5.74
Q3 2019	(0.89)	0.03	(0.72)	0.15	(0.00)	(0.00)	0.30	0.02	0.00	(1.08)
Q4 2019	0.12	(0.18)	0.57	(0.04)	(0.00)	(0.00)	0.23	(0.09)	0.00	0.60
YTD 2019	2.05	0.32	3.00	(0.10)	(0.00)	(0.01)	0.96	(0.07)	0.00	6.25

* Data as at 31 December 2019

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 2019 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 the fund, the majority of risk in this category is in rates)

"Systematic": rules-based futures trading

"Rates": developed interest rates markets

"FX": global FX forwards and options

"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

COMMENTARY AND OUTLOOK

Global growth slowed as 2019 unfolded, led by notable weakness in the manufacturing sector, and punctuated by an

intensification in trade tensions between the US and China. Markets became more choppy after the summer. Investors were caught off guard by President Trump's demand that US companies move out of China, the designation of China as a currency manipulator, and the announcement of new tariffs covering all of US trade with China. The consequences of this escalation were immediately felt in markets and were reflected in a further deterioration in business sentiment. Fears of an uncontrolled trade war and cliff-edge Brexit increased the odds of global recession. However, risk assets recovered on plans for a phase one trade deal between the US and China, the prospects for a resolution to Brexit following the UK election, and hopes that fiscal and monetary policy easing would buoy growth. Growth in China and Europe stabilised and fears of recession in the US waned. In a number of emerging markets, political and social unrest weighed heavily on economic activity.

Going into 2020, global growth remained soft, inflation was low, and geopolitics remained volatile. The outbreak and rapid spread of coronavirus (COVID-19) has severely impacted global commercial activities. There have been sharp falls in risk assets and commodity prices, with policymakers taking substantial steps to respond. The evolving situation presents a number of challenges to global economic activity in 2020.

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

24 March 2020

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 2019. 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 34. 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 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.

Signed on behalf of the Board by:



Sir Michael Bunbury
CHAIRMAN



Sally-Ann Farnon
DIRECTOR

24 March 2020

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 - July 2018 (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. The AIC updated its Code on 5 February 2019 to reflect revised Principles and Provisions included in the UK Corporate Governance Code which was revised in 2018. These changes apply to financial years beginning on or after 1 January 2019 and the Directors are reporting on the Company's compliance with the changes in this Annual Report for the year ended 31 December 2019.

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 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. Clear terms of reference outline the full schedule of matters reserved for the Board's decision and that 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, 9 ad-hoc meetings were held in 2019, 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 21 June 2019, 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 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 page 28, 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 2016, 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 procedural suggestions were offered which the Board has implemented. The Board has instructed BoardAlpha to conduct a further Board appraisal during 2020.

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 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. Graham Harrison, as Senior Independent Director, 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 2019 and, where appropriate, the number of such meetings attended by each Director.

Attendance at scheduled Board and Committee meetings:

	BOARD	AUDIT	MANAGEMENT ENGAGEMENT	NOMINATIONS
No of meetings	4	6	1	1
ATTENDANCE				
Sir Michael Bunbury ¹	4	4	1	1
Julia Chapman	4	5	1	1
Sally-Ann Farnon	4	6	1	1
Graham Harrison ²	4	4	1	1
Andreas Tautscher ³	3	3	1	1
Nicholas Moss ⁴	2	2	–	–

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

2 Graham Harrison resigned from the Audit Committee on 12 March 2020.

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

4 Nicolas Moss retired from the Board on 21 June 2019.

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:

	31.12.2019		31.12.2018	
	US DOLLAR SHARES	STERLING SHARES	US DOLLAR SHARES	STERLING SHARES
Sir Michael Bunbury ¹	–	11,000	–	7,000
Julia Chapman	–	1,081	–	1,081
Sally-Ann Farnon	–	1,700	–	1,700
Graham Harrison	–	1,500	–	1,500
Andreas Tautscher	–	–	–	–

1 Sir Michael Bunbury purchased 4,000 shares on 5 December 2019.

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 29.

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 COMMITTEE

At the date of this statement, the Audit 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 Committee is for a period up to three years which may be extended for two further three year periods provided that the majority of the Audit Committee remain independent of the Manager.

The table on page 18 sets out the number of Audit Committee Meetings held during the year ended 31 December 2019 and the number of such meetings attended by each Committee member.

A report of the Audit Committee detailing its responsibilities and its key activities is presented on pages 23 to 25.

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 4 December 2019, 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 Board continues to be of the same opinion.

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 27 September 2019 the Nominations Committee concluded that the continued appointment of the Board would 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 27 of these Financial Statements. The consideration of the Chairman's remuneration is led by the Senior Independent Director without the Chairman being present.

CORPORATE GOVERNANCE STATEMENT CONTINUED

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 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") ISAE3402 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 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").

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.

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 21 June 2019, there was no motion that received 20% or more votes against a resolution.

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.bhgglobal.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 2019, the following registered shareholders had significant shareholdings in the Company:

SIGNIFICANT SHAREHOLDERS	TOTAL SHARES HELD	% HOLDINGS IN CLASS
STERLING SHARES		
Cheviot Capital (Nominees) Limited	3,173,055	15.97%
Rathbone Nominees Limited	2,516,598	12.67%
Smith & Williamson Nominees Limited	1,747,400	8.79%
Roy Nominees Limited	1,431,168	7.20%
Wealth Nominees Limited	959,495	4.83%
Pershing Nominees Limited	878,480	4.42%
The Bank Of New York (Nominees) Limited	864,221	4.35%
Brooks Macdonald Nominees Limited	863,112	4.34%
Nortrust Nominees Limited	827,651	4.17%
Ferlim Nominees Limited	693,149	3.49%
HSBC Global Custody Nominee (UK) Limited	620,872	3.12%
US DOLLAR SHARES		
Wealth Nominees Limited	1,156,479	43.40%
Euroclear Nominees Limited	624,889	23.45%
J.P. Morgan Securities Plc	140,460	5.27%
Rathbone Nominees Limited	107,398	4.03%
Pershing Nominees Limited	105,572	3.96%

CORPORATE GOVERNANCE STATEMENT CONTINUED

ONGOING CHARGES

Ongoing charges for the year ended 31 December 2019 and 31 December 2018 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:

31.12.19

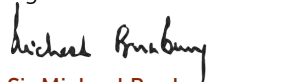
	US DOLLAR SHARES	STERLING SHARES
Company – Ongoing Charges	1.21%	1.25%
BHMS – Ongoing Charges	0.09%	0.09%
Performance fee	1.50%	1.16%
TOTAL ONGOING CHARGES PLUS PERFORMANCE FEES	2.80%	2.50%

31.12.18

	US DOLLAR SHARES	STERLING SHARES
Company – Ongoing Charges	1.31%	1.31%
BHMS – Ongoing Charges	0.10%	0.10%
Performance fee	1.59%	1.25%
TOTAL ONGOING CHARGES PLUS PERFORMANCE FEES	3.00%	2.66%

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


Sally-Ann Farnon
DIRECTOR

24 March 2020

AUDIT COMMITTEE REPORT

Dear Shareholder,

On the following pages, we present the Audit Committee's Report for 2019, setting out the responsibilities of the Audit Committee and its key activities in 2019. As in previous years, the Audit 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 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 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 Committee will be available at each Annual General Meeting to respond to any shareholder questions on the activities of the Audit Committee.

Sally-Ann Farnon

CHAIRMAN, AUDIT COMMITTEE

RESPONSIBILITIES

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

KEY ACTIVITIES OF THE AUDIT COMMITTEE:

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

Financial Reporting:

The Audit 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\$464,268,752 as at 31 December 2019 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 2019 were audited by KPMG Cayman Islands who issued an unqualified audit opinion dated 19 March 2020. The Audit 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 2019 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 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 Committee considered whether the 2019 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 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 COMMITTEE REPORT CONTINUED

KEY ACTIVITIES OF THE AUDIT COMMITTEE: (CONTINUED)

Following a review of the presentations and reports from the Administrator and consulting where necessary with the Independent Auditor, the Audit 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 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 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 Committee. The process of risk management also includes procedures to identify, manage and mitigate emerging risks faced by the Company.

CORPORATE SOCIAL RESPONSIBILITY

The Audit 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 Committee which also reviews the terms under which the Independent Auditor is appointed to perform non-audit services. The Audit 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 Committee does not utilise the Independent Auditor for internal audit purposes, secondment or valuation advice. Services such as tax compliance, tax restructuring, quarterly reviews and disclosure advice are normally permitted but must be pre-approved by the Audit Committee where fees are likely to be in excess of £25,000.

The Audit 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 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 2019 and 31 December 2018:

	01.01.19 TO 31.12.19	01.01.18 TO 31.12.18
KPMG CHANNEL ISLANDS LIMITED		
– Annual audit	£31,000	£30,000
– Auditor's interim review	£15,350	£15,000

In line with the policies and procedures above, the Audit 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 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 six years.

THE INDEPENDENT AUDITOR (CONTINUED)

The Audit 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 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 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 Committee has recommended to the Board that a resolution be put to the 2020 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 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 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 Committee.

The Audit 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 Committee Report was approved by the Board on 24 March 2020 and signed on its behalf by:



Sally-Ann Farnon
CHAIRMAN, AUDIT 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

24 March 2020

DIRECTORS' REMUNERATION REPORT

As at 31 December 2019

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 2020.

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 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.

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 21 June 2019, shareholders re-elected all Directors of the Company excluding Nicholas Moss who did not offer himself for re-election. Director appointments can also be terminated in accordance with the Articles. Should shareholders vote against a Director standing for re-election, the Director affected will not be entitled to any compensation. There are no set notice periods and a Director may resign by notice in writing to the Board at any time.

Directors 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 21 June 2019, Julia Chapman was elected to the position of Chairman of the Management Engagement Committee, as such her director fee increased to £43,000 per annum. Andreas Tautscher was appointed to the Board during the current year and his director fee is £40,000 per annum.

The fees payable by the Company in respect of each of the Directors who served during the year, and during 2018, were as follows:

	01.01.19 TO 31.12.19 £	01.01.18 TO 31.12.18 £
Sir Michael Bunbury	150,000	150,000
Julia Chapman	41,574	40,000
Sally-Ann Farnon	50,000	37,000
John Hallam ¹	–	36,500
Graham Harrison	43,000	41,500
Nicholas Moss ²	20,292	43,000
Andreas Tautscher ³	26,666	–
TOTAL	331,532	348,000

¹ John Hallam retired from the Board on 27 September 2018.

² Nicholas Moss retired from the Board on 21 June 2019.

³ Andreas Tautscher was appointed to the Board on 1 May 2019.

COMPANY PERFORMANCE

The graphs on page 7 detail the share price returns of the Company.

Signed on behalf of the Board by:



Sir Michael Bunbury
CHAIRMAN



Sally-Ann Farnon
DIRECTOR

24 March 2020

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 currently the 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

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)

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	
HarbourVest Global Private Equity Limited	London
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	London
Doric Nimrod Air Two	London
Doric Nimrod Air Three	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 2019, 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 2019, 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 2018):

	THE RISK	OUR RESPONSE
<p><i>Valuation of Investment in Brevan Howard Multi-Strategy Master Fund Limited (the "Master Fund")</i></p> <p><i>\$464,269,000; (2018: \$427,547,000)</i></p> <p><i>Refer to page 23 of the Audit Committee Report and note 3 accounting policy</i></p>	<p>Basis: The Company, which is a multi-class feeder fund, had invested 99.26% (2018: 99.35%) of its net assets at 31 December 2019 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: 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>Our audit procedures included, but were not limited to:</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 \$6,844,000, determined with reference to a benchmark of Net Assets of \$467,750,000, of which it represents approximately 1.5%.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding \$342,000, 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.

WE HAVE NOTHING TO REPORT ON GOING CONCERN

We are required to report to you if we have anything material to add or draw attention to in relation to the directors' statement in note 3 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 a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in this respect.

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 PRINCIPAL RISKS AND LONGER-TERM VIABILITY

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Viability Statement (pages 5 and 6) that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the Principal Risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the Directors' explanation in the Viability Statement (pages 5 and 6) 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.

CORPORATE GOVERNANCE DISCLOSURES

We are required to report to you if:

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

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report to you in these respects.



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

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 26, 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

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

24 March 2020

AUDITED STATEMENT OF ASSETS AND LIABILITIES

As at 31 December 2019

	31.12.19 US\$'000	31.12.18 US\$'000
ASSETS		
Investment in BHMS	464,269	427,547
Amount due from BHMS	8,746	–
Other debtors	16	50
Cash and bank balances denominated in US Dollars	167	936
Cash and bank balances denominated in Sterling	1,004	7,802
TOTAL ASSETS	474,202	436,335
LIABILITIES		
Management fees payable (note 4)	775	387
Performance fees payable (note 4)	5,478	5,466
Accrued expenses and other liabilities	119	96
Administration fees payable (note 4)	80	39
TOTAL LIABILITIES	6,452	5,988
NET ASSETS	467,750	430,347
NUMBER OF SHARES IN ISSUE (NOTE 5)		
US Dollar shares	2,664,844	2,740,700
Sterling shares	19,868,275	19,807,562
NET ASSET VALUE PER SHARE (NOTES 7 AND 10)		
US Dollar shares	US\$16.48	US\$15.51
Sterling shares	£16.11	£15.37

See accompanying notes to the Financial Statements.

Signed on behalf of the Board by:


 Sir Michael Bunbury
 CHAIRMAN


 Sally-Ann Farnon
 DIRECTOR

24 March 2020

AUDITED STATEMENT OF OPERATIONS

For the year ended 31 December 2019

	01.01.19 TO 31.12.19 US\$'000	01.01.18 TO 31.12.18 US\$'000
NET INVESTMENT (LOSSES)/GAINS ALLOCATED FROM BHMS		
Interest income	1,187	10,829
Expenses	(1,998)	(3,570)
NET INVESTMENT (LOSSES)/GAINS ALLOCATED FROM BHMS	(811)	7,259
COMPANY INCOME		
Interest income	1	–
Foreign exchange gains	16,125	–
TOTAL COMPANY INCOME	16,126	–
COMPANY EXPENSES		
Management fees (note 4)	4,431	4,483
Performance fees (note 4)	5,313	5,679
Other expenses	555	741
Directors' fees and expenses	424	463
Administration fees (note 4)	155	158
Foreign exchange losses	–	20,577
TOTAL COMPANY EXPENSES	10,878	32,101
NET INVESTMENT GAINS/(LOSSES)	4,437	(24,842)
NET REALISED AND UNREALISED GAINS ON INVESTMENTS ALLOCATED FROM BHMS		
Net realised gain on investments	26,927	16,421
Net unrealised gain on investments	12,768	17,037
Net realised and unrealised foreign exchange loss – on hedging	(6,729)	(6,429)
NET REALISED AND UNREALISED GAINS ON INVESTMENTS ALLOCATED FROM BHMS	32,966	27,029
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	37,403	2,187

See accompanying notes to the Financial Statements.

AUDITED STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 December 2019

	01.01.19 TO 31.12.19 US\$'000	01.01.18 TO 31.12.18 US\$'000
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS		
Net investment gain/(loss)	4,437	(24,842)
Net realised gain on investments allocated from BHMS	26,927	16,421
Net unrealised gain on investments allocated from BHMS	12,768	17,037
Net realised and unrealised foreign exchange loss allocated from BHMS	(6,729)	(6,429)
	37,403	2,187
SHARE CAPITAL TRANSACTIONS		
PURCHASE OF OWN SHARES (NOTE 5)		
US Dollar shares	–	–
Sterling shares	–	(14,131)
	–	(14,131)
NET INCREASE/(DECREASE) IN NET ASSETS	37,403	(11,944)
NET ASSETS AT THE BEGINNING OF THE YEAR	430,347	442,291
NET ASSETS AT THE END OF THE YEAR	467,750	430,347

See accompanying notes to the Financial Statements.

AUDITED STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	01.01.19 TO 31.12.19 US\$'000	01.01.18 TO 31.12.18 US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net increase in net assets resulting from operations	37,403	2,187
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:		
Net investment gain/(loss) allocated from BHMS	811	(7,259)
Net realised gain on investments allocated from BHMS	(26,927)	(16,421)
Net unrealised gain on investments allocated from BHMS	(12,768)	(17,037)
Net realised and unrealised foreign exchange loss allocated from BHMS	6,729	6,429
Purchase of investment in BHMS	–	(8,474)
Proceeds from sale of investment in BHMS	2,976	25,450
Interest expense on short term loan	–	7
Foreign exchange (gain)/loss	(16,125)	20,577
Decrease/(Increase) in other debtors	34	(21)
Increase in management fees payable	388	10
Increase in performance fees payable	12	4,635
Increase/(decrease) in accrued expenses and other liabilities	23	(71)
Increase/(decrease) in administration fees payable	42	(2)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(7,402)	10,010
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of own shares	–	(14,131)
Proceeds of borrowings from short term loan*	–	4,219
Repayment of borrowings from short term loan*	–	(4,134)
Interest paid on short term loan	–	(7)
NET CASH USED IN FINANCING ACTIVITIES	–	(14,053)
CHANGE IN CASH	(7,402)	(4,043)
CASH, BEGINNING OF THE YEAR	8,738	13,035
Effect of exchange rate fluctuations	(165)	(254)
CASH, END OF THE YEAR	1,171	8,738
CASH, END OF THE YEAR		
Cash and bank balances denominated in US Dollars	167	936
Cash and bank balances denominated in Sterling ¹	1,004	7,802
	1,171	8,738
¹ Cash and bank balances in Sterling (GBP'000)	758	6,125

* At 31 December 2019 and 2018 the short term borrowings had been repaid in full, the difference between the proceeds and repayment in 2018, was due to foreign exchange movements on translating the Sterling transactions to US Dollars.

See accompanying notes to the Financial Statements.

NOTES TO THE AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2019

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.bhgglobal.com.

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 2019 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*	1.65%
Brevan Howard AS Macro Master Fund Limited*	4.71%
Brevan Howard FG Macro Master Fund Limited*	7.66%
Brevan Howard Global Volatility Master Fund Limited	8.87%
Brevan Howard Master Fund Limited	7.79%
Brevan Howard MB Macro Master Fund Limited*	4.03%
Brevan Howard Alpha Strategies Master Fund Limited	2.86%
BH-DG Systematic Trading Master Fund Limited	4.77%

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.

* Investment is made through the SMP (previously known as the DIP until 31 December 2018).

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

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 Entity 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 reaching this conclusion, the Board is mindful of the nature of the assets that underlie its investment in BHMS, including BHMS's liquidity and has concluded that moderate adverse investment performance will not have a material impact on the Company's ability to meet its liabilities as they fall due.

New Accounting Pronouncements

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-13, Fair Value Measurements (Topic 820): Changes to the Disclosure Requirements for Fair Value Measurements. ASU 2018-13 eliminates the requirement to disclose (i) transfers between level 1 and level 2 of the fair value hierarchy, (ii) the policy for timing of transfers between levels, (iii) valuation processes and (iv) for non public entities, changes in unrealised gains/losses for the year included in earnings for recurring Level 3 fair value measurements. The ASU also modifies existing disclosure requirements for the roll forward of Level 3 fair value measurements as well as disclosures of the timing of liquidating distributions from portfolio investments. The amendments are effective for annual periods beginning after 15 December 2019 and the early adoption is permitted. The Master Fund has not early adopted ASU 2018-13 for the Audited Financial Statements as of 31 December 2019. The above pronouncement will not have an effect on disclosures already included in the Company Financial Statements.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230) – Restricted Cash, which requires the Statement of Cash Flows to explain the change during the year in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore amounts generally described as restricted cash or restricted cash equivalents should be included with cash and

cash equivalents when reconciling the beginning of the year and end of the year total amounts shown in the Audited Statement of Cash Flows. The Company adopted ASU 2016-18 on a retrospective basis as of 1 January 2019. The effects of adopting this accounting guidance resulted in the reclassification of restricted cash in the Audited Statement of Cash Flows and the addition of disclosures regarding the nature of the restrictions on restricted cash in the Master Fund Financial Statements. This guidance has no effect on the Company as it does not hold any restricted cash.

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. At 31 December 2019, the Company's US Dollar and Sterling capital account represents 7.78% and 74.91% (2018: 7.30% and 66.45%) respectively of BHMS's capital. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign exchange

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. 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 reserve accounts are translated at the historic rate ruling at the date of the transaction. Exchange differences arising on translation are included in the Audited Statement of Operations. This 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.

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.

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 2019 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.

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

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

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 2019, the Annual Buy Back Allowance for the Company's Sterling share class was 990,378 Sterling shares (2018: 1,017,344 Sterling shares) and for the US Dollar share class was 137,035 US Dollar shares (2018: 150,222 US Dollar shares). In addition, the Manager has agreed that 40% of the Company's unused 2019 Annual Buyback Allowance being 396,151 Sterling shares and 54,814 US Dollar shares could be rolled forward for use in 2020. In addition, the "clock was reset" at 1 January 2020 and the 2020 fee-free allowance was calculated to be 993,413 Sterling shares and 133,242 US Dollar shares.

During the year ended 31 December 2019, the Company did not repurchase any Sterling shares (31 December 2018: 735,475 Sterling shares), and no US Dollar shares were repurchased during the year ended 31 December 2019 (31 December 2018: nil US Dollar shares).

During the year ended 31 December 2019, there was no charge (2018: US\$nil) by the Manager due to the Annual Buy Back Allowance being exceeded. As at 31 December 2019, the Company had 990,378 Sterling shares and 137,035 US Dollar shares remaining from the 2019 Annual Buy Back Allowance (31 December 2018: 281,869 Sterling shares and 150,222 US Dollar shares). The Manager has agreed to roll forward 40% of this unused Buy Back Allowance for use in 2020.

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 2019, the Manager charged the Company a total of US\$4,430,767 (31 December 2018: US\$4,482,603) as a management fee under the terms of the Management Agreement. At 31 December 2019, US\$774,931 (31 December 2018: US\$387,008) 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.

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

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 2019, US\$5,313,517 (31 December 2018: US\$5,678,864) was charged as performance fees of which, US\$5,477,699 (31 December 2018: US\$5,466,380) remained payable at year end. The total performance fee charged during the year includes fees crystallised upon conversion and upon buyback of shares at points when the NAV per share of the shares exceeded their performance fee Base NAV per share (being £15.37 (Sterling shares) and US\$15.51 (US Dollar shares)).

Of the total crystallised performance fee charged for the year, US\$32,174 (31 December 2018: US\$34,230) related to share conversions and US\$nil (31 December 2018: US\$40,640) 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.

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, 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 (2018: £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 2019, US\$154,816 (31 December 2018: US\$157,680) was earned by the Administrator as administration fees. At 31 December 2019, US\$80,429 (31 December 2018: US\$38,856) of the fee remained outstanding.

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

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 2019	2,740,700	19,807,562	
Share conversions	(75,856)	60,713	
Purchase of own shares into Treasury	–	–	
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	
Shares purchased and held in Treasury during the year:			
– On market purchases	–	–	
Shares cancelled	–	–	
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

5. SHARE CAPITAL (CONTINUED)

	US DOLLAR SHARES	STERLING SHARES	
NUMBER OF ORDINARY SHARES			
In issue at 1 January 2018	3,004,442	20,346,871	
Share conversions	(263,742)	196,166	
Partial Capital Return	–	(735,475)	
IN ISSUE AT 31 DECEMBER 2018	2,740,700	19,807,562	
NUMBER OF TREASURY SHARES			
In issue at 1 January 2018	267,443	1,921,705	
Shares purchased and held in treasury during the year:			
– On market purchases	–	735,475	
Shares cancelled	–	(990,000)	
IN ISSUE AT 31 DECEMBER 2018	267,443	1,667,180	
TOTAL SHARES IN ISSUE	3,008,143	21,474,742	
Percentage of class held as Treasury Shares	8.89%	7.76%	
SHARE CAPITAL ACCOUNT			
	US\$'000	£'000	COMPANY TOTAL US\$'000
At 1 January 2018	–	171,800	383,950
Share conversions	(3,974)	2,954	–
Purchase of own shares into Treasury	–	(10,158)	(14,131)
Redemption of Euro Class	3,974	–	3,974
Transfer from realised investment reserve	–	–	–
AT 31 DECEMBER 2018	–	164,596	373,793

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.

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.

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

5. SHARE CAPITAL (CONTINUED)

Repurchase of ordinary shares

The Directors have been granted authority to purchase in the market up to 408,247 US Dollar shares, and 2,971,155 Sterling shares respectively and they intend to seek annual renewal of this authority from shareholders which was last granted at the 2019 Annual General Meeting on 21 June 2019. 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 21 June 2019 (the "AGM"), the Directors have the power to issue further shares on a non-pre-emptive basis for cash in respect of 272,346 US Dollar shares, and 1,982,091 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.

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.

6. TAXATION (CONTINUED)

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 2019, the Company recorded an average discount to NAV of 2.82% and 3.74% for US Dollar shares and Sterling shares respectively (year to 31 December 2018: 6.08% and 5.59% 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 2018: US\$2 million) and £15 million (31 December 2018: £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 2019 and 31 December 2018, 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 2019

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.

	01.01.19 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 their timing of 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

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%
TOTAL OPERATING EXPENSE	3.16%	2.86%
NET INVESTMENT LOSS¹	(2.84%)	(2.60%)
	01.01.18 TO 31.12.18 US DOLLAR SHARES US\$	01.01.18 TO 31.12.18 STERLING SHARES £
PER SHARE OPERATING PERFORMANCE		
Net asset value at beginning of the year	14.56	14.58
INCOME FROM INVESTMENT OPERATIONS		
Net investment loss ¹ (excluding net realised and unrealised gains and losses on investments allocated from BHMS)	(0.18)	(0.14)
Net realised and unrealised gain on investment	1.18	0.90
Other capital items ²	(0.05)	0.03
TOTAL RETURN	0.95	0.79
NET ASSET VALUE, END OF THE YEAR	15.51	15.37
TOTAL RETURN BEFORE PERFORMANCE FEES	8.22%	6.73%
Performance fees	(1.67%)	(1.30%)
TOTAL RETURN AFTER PERFORMANCE FEES	6.55%	5.43%

NOTES TO THE AUDITED FINANCIAL STATEMENTS CONTINUED

For the year ended 31 December 2019

10. FINANCIAL HIGHLIGHTS (CONTINUED)

Total return reflects the net return for an investment made at the beginning of the year and is calculated as the change in the NAV per ordinary share during the year ended 31 December 2018. An individual shareholder's return may vary from these returns based on the timing of their purchases and sales of Shares.

	01.01.18 TO 31.12.18 US DOLLAR SHARES US\$'000	01.01.18 TO 31.12.18 STERLING SHARES £'000
SUPPLEMENTAL DATA		
Net asset value, end of the year	42,517	304,467
Average net asset value for the year	43,187	301,460
	01.01.18 TO 31.12.18 US DOLLAR SHARES	01.01.18 TO 31.12.18 STERLING SHARES
RATIO TO AVERAGE NET ASSETS		
Operating expense		
Company expenses ³	1.32%	1.32%
Master Fund expenses ⁴	0.82%	0.80%
Performance fees	1.59%	1.24%
	3.73%	3.36%
NET INVESTMENT LOSS¹	(1.22%)	(0.93%)

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 are disclosed in the Directors' Remuneration Report on page 27.

Directors' interests are disclosed in the Corporate Governance Statement on page 18.

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.

	2019	2018
Year end rate	1.3244	1.2738
Average rate for the year	1.2794	1.3305

13. SUBSEQUENT EVENTS

Since the start of January 2020, the outbreak of coronavirus, which is a rapidly evolving situation, has adversely impacted global commercial activities. The rapid development and fluidity of this situation precludes any prediction as its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. The Directors do not believe there is any financial impact to the Financial Statements as at 31 December 2019 as a result of this subsequent event.

The Manager is monitoring developments relating to coronavirus and is coordinating its operational response based on existing business continuity plans and on guidance from global health organisations, relevant governments, and general pandemic response best practices.

The Directors have evaluated subsequent events up to 24 March 2020, 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 2019

	31.12.19 (AUDITED) US\$'000	31.12.18 (AUDITED) US\$'000	31.12.17 (AUDITED) US\$'000	31.12.16 (AUDITED) US\$'000
Net increase/(decrease) in net assets resulting from operations	37,403	2,187	41,032	(57,387)
TOTAL ASSETS	474,202	436,335	443,707	457,647
TOTAL LIABILITIES	(6,452)	(5,988)	(1,416)	(4,596)
NET ASSETS	467,750	430,347	442,291	453,051
NUMBER OF SHARES IN ISSUE				
US Dollar shares	2,664,844	2,740,700	3,004,442	4,186,219
Sterling shares	19,868,275	19,807,562	20,346,871	22,471,006
NET ASSET VALUE PER SHARE				
US Dollar shares	US\$16.48	US\$15.51	US\$14.56	US\$14.19
Sterling shares	£16.11	£15.37	£14.58	£14.33

AFFIRMATION OF THE COMMODITY POOL OPERATOR

31 December 2019

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

A handwritten signature in black ink, appearing to read 'Reamonn O'Sullivan'.

Name: Reamonn O'Sullivan

Title: Head of Compliance 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

24 March 2020

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 page 1 and page 2 references are made to Discount range, Discount at year end and average discounts as a measure of performance under heading "Discount, Discontinuation Threshold, Capital Redemption Authority 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 2019 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 2019; and
- B : is the final Net Asset Value per share of the share class as at 31 December 2019.

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, expressed as a percentage of the average of the daily net assets during the year. The ongoing charges are disclosed on page 46 to 48 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
Sally-Ann ("Susie") Farnon
Graham Harrison
(Senior Independent Director)
Andreas Tautscher

Registered Office

PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL

Manager

Brevan Howard Capital Management LP
6th Floor
37 Esplanade
St Helier
Jersey
JE2 3QA

Administrator and Corporate Secretary

Northern Trust International Fund
Administration Services (Guernsey) Limited
PO Box 255
Trafalgar Court
Les Banques
St Peter Port
Guernsey
GY1 3QL

Independent Auditor

KPMG Channel Islands Limited
Gategny Court
Gategny Esplanade
St Peter Port
Guernsey
GY1 1WR

Registrar and CREST Service Provider

Computershare Investor Services
1st Floor
Tudor House
Le Bordage
Guernsey
GY1 1DB

Legal Advisors (Guernsey Law)

Carey Olsen
Carey House
Les Banques
St. Peter Port
Guernsey
GY1 4BZ

Legal Advisors (UK Law)

Hogan Lovells International LLP
Atlantic House
Holborn Viaduct
London EC1A 2FG

Corporate Brokers

JPMorgan Cazenove
25 Bank Street
Canary Wharf
London
E14 5JP

Investec Bank Plc
(appointed 21 June 2019)
30 Gresham Street
London
EC2V 7QP

Canaccord Genuity Limited
(resigned 21 June 2019)
88 Wood Street
London
EC2V 7QR

For the latest information
www.bhgglobal.com

Designed and produced by Fin International

