

BH MACRO LIMITED



INTERIM REPORT AND UNAUDITED FINANCIAL
STATEMENTS 2022

30 June 2022

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CHAIR'S STATEMENT

I am delighted to present my second interim statement to shareholders.

Over the first half of the year to 30 June 2022 your Company's share price has increased significantly, despite (or indeed, perhaps, because of) the very difficult background for investment markets. Over the first half of 2022, the Net Asset Value ("NAV") per Sterling share in the Company increased by 15.53% and the NAV per US Dollar share increased by 14.11%. The share price total return on a Sterling share was 16.58% over the period and on a US Dollar share was 11.22%. The Company's performance is directly related to the performance of Brevan Howard Master Fund Limited (the "Master Fund") into which the Company invests substantially all its assets.

The components of return for your share price are firstly the change in the NAV of the relevant Company share class driven largely by the change in the underlying share class of the Master Fund; secondly the change in the premium (or discount) of the Company's shares to the NAV of the relevant share class; and thirdly, to a much smaller extent, any accretion to NAV of the relevant share class from the Company's transactions in the relevant share class (i.e. buying back shares at a discount or as in the current period issuing shares at a premium).

I am pleased to report that during this period the main elements of return were as follows:

Sterling share price total return of:

Change in premium: Increase by 0.98% (30 June 2022: premium of 10.02%; 31 December 2021: premium of 9.04%)
Increase in the Sterling share class NAV per share: 15.53%

US Dollar share price total return of:

Change in premium: Decrease of 2.85% (30 June 2022: premium of 9.45%; 31 December 2021: premium of 12.29%)
Increase in US Dollar share class NAV per share: 14.11%

During the period under review the Company issued 3,353,495 Sterling shares in the following tranches. No US Dollar shares were issued other than inter-class share conversions.

DATE	NUMBER OF SHARES	PRICE PER SHARE (PENCE)	PREMIUM PER SHARE
14/01/22	921,862	3,670	6.04%
16/03/22	268,379	3,770	5.93%
19/05/22	1,521,441	4,270	10.19%
26/05/22	59,631	4,300	9.89%
16/06/22	582,182	4,455	10.16%

Last year was dominated by the combination between the Company and BH Global Limited and I am delighted that the first half of this year has seen an excellent return for shareholders despite the significant increases in fees which took place last year. Whilst to a certain extent these have been defrayed by the issuance of new shares at a premium, it is gratifying that your confidence in the Manager, and the new arrangements, have been so well rewarded. Moreover, the shares, whilst generating very good absolute returns, have also provided even better returns when compared to most other investable asset classes.

In last year's interim statement, I commented on the uncertain outlook as follows: "Against this background the investment strategy of the Company should provide diversification to other asset classes and the shares remain one of the few ways for the individual investor to acquire access to a long established macro-economic hedge fund". The value of that diversification has been amply demonstrated in this period under review. It is important for shareholders to bear in mind the long-term value of this strategy in their broader portfolio.

Unfortunately, when looking at the outlook for markets from here, I find that there is little that I can say to shareholders on a positive note. Geopolitical tensions remain at a very high level. The outcome of the invasion of Ukraine remains uncertain. The zero-COVID policy in China appears to be continuing to create severe supply chain disruption. Inflationary pressures remain strong across the globe though certain component data will start to decline on a year-on-year basis. Interest rates seem set to rise even further with significant consequences for the UK and European economies and will only exacerbate the tensions within the EU. There has been very significant tightening of money supply as Central Banks move from Quantitative Easing ("QE") to Quantitative Tightening ("QT") and a huge wealth effect from the evaporation of over \$2 trillion of cryptocurrency in a very short space of time. Energy prices have risen sharply in the past 12 months, caused by increased demand as countries eased COVID lockdown restrictions; international travel returning to levels similar to 2019; supply chain slowdowns; and the supply of oil and natural gas tightening due to sanctions imposed on Russia over the invasion of Ukraine.

I feel compelled therefore to reiterate what I said last year that the investment strategy of the Company should continue to provide diversifying returns against what remains a very difficult background. Your Board continues to monitor your Company's Manager closely and believes that it is well placed to manage your money in these difficult times.

Richard Horlick
Chair

9 September 2022

CHAIR'S STATEMENT CONTINUED

STERLING SHARES SHARE PRICE VS NET ASSET VALUE



US DOLLAR SHARES SHARE PRICE VS NET ASSET VALUE



BOARD MEMBERS

The Directors of the Company, as at the date of signing, all of whom are non-executive, are listed below:

Richard Horlick (Chair), age 63

Richard Horlick is UK resident. He is currently the non-executive chairman of CCLA Investment Management which manages assets for over 38,000 charities and church and local authority funds. He has served on a number of closed end fund boards most recently VH Global Sustainable Energy Opportunities plc since January 2021. He was a partner and non-executive chairman of Pensato Capital LLP until its successful sale to RWC Partners in 2017. He has had a long and distinguished career in investment management graduating from Cambridge University in 1980 with an MA in Modern History. After 3 years in the corporate finance department of Samuel Montagu he joined Newton Investment Management in January 1984, where he became a Director and portfolio manager. In 1994, he joined Fidelity International as President of their institutional business outside the US and in 2001 became President and CEO of Fidelity Management Trust Company in Boston which was the Trust Bank for the US Fidelity Mutual fund range and responsible for their defined benefit pension business. In 2003, he joined Schroders Plc as a main board Director and head of investment worldwide. In January 2006, he established Spencer House Capital Management with Lord Jacob Rothschild. In addition, he has been a business angel investing in a wide range of private companies. He became a limited partner in CBE Capital Limited, a property development group. Mr. Horlick was appointed to the Board in May 2019 and was appointed Chair in February 2021.

Julia Chapman, age 56

Julia Chapman is a Jersey resident and a solicitor qualified in England & Wales and in Jersey with over 30 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) 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, Julia was appointed European Senior Counsel for State Street's alternative investment business. In July 2012, Julia left State Street to focus on the independent provision of directorship and governance services to a small number of investment fund vehicles. Mrs. Chapman was appointed to the Board in October 2021.

Bronwyn Curtis, age 74

Bronwyn Curtis is a UK resident and Senior Executive with 30 years leadership in finance, commodities, consulting and the media. She is currently chair of JPMorgan Asia Growth and Income Plc but will step down from the company in February 2023. She is also a non-executive Director of Pershing Square Holdings Ltd, the Scottish American Investment Company Plc,

Twentyfour Income Fund Ltd and the UK Office of Budget Responsibility. Her executive roles included Head of Global Research at HSBC Plc, Managing Editor and Head of European Broadcast at Bloomberg LP, Chief Economist of Nomura International, and Global Head of Foreign Exchange and Fixed Income Strategy at Deutsche Bank. She has also worked as a consultant for the World Bank and UNCTAD. Her other current appointments include trustee of the Centre for Economic and Policy Research, the Australia-UK Chamber of Commerce and The Times shadow MPC. She is a graduate of the London School of Economics and La Trobe University in Australia where she received a Doctor of Letters in 2017. Bronwyn was awarded an OBE in 2008 for her services to business economics. Mrs. Curtis was appointed to the Board in January 2020.

John Le Poidevin, age 52

John Le Poidevin is Guernsey resident and has over 30 years' business experience. Mr. Le Poidevin is a graduate of Exeter University and Harvard Business School, a Fellow of the Institute of Chartered Accountants in England and Wales and a former partner of BDO LLP in London where, as Head of Consumer Markets, he developed an extensive breadth of experience and knowledge of listed businesses in the UK and overseas. He is an experienced non-executive who sits on several Plc boards and chairs a number of Audit Committees. He therefore brings a wealth of relevant experience in terms of corporate governance, audit, risk management and financial reporting. Mr Le Poidevin was appointed to the Board in June 2016.

Claire Whittet, age 67

Claire Whittet is Guernsey resident and has over 40 years' experience in the financial services industry. After obtaining a MA (Hons) in Geography from the University of Edinburgh, Mrs. Whittet joined the Bank of Scotland for 19 years and undertook a wide variety of roles. She moved to Guernsey in 1996 and was Global Head of Private Client Credit for Bank of Bermuda before joining Rothschild & Co Bank International Limited in 2003, initially as Director of Lending and latterly as Managing Director and Co-Head until May 2016 when she became a non-executive Director. She is an ACIB member of the Chartered Institute of Bankers in Scotland, a Chartered Banker, a member of the Chartered Insurance Institute and holds an IoD Director's Diploma in Company Direction. She is an experienced non-executive director of a number of listed investment and private equity funds one of which she chairs and a number of which she is Senior Independent Director. Mrs. Whittet was appointed to the Board in June 2014.

DISCLOSURE OF DIRECTORSHIPS IN PUBLIC COMPANIES LISTED ON RECOGNISED STOCK EXCHANGES

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

	EXCHANGE
RICHARD HORLICK	
VH Global Sustainable Energy Opportunities Plc	London
JULIA CHAPMAN	
GCP Infrastructure Investments Limited	London
Henderson Far East Income Limited	London
BRONWYN CURTIS	
JPMorgan Asia Growth and Income Plc	London
Pershing Square Holdings Limited	London and Euronext Amsterdam
Scottish American Investment Company Plc	London
TwentyFour Income Fund Limited	London
JOHN LE POIDEVIN	
International Public Partnerships Limited	London
Super Group (SGHC) Limited	New York
TwentyFour Income Fund Limited	London
CLAIRE WHITTET	
Eurocastle Investment Limited	Euronext Amsterdam
Riverstone Energy Limited	London
Third Point Investors Limited	London
TwentyFour Select Monthly Income Fund Limited	London

DIRECTORS' REPORT

30 June 2022

The Directors submit their Interim Report together with the Company's Unaudited Statement of Assets and Liabilities, Unaudited Statement of Operations, Unaudited Statement of Changes in Net Assets, Unaudited Statement of Cash Flows and the related notes for the period ended 30 June 2022. The Directors' Report together with the Interim Unaudited Financial Statements and their related notes (the "Financial Statements") give a true and fair view of the financial position of the Company. They have been prepared properly, in accordance with United States Generally Accepted Accounting Principles ("US GAAP") and are in agreement with the accounting records.

THE COMPANY

BH Macro Limited is a limited liability closed-ended investment company which was incorporated in Guernsey on 17 January 2007 and then admitted to the Official List of the London Stock Exchange ("LSE") later that year.

Currently, ordinary shares are issued in Sterling and US Dollars.

INVESTMENT OBJECTIVE AND POLICY

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

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

The Master Fund employs a combination of investment strategies that focus primarily on economic change and monetary policy and market inefficiencies.

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

RESULTS AND DIVIDENDS

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

SHARE CAPITAL

On 14 January 2022, the Company issued 921,862 Sterling Shares at a price of 3,670 pence per share.

On 16 March 2022, the Company issued 268,379 Sterling Shares at a price of 3,770 pence per share.

At an Extraordinary General Meeting ("EGM"), held on 5 May 2022, Shareholders approved a Special Resolution allowing the directors to issue up to 2,707,396 Sterling Shares, being 10% of the Sterling shares in issue as at the date of the EGM.

On 19 May 2022, the Company issued 1,521,441 Sterling Shares at a price of 4,270 pence per share.

On 26 May 2022, the Company issued 59,631 Sterling Shares at a price of 4,300 pence per share.

On 16 June 2022, the Company issued 582,182 Sterling Shares at a price of 4,455 pence per share.

The number of shares in issue at period end is disclosed in note 5 of the Interim Unaudited Financial Statements.

GOING CONCERN

The Directors, having considered the Principal and Emerging Risks and Uncertainties to which the Company is exposed which are listed on page 11 and on the assumption that these are managed or mitigated as noted, are not aware of any material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern and, accordingly, consider that it is appropriate that the Company continues to adopt the going concern basis of accounting for these Interim Unaudited Financial Statements.

The Board continues to monitor the ongoing impact of various geo-political events, including the recovery from the pandemic, the risk of inflation and Russia's invasion of Ukraine. The Board has concluded that the biggest threat to the Company in relation to these geo-political concerns remains the failure of a key service provider to maintain business continuity and resiliency. The Board has assessed the measures in place by key service providers to maintain business continuity and so far has not identified any significant issues that affect the Company. The financial position of the Company has not been negatively impacted by these geo-political events either. For these reasons, the Board is confident that these events have not impacted the going concern assessment of the Company.

DIRECTORS' REPORT CONTINUED

THE BOARD

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

The Articles provide that, unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two. The Company's policy on Directors' Remuneration, together with details of the remuneration of each Director who served during the period, is detailed in the Directors' Remuneration Report on pages 14.

The Board meets at least four times a year and between these formal meetings, there is regular contact with the Manager and the Administrator. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company are 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.

For each Director, the tables below set out the number of Board and Audit Committee meetings they were entitled to attend during the period ended 30 June 2022 and the number of such meetings attended by each Director.

SCHEDULED BOARD MEETINGS	HELD	ATTENDED
Richard Horlick	2	2
Julia Chapman	2	2
Bronwyn Curtis	2	2
John Le Poidevin	2	2
Claire Whittet	2	2
AUDIT COMMITTEE MEETINGS	HELD	ATTENDED
John Le Poidevin	2	2
Julia Chapman	2	2
Bronwyn Curtis	2	2
Claire Whittet	2	2
REMUNERATION AND NOMINATION COMMITTEE MEETINGS	HELD	ATTENDED
Richard Horlick	1	1
Julia Chapman	1	1
Bronwyn Curtis	1	1
John Le Poidevin	1	1
Claire Whittet	1	1

In addition to these scheduled meetings, six ad-hoc committee meetings were held during the period ended 30 June 2022, which were attended by those Directors available at the time.

The Board has reviewed the composition, structure and diversity of the Board, succession planning, the independence of the Directors and whether each of the Directors has sufficient time available to discharge their duties effectively. The Board confirms that it believes that it has an appropriate mix of skills and backgrounds, that all of the Directors are considered to be independent in accordance with the provisions of the Association of Investment Companies (the "AIC") Code and that all Directors have the time available to discharge their duties effectively.

The Chair's and Directors' tenures are limited to nine years, which is consistent with the principles listed in the UK Corporate Governance Code.

Notwithstanding that some of the Directors sit on the boards of a number of other listed investment companies, the Board notes that each appointment is non-executive and that listed investment companies generally have a lower level of complexity and time commitment than trading companies. Furthermore, the Board notes that attendance of all Board and Committee meetings during the period is high and that each Director has always shown the time commitment necessary to discharge fully and effectively their duties as a Director.

DIRECTORS' INTERESTS

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

	STERLING SHARES		
	30.06.22	31.12.21	30.06.21
Richard Horlick	20,000	20,000	Nil
Julia Chapman	626	626	N/A
Bronwyn Curtis	1,000	1,000	Nil
John Le Poidevin	5,482	5,482	3,222
Claire Whittet*	1,500	1,500	Nil

	US DOLLAR SHARES		
	30.06.22	31.12.21	30.06.21
Richard Horlick	Nil	Nil	Nil
Julia Chapman	Nil	Nil	N/A
Bronwyn Curtis	Nil	Nil	Nil
John Le Poidevin	Nil	Nil	Nil
Claire Whittet	Nil	Nil	Nil

* All units are held through a Retirement Annuity Trust Scheme, jointly owned by Mrs Whittet and her husband.

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, subject to the provisions of the Companies (Guernsey) Law, 2008, for 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 and breach of duty or trust in relation to the Company.

CORPORATE GOVERNANCE

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

The Company is a member of the AIC and by complying with the AIC Code is deemed to comply with both the UK Corporate Governance Code and the Guernsey Code of Corporate Governance.

To ensure ongoing compliance with the principles and the recommendations of the AIC Code, the Board receives and reviews a report from the Secretary, at each quarterly meeting, identifying whether the Company is in compliance and recommending any changes that are necessary.

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

The UK Corporate Governance Code includes provisions relating to:

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

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

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

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

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

DIRECTORS' REPORT CONTINUED

CORPORATE GOVERNANCE (CONTINUED)

In view of its non-executive and independent nature, the Board had previously considered that it was not necessary for there to be a Nomination Committee, or a Remuneration Committee as anticipated by the AIC Code. A Remuneration and Nomination Committee was established on 17 June 2022. The Board has included a separate Directors' Remuneration Report on page 14 of these Interim Unaudited Financial Statements.

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

In line with the AIC Code, Section 21.3 of the Company's Articles requires all Directors to retire at each Annual General Meeting. At the Annual General Meeting of the Company on 24 September 2021, Shareholders re-elected all the then incumbent Directors of the Company, except for Julia Chapman, who was appointed on 1 October 2021.

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

The Board, Audit Committee, Management Engagement Committee and Remuneration and Nomination 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 their members. This process is conducted by the respective Chair reviewing the Directors' performance, contribution and commitment to the Company.

Claire Whittet has been Senior Independent Director since 20 June 2019 and takes the lead in evaluating the performance of the Chair.

BOARD PERFORMANCE

The performance of the Board and that of each individual Director is scheduled for external evaluation every three years.

The most recent external evaluation of the Board's performance was completed in March 2022 and is scheduled to take place every three years. The last such evaluation confirmed that the Board works in a collegiate, harmonious and effective manner and made a number of recommendations for the medium-term structure of the Board, which the Board intends to adopt.

The Board carries out an annual internal evaluation of its performance in years when an external evaluation is not taking place. There were no matters of note in the last annual internal evaluation.

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

POLICY TO COMBAT FRAUD, BRIBERY AND CORRUPTION

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

In respect of the UK Criminal Finances Act 2017 which 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 preventing the facilitation of tax evasion and takes all reasonable steps to do so.

SOCIAL AND ENVIRONMENTAL ISSUES

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. Further explanation is detailed on page 11 under 'Climate Change and ESG Risks'.

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 period.

Ongoing charges for the six-month period ended 30 June 2022, year ended 31 December 2021 and six-month period ended 30 June 2021 have been prepared in accordance with the AIC's recommended methodology.

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

30.06.22

	STERLING SHARES	US DOLLAR SHARES
Company – Ongoing Charges	1.69%	1.81%
Master Fund – Ongoing Charges	0.33%	0.34%
Performance fees	3.17%	3.24%
Ongoing Charges plus performance fees	5.19%	5.39%

31.12.21

	STERLING SHARES	US DOLLAR SHARES
Company – Ongoing Charges	1.34%	1.11%
Master Fund – Ongoing Charges	0.45%	0.45%
Performance fees	0.64%	0.69%
Ongoing Charges plus performance fees	2.43%	2.25%

30.06.21

	STERLING SHARES	US DOLLAR SHARES
Company – Ongoing Charges	0.56%	0.55%
Master Fund – Ongoing Charges	0.69%	0.69%
Performance fees	0.30%	0.32%
Ongoing Charges plus performance fees	1.55%	1.56%

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

PERFORMANCE GRAPHS

The graphs shown on page 2 detail the performance of the Company's NAV and share prices over the period.

AUDIT COMMITTEE

The Company's Audit Committee conducts formal meetings at least three times a year for the purpose, amongst others, of considering the appointment, independence, effectiveness of the audit and remuneration of the auditors and to review and recommend the annual statutory accounts and interim report to the Board of Directors. It is chaired by John Le Poidevin and comprises Bronwyn Curtis, Claire Whittet and Julia Chapman. The Terms of Reference of the Audit Committee are available from the Administrator.

MANAGEMENT ENGAGEMENT COMMITTEE

The Board has established a Management Engagement Committee with formal duties and responsibilities. The Management Engagement Committee meets formally at least once a year and comprises all members of the Board. It was chaired by Claire Whittet until 17 June 2022, when Julia Chapman was appointed Chair.

The function of the Management Engagement Committee is to ensure that the Company's Management Agreement is competitive and reasonable for the Shareholders, along with the Company's agreements with all other third-party service providers (other than the Independent Auditors). The Management Engagement Committee also monitors the performance of all service providers on an annual basis and writes to each service provider regarding their Business Continuity Plans. To date, all services have proved to be robust and there has been no disruption to the Company. The Terms of Reference of the Management Engagement Committee are available from the Administrator.

The details of the Manager's fees and notice period are set out in note 4 to the Interim Unaudited Financial Statements.

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

The Manager has wide experience in managing and administering investment companies and has access to extensive investment management resources.

At its meeting on 3 September 2021, the Management Engagement Committee concluded that the continued appointment of the Manager, Administrator, UK and Guernsey Legal Advisers, Registrar and Corporate Broker on the terms agreed was in the interests of the Company's Shareholders as a whole. At the date of this report, the Board continues to be of the same opinion.

DIRECTORS' REPORT CONTINUED

REMUNERATION AND NOMINATION COMMITTEE

The Board established a Remuneration and Nomination Committee on 17 June 2022 with formal duties and responsibilities.

The Remuneration and Nomination Committee meets formally at least once a year, is chaired by Bronwyn Curtis and comprises all members of the Board.

The function of the Remuneration and Nomination Committee is to:

- regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any changes that are deemed necessary;
- Identify, from a variety of sources, candidates to fill Board vacancies as and when they arise with a continued focus on Board diversity;
- assess and articulate the time needed to fulfil the role of Chair and of a non-executive director, and undertake an annual performance evaluation to ensure that all the members of the Board have devoted sufficient time to their duties, and also to review their contribution to the work of the Board and the breadth of experience of the Board as a whole; and
- annually review the levels of remuneration of the Chair of the Board, the Chair of the Audit & Risk Committee and other committees and other non-executive directors having regard to the maximum aggregate remuneration that may be paid under the Company's Articles of Incorporation.

INTERNAL CONTROLS

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

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

A report is tabled and discussed at each Audit Committee meeting, and reviewed once a year by the Board, setting out the 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.

In order to recognise any new risks that could impact the Company and ensure that appropriate controls are in place to manage those risks, the Audit Committee undertakes a regular review of the Company's Risk Matrix. This review took place on two occasions during the period.

The Board has delegated the 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 the 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.

In common with most investment companies, the Company does not have an internal audit function. All of the Company's management functions are delegated to the Manager, Administrator and Company Secretary and Registrar which have their own internal audit and risk assessment functions.

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

PACKAGED RETAIL AND INSURANCE BASED INVESTMENT PRODUCTS ("PRIIPS")

From 1 January 2021, the Company became subject to the UK version of Regulation (EU) No 1286/2014 on key information documents for PRIIPs, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time, including by the Packaged Retail and Insurance-based Investment Products (EU Exit) Regulations 2019, (the "UK PRIIPs Laws"), which superseded the EU regulation that previously applied to the Company. In accordance with the requirements of the UK PRIIPs Laws, the Manager published the latest standardised three-page Key Information Document ("KID") on the Company on 28 April 2022. The KID is available on the Company's website <https://www.bhmacro.com/regulatory-disclosures/> and will be updated at least every 12 months.

The Company is not responsible for the information contained in the KID. The process for calculating the risks, cost and potential returns is prescribed by regulation. The figures in the KID may not reflect the expected returns for the Company and anticipated returns cannot be guaranteed.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board is responsible for the Company's system of internal controls and for reviewing its effectiveness. The Board is satisfied that by using the Company's risk matrix in establishing the Company's system of internal controls, while monitoring the Company's investment objective and policy, the Board has carried out a robust assessment of the principal and emerging risks and uncertainties facing the Company. The principal and emerging risks and uncertainties which have been identified and the steps which are taken by the Board to mitigate them are as follows:

- **Investment Risks:** The Company is exposed to the risk that its portfolio fails to perform in line with the Company's objectives if it is inappropriately invested or markets move adversely. The Board reviews reports from the Manager, which has total discretion over portfolio allocation, at each quarterly Board meeting, paying particular attention to this allocation and to the performance and volatility of underlying investments;
- **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, or from the unavailability of either the Administrator or Manager for whatever reason. The Board receives reports annually from the Manager and Administrator on their respective 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 or if it fails to maintain accurate accounting records. The Administrator provides the Board with regular reports on changes in regulations and accounting requirements;
- **Financial Risks:** The financial risks faced by the Company include market, credit and liquidity risk. These risks and the controls in place to mitigate them are reviewed at each quarterly Board meeting;
- **Coronavirus Risk:** Despite the impact of Coronavirus (COVID-19) pandemic, the recovery therefrom and the subsequent impact on businesses, the Board continues to believe that this is not a major business risk for the Company. The Company uses a number of service providers for its day-to-day operations. These providers have established and regularly tested Business Resiliency Policies in place, to cover various possible scenarios whereby staff cannot turn up for work at the designated office and conduct business as usual (such as work from home facilities and/or different regions covering work for other regions);
- **Geopolitical Risk:** Russia's ongoing invasion of Ukraine, along with consequential supply-side inflation, has led to greater economic uncertainty, variability and volatility. Whilst the Master Fund has no material direct exposure to Russia, Ukraine or Belarus, the Board has also made enquiries of key service providers in respect of any impact from Russia's invasion of Ukraine and the related instability in world markets and has been assured that none of the service providers have operations in the region or are in any way impacted in terms of their ability to continue to supply their services to the Company; and
- **Climate Change and ESG Risks:** The Company has no employees and does not own any physical assets and is therefore not directly exposed to climate change risk. The Manager monitors developments in this area and industry best practice on behalf of the Board where appropriate and also regularly assesses the trading activity of the underlying Master Fund and sub-funds to ascertain whether environmental, social and governance ("ESG") factors are appropriate or applicable to such funds. The Board has also made enquiries of key service providers in respect of their assessment of how climate change and ESG risk impacts their own operations and has been assured that this has no impact on their ability to continue to supply their services to the Company.

BOARD DIVERSITY

When appointing new directors and reviewing the Board composition, the Board considers, amongst other factors, diversity, balance of skills, knowledge, gender and experience. The Board however does not consider it appropriate to establish targets or quotas in this regard. As at the date of this report, the Board comprised three female and two male non-executive directors. The Company has no employees.

INTERNATIONAL TAX REPORTING

For 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 (5QHZVI.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 was adopted by Guernsey and came into effect on 1 January 2016. The CRS replaced the intergovernmental agreement between the UK and Guernsey to improve international tax compliance that had previously applied in respect of 2014 and 2015. The Company made its latest report for CRS to the Director of Income Tax on 28 June 2022.

DIRECTORS' REPORT CONTINUED

RELATIONS WITH SHAREHOLDERS

The Board welcomes Shareholders' views and places great importance on communication with the Company's Shareholders. The Board receives regular reports on the views of Shareholders and the Chair and other Directors are available to meet Shareholders, with a number of such meetings taking place during the period. The Company provides weekly unaudited estimates of NAV, month end unaudited estimates and unaudited final NAVs. The Company also provides a monthly newsletter. These are published via RNS and are also available on the Company's website. Risk reports of the Master Fund are also available on the Company's website.

The Manager maintains regular dialogue with institutional Shareholders, the feedback from which is reported to the Board. Shareholders who wish to communicate with the Board should contact the Administrator in the first instance.

Having reviewed the Financial Conduct Authority's restrictions on the retail distribution of non-mainstream pooled investments, the Company, after taking legal advice, announced on 15 January 2014 that it is outside the scope of those restrictions, so that its shares can continue to be recommended by UK authorised persons to ordinary retail investors.

Following the publication of the updated AIC Code in February 2019, when 20 per-cent or more of Shareholder votes have been cast against a Board recommendation for a resolution, the Company should explain, when announcing voting results, what actions it intends to take to consult Shareholders in order to understand the reasons behind the result. An update on the views received from shareholders and actions taken should be published no later than six months after the shareholder meeting. The Board should then provide a final summary in the Annual Report and, if applicable, in the explanatory notes to resolutions at the next shareholder meeting, on what impact the feedback has had on the decisions the Board has taken and any actions or resolutions now proposed. During the period, no resolution recommended by the Board received more than 20% of votes against it.

SIGNIFICANT SHAREHOLDERS

As at 30 June 2022, the following Shareholders had significant shareholdings in the Company:

	TOTAL SHARES HELD	% HOLDING IN CLASS
SIGNIFICANT SHAREHOLDERS		
STERLING SHARES		
Ferlim Nominees Limited	5,124,539	17.49%
Rathbone Nominees Limited	2,957,852	10.09%
Smith & Williamson Nominees Limited	2,334,735	7.97%
Cheviot Capital (Nominees) Limited	1,972,538	6.73%
Pershing Nominees Limited	1,428,611	4.88%
Lion Nominees Limited	1,196,798	4.08%
Vestra Nominees Limited	1,091,095	3.72%
HSBC Global Custody Nominee (UK) Limited	1,057,421	3.61%

	TOTAL SHARES HELD	% HOLDING IN CLASS
SIGNIFICANT SHAREHOLDERS		
US DOLLAR SHARES		
Hero Nominees Limited	494,029	19.12%
Vidacos Nominees Limited	476,674	18.45%
Euroclear Nominees	367,205	14.21%
Luna Nominees Limited	171,447	6.64%
Securities Services Nominees Limited	107,172	4.15%
Rathbone Nominees Limited	97,790	3.78%
Ferlim Nominees Limited	95,703	3.70%
Vestra Nominees Limited	89,589	3.47%
Smith & Williamson Nominees Limited	87,256	3.38%

Signed on behalf of the Board by:

Richard Horlick
Chair



John Le Poidevin
Director



9 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS

We confirm to the best of our knowledge that:

- these Interim Unaudited Financial Statements have been prepared in accordance with United States Generally Accepted Accounting Principles and give a true and fair view of the assets, liabilities, financial position and profit or loss; and
- these Interim Unaudited Financial Statements include information detailed in the Chair's Statement, the Directors' Report, the Manager's Report and the Notes to the Interim Unaudited Financial Statements, which provides a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on these Interim Unaudited Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related-party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period and any changes in the related-party transactions described in the last Annual Audited Financial Statements that could materially affect the financial position or performance of the Company.

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

Signed on behalf of the Board by:



Richard Horlick
Chair



John Le Poidevin
Director

9 September 2022

DIRECTORS' REMUNERATION REPORT

30 June 2022

INTRODUCTION

An ordinary resolution for the approval of the Directors' Remuneration Report was passed by the Shareholders at the Annual General Meeting held on 24 September 2021.

REMUNERATION POLICY

A Remuneration and Nomination Committee was established on 17 June 2022. Prior to this, the Board as a whole considered matters relating to the Directors' remuneration. No advice or services were provided by any external person in respect of its consideration of the Directors' remuneration.

The Company's policy is that the fees payable to the Directors should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by the Directors and be sufficient to attract, retain and motivate Directors of a quality required to run the Company successfully. The Chair of the Board is paid a higher fee in recognition of his additional responsibilities, as are the Chairs of the various Board committees and the Senior Independent Director. 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. The Directors were appointed to the Board for an initial term of three years and Section 21.3 of the Company's Articles requires, as does the AIC Code, that all of the Directors retire at each Annual General Meeting. At the Annual General Meeting of the Company on 24 September 2021, Shareholders re-elected all the Directors. 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, to the Director personally.

No other remuneration or compensation was paid or payable by the Company during the period to any of the Directors apart from the reimbursement of allowable expenses.

DIRECTORS' FEES

Until 30 June 2022, The Company's Articles limited the fees payable to Directors in aggregate to £400,000 per annum. The annual Directors' fees were: £70,000 for Richard Horlick, the Chair; £55,000 for John Le Poidevin, the Chair of the Audit Committee;

£50,000 for Claire Whittet, as Chair of the Management Engagement Committee and the Senior Independent Director and £45,000 for all other Directors.

From 1 July 2022, the annual aggregate limit was increased to £800,000 per annum. The annual Directors' fees were changed to being £90,000 for Richard Horlick, the Chair; £65,000 for John Le Poidevin, the Chair of the Audit Committee; £55,000 for Julia Chapman, as Chair of the Management Engagement Committee; £55,000 for Bronwyn Curtis, as Chair of the Remuneration and Nomination Committee; £55,000 for Claire Whittet, as Senior Independent Director and £50,000 for all other Directors.

The fees payable by the Company in respect of each of the Directors who served during the period ended 30 June 2022, the year ended 31 December 2021 and the period ended 30 June 2021, were as follows:

	PERIOD ENDED 30.06.22 £	YEAR ENDED 31.12.21 £	PERIOD ENDED 30.06.21 £
Richard Horlick*	35,000	*66,678	*31,678
Colin Maltby**	N/A	**8,822	**8,822
Julia Chapman***	22,500	***11,250	N/A
Bronwyn Curtis	22,500	45,000	22,500
John Le Poidevin	27,500	55,000	27,500
Claire Whittet	25,000	50,000	25,000
TOTAL	132,500	236,750	115,500

* On 15 February 2021, Richard Horlick was appointed Chair at a fee of £70,000 p.a. Prior to that date, he served as a Director at a fee of £45,000 p.a.

** Colin Maltby retired as Chair and Director on 15 February 2021 and was paid a fee of £70,000 p.a. until that date.

*** Julia Chapman was appointed to the Board on 1 October 2021 at a fee of £45,000 p.a.

Signed on behalf of the Board by:



Richard Horlick
Chair



John Le Poidevin
Director

9 September 2022

MANAGER'S REPORT

Brevan Howard Capital Management LP ("BHCM" or the "Manager") is the manager of BH Macro Limited (the "Company") and of Brevan Howard Master Fund Limited (the "Master Fund"). The Company invests all of its assets (net of short-term working capital) in the ordinary shares of the Master Fund.

PERFORMANCE REVIEW

The NAV per share of the GBP shares of the Company appreciated 15.53% during the first half of 2022, while the NAV per share of the USD shares appreciated by 14.11%.

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

GBP	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2007	-	-	0.11	0.83	0.17	2.28	2.55	3.26	5.92	0.04	3.08	0.89	20.67
2008	10.18	6.85	(2.61)	(2.33)	0.95	2.91	1.33	1.21	(2.99)	2.84	4.23	(0.67)	23.25
2009	5.19	2.86	1.18	0.05	3.03	(0.90)	1.36	0.66	1.55	1.02	0.40	0.40	18.00
2010	(0.23)	(1.54)	0.06	1.45	0.36	1.39	(1.96)	1.23	1.42	(0.35)	(0.30)	(0.45)	1.03
2011	0.66	0.52	0.78	0.51	0.59	(0.56)	2.22	6.24	0.39	(0.73)	1.71	(0.46)	12.34
2012	0.90	0.27	(0.37)	(0.41)	(1.80)	(2.19)	2.38	1.01	1.95	(0.35)	0.94	1.66	3.94
2013	1.03	2.43	0.40	3.42	(0.08)	(2.95)	(0.80)	(1.51)	0.06	(0.55)	1.36	0.41	3.09
2014	(1.35)	(1.10)	(0.34)	(0.91)	(0.18)	(0.09)	0.82	0.04	4.29	(1.70)	0.96	(0.04)	0.26
2015	3.26	(0.58)	0.38	(1.20)	0.97	(0.93)	0.37	(0.74)	(0.63)	(0.49)	2.27	(3.39)	(0.86)
2016	0.60	0.70	(1.78)	(0.82)	(0.30)	3.31	(0.99)	(0.10)	(0.68)	0.80	5.05	0.05	5.79
2017	(1.54)	1.86	(2.95)	0.59	(0.68)	(1.48)	1.47	0.09	(0.79)	(0.96)	0.09	(0.06)	(4.35)
2018	2.36	(0.51)	(1.68)	1.01	8.19	(0.66)	0.82	0.79	0.04	1.17	0.26	0.31	12.43
2019	0.52	(0.88)	2.43	(0.60)	3.53	3.82	(0.78)	1.00	(1.94)	0.47	(1.22)	1.52	7.98
2020	(1.42)	5.49	18.31	0.19	(0.85)	(0.53)	1.74	0.94	(1.16)	(0.02)	0.75	3.04	28.09
2021	1.20	0.32	0.81	0.15	0.25	(1.50)	(0.49)	0.87	0.40	0.27	0.00	0.47	2.76
2022	0.94	1.79	5.39	3.86	1.66	1.05							15.53

USD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2007	-	-	0.10	0.90	0.15	2.29	2.56	3.11	5.92	0.03	2.96	0.75	20.27
2008	9.89	6.70	(2.79)	(2.48)	0.77	2.75	1.13	0.75	(3.13)	2.76	3.75	(0.68)	20.32
2009	5.06	2.78	1.17	0.13	3.14	(0.86)	1.36	0.71	1.55	1.07	0.37	0.37	18.04
2010	(0.27)	(1.50)	0.04	1.45	0.32	1.38	(2.01)	1.21	1.50	(0.33)	(0.33)	(0.49)	0.91
2011	0.65	0.53	0.75	0.49	0.55	(0.58)	2.19	6.18	0.40	(0.76)	1.68	(0.47)	12.04
2012	0.90	0.25	(0.40)	(0.43)	(1.77)	(2.23)	2.36	1.02	1.99	(0.36)	0.92	1.66	3.86
2013	1.01	2.32	0.34	3.45	(0.10)	(3.05)	(0.83)	(1.55)	0.03	(0.55)	1.35	0.40	2.70
2014	(1.36)	(1.10)	(0.40)	(0.81)	(0.08)	(0.06)	0.85	0.01	3.96	(1.73)	1.00	(0.05)	0.11
2015	3.14	(0.60)	0.36	(1.28)	0.93	(1.01)	0.32	(0.78)	(0.64)	(0.59)	2.36	(3.48)	(1.42)
2016	0.71	0.73	(1.77)	(0.82)	(0.28)	3.61	(0.99)	(0.17)	(0.37)	0.77	5.02	0.19	6.63
2017	(1.47)	1.91	(2.84)	3.84	(0.60)	(1.39)	1.54	0.19	(0.78)	(0.84)	0.20	0.11	(0.30)
2018	2.54	(0.38)	(1.54)	1.07	8.41	(0.57)	0.91	0.90	0.14	1.32	0.38	0.47	14.16
2019	0.67	(0.70)	2.45	(0.49)	3.55	3.97	(0.66)	1.12	(1.89)	0.65	(1.17)	1.68	9.38
2020	(1.25)	5.39	18.40	0.34	(0.82)	(0.54)	1.84	0.97	(1.11)	(0.01)	0.76	3.15	28.89
2021	1.21	0.31	0.85	0.16	0.26	(1.47)	(0.47)	0.86	0.31	0.14	(0.09)	0.59	2.67
2022	0.74	1.77	5.27	3.80	1.09	0.76							14.11

Source: Master Fund NAV data is provided by the administrator of the Master Fund, State Street Fund Services (Ireland) Limited. The Company's NAV and NAV per Share data is provided by the Company's administrator, Northern Trust International Fund Administration Services (Guernsey) Limited.

The Company's NAV per Share % Monthly Change is calculated by BHCM.

The Company's NAV data is unaudited and net of all investment management and performance fees and all other fees and expenses payable by the Company. In addition, the Company's investment in the Master Fund is subject to an operational services fee.

NAV performance is provided for information purposes only. Shares in the Company do not necessarily trade at a price equal to the prevailing NAV per Share.

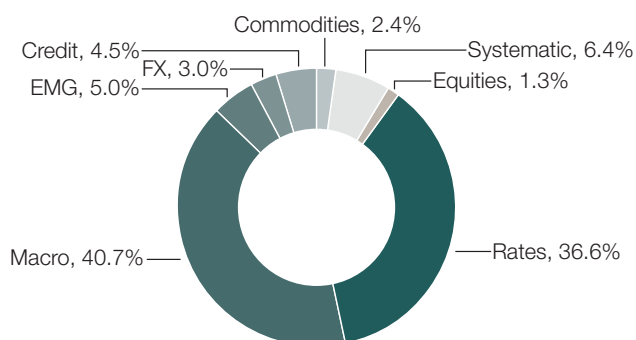
Data as at 30 June 2022.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

MANAGER'S REPORT CONTINUED

PERFORMANCE REVIEW (CONTINUED)

Strategy Group Exposure (% of capital allocation*)



Source: BHCM, as at 30 June 2022. Data may not sum to 100% due to rounding.

* Capital allocations are subject to change.

* FX allocation includes Digital assets

The above strategies are categorised as follows:

“Systematic”: rules-based futures trading

“Rates”: developed interest rates markets

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

“EMG”: global emerging markets

“FX”: global FX forwards and options

“Equities”: global equity markets including indices and other derivatives

“Commodities”: commodity futures and options

“Credit”: corporate and asset-backed indices, bonds and CDS

MANAGER'S REPORT CONTINUED

PERFORMANCE REVIEW (CONTINUED)

Quarterly and Annual contribution (%) to the performance of the Company's USD Shares (net of fees and expenses) by asset class

	RATES	FX	COMMODITIES	CREDIT	EQUITY	DIGITAL ASSETS	TOTAL
Q1 2022	7.28	1.30	0.72	0.09	(1.05)	(0.39)	7.93
Q2 2022	6.91	(0.37)	(0.22)	(0.43)	0.41	(0.51)	5.73
YTD 2022	14.70	0.92	0.50	(0.35)	(0.64)	(0.90)	14.11

Data as at 30 June 2022.

Quarterly and YTD figures are calculated by BHCM as at 30 June 2022, based on performance data for each period provided by the Company's administrator, Northern Trust. Figures rounded to two decimal places.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

Methodology and Definition of Contribution to Performance:

Attribution by asset class is produced at the instrument level, with adjustments made based on risk estimates.

The above asset classes are categorised as follows:

"Rates": interest rates markets

"FX": FX forwards and options

"Commodities": commodity futures and options on commodities including mining indices

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

"Equity": equity markets including indices and other derivatives

"Digital Assets": crypto-currencies including derivatives

MANAGER'S REPORT CONTINUED

PERFORMANCE AND ECONOMIC OUTLOOK COMMENTARY

Headline and core inflation rose to 40-year highs in the US in the first half of the year. Overall GDP growth has been subpar because of a combination of factors. Inventories and international trade pulled down real GDP in the first quarter. Real consumption spending slowed in the second quarter because inflation ran so hot and residential investment fell as the housing sector cooled. It's possible that both quarters eventually report declines in real GDP, which would meet the casual definition of recession. However, with real GDI growing and the labour market continuing to power ahead, there is no widespread decline in economic activity which is required to meet the technical definition of a recession. Indeed, the labour market has never been tighter according to a number of metrics. The unemployment rate is low, the broadest measure of labour-market slack (U-6) declined to a record low in June, and job openings are near record highs. After having fallen behind the curve, the Federal Reserve ("Fed") has moved quickly to tighten financial conditions, delivering an initial 25 basis point hike in March and accelerating the removal of accommodation in May and June with 50 bps and 75 bps rate hikes, respectively. In response to the Fed's "expeditious" pace of rate hikes, mortgage rates rose, equities fell, and the US dollar appreciated.

Over the course of H1 the Master Fund profited broadly from these events, making gains from the move higher in US and global interest rates as well as inflation and volatility markets. Additional gains came from commodity trading as well as from a wide range of idiosyncratic emerging market interest rate and FX positioning, while credit, equity and digital asset trading strategies detracted modestly.

Going into the second half of the year, the Fed will likely continue raising rates into restrictive territory. Investors will be asking whether the economy slows enough to reduce inflationary pressures. The global picture shared a number of themes with the US. Inflation is very high in most developed market economies and virtually all Emerging Market economies. Even Japan is beginning to see signs of inflationary pressures as the Bank of Japan maintains hyper-accommodative and perhaps unsustainable monetary policy easing. China suffered from COVID-pandemic-related shutdowns that brought economic activity to a standstill. Although China deployed a number of fiscal measures to promote growth there's no plan to end its dynamic zero-COVID policy. Europe faces the most profound economic challenges that point to stagflation in the second half of the year as Putin uses energy as a strategic weapon. Inflation is too high, growth is at risk, and policy rates are too low among the European central banks. The European Central Bank ("ECB") is in an especially parlous position. Inflation is at a record-high for the Euro era, policy rates are still negative, and the planned pace of rate hikes is relatively leisurely.

The biggest threat to financial stability may be a renewal of worries about the sustainability of sovereign debt in heavily-indebted peripheral countries. Indeed, political risks in Italy may flare up again and prove to be a catalyst for market stress. Taken as a whole, the global macro environment is complicated, challenging and changing at a fast pace.

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.

9 September 2022



INDEPENDENT REVIEW REPORT TO BH MACRO LIMITED

CONCLUSION

We have been engaged by BH Macro Limited (the "Company") to review the financial statements in the half-yearly financial report for the six months ended 30 June 2022 of the Company, which comprises the unaudited statement of assets and liabilities, the unaudited statement of operations, the unaudited statement of changes in net assets, the unaudited statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements in the half-yearly financial report for the period ended 30 June 2022 do not give a true and fair view of the financial position of the Company as at 30 June 2022 and of its financial performance and its cash flows for the six month period then ended, in accordance with U.S generally accepted accounting principles and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSIONS RELATING TO GOING CONCERN

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

DIRECTOR'S RESPONSIBILITIES

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

The financial statements included in this interim report have been prepared in accordance with U.S generally accepted accounting principles.

In preparing the half-yearly financial report, the directors are responsible for 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.

OUR RESPONSIBILITY

Our responsibility is to express to the Company a conclusion on the financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

THE PURPOSE OF OUR REVIEW WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Simon Guilbert

For and on behalf of KPMG Channel Islands Limited
Chartered Accountants, Guernsey

9 September 2022

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2022

	30.06.22 (UNAUDITED) US\$'000	31.12.21 (AUDITED) US\$'000	30.06.21 (UNAUDITED) US\$'000
ASSETS			
Investment in the Master Fund (note 3)	1,523,101	1,288,417	709,628
Master Fund redemption proceeds receivable	–	600	68,211
Master Fund subscription paid in advance	32,180	–	–
Prepaid expenses	333	294	112
Cash and bank balances denominated in Sterling	4,820	15,884	2,657
Cash and bank balances denominated in US Dollars	334	546	441
Combination costs receivable	–	1,749	–
TOTAL ASSETS	1,560,768	1,307,490	781,049
LIABILITIES			
Performance fees payable (note 4)	43,130	6,205	2,344
Management fees payable (note 4)	2,020	3,252	640
Repurchases in respect of the tender offer payable	–	–	65,215
Legal and professional fees payable	–	–	1,467
Accrued expenses and other liabilities	227	254	166
Administration fees payable (note 4)	58	51	32
TOTAL LIABILITIES	45,435	9,762	69,864
NET ASSETS	1,515,333	1,297,728	711,185
NUMBER OF SHARES IN ISSUE (NOTE 5)			
Sterling shares	29,300,836	25,864,663	13,750,456
US Dollar shares	2,583,898	2,689,547	1,968,239
NET ASSET VALUE PER SHARE (NOTES 7 AND 9)			
Sterling shares	£39.63	£34.30	£33.78
US Dollar shares	US\$40.76	US\$35.71	US\$35.24

See accompanying Notes to the Interim Unaudited Financial Statements.

Signed on behalf of the Board by:


Richard Horlick
Chair

John Le Poidevin
Director

9 September 2022

UNAUDITED STATEMENT OF OPERATIONS

For the period ended 30 June 2022

	01.01.22 30.06.22 (UNAUDITED) US\$'000	01.01.21 31.12.21 (AUDITED) US\$'000	01.01.21 30.06.21 (UNAUDITED) US\$'000
NET INVESTMENT LOSS ALLOCATED FROM THE MASTER FUND			
Interest income	7,473	4,830	1,628
Dividend and other income (net of withholding tax: 30 June 2022: \$59,896; 31 December 2021: US\$41,739; 30 June 2021: US\$24,654)	333	443	189
Expenses	(13,094)	(9,738)	(6,179)
NET INVESTMENT LOSS ALLOCATED FROM THE MASTER FUND	(5,288)	(4,465)	(4,362)
COMPANY INCOME			
Bank interest income	3	–	–
Foreign exchange gains (note 3)	–	–	7,305
TOTAL COMPANY INCOME	3	–	7,305
COMPANY EXPENSES			
Performance fees (note 4)	45,802	6,286	2,350
Management fees (note 4)	11,427	10,921	1,273
Legal and professional fees	–	–	1,471
Other expenses	389	1,465	644
Directors' fees	172	326	161
Administration fees (note 4)	113	156	63
Foreign exchange losses (note 3)	144,433	13,044	–
TOTAL COMPANY EXPENSES	202,336	32,198	5,962
NET INVESTMENT LOSS	(207,621)	(36,663)	(3,019)
NET REALISED AND UNREALISED GAIN ON INVESTMENTS ALLOCATED FROM THE MASTER FUND			
Net realised gain on investments	46,061	46,982	25,643
Net unrealised gain/(loss) on investments	203,762	1,691	(7,393)
NET REALISED AND UNREALISED GAIN ON INVESTMENTS ALLOCATED FROM THE MASTER FUND	249,823	48,673	18,250
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	42,202	12,010	15,231

See accompanying Notes to the Interim Unaudited Financial Statements.

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

For the period ended 30 June 2022

	01.01.22 30.06.22 (UNAUDITED) US\$'000	01.01.21 31.12.21 (AUDITED) US\$'000	01.01.21 30.06.21 (UNAUDITED) US\$'000
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS			
Net investment loss	(207,621)	(36,663)	(3,019)
Net realised gain on investments allocated from the Master Fund	46,061	46,982	25,643
Net unrealised gain/(loss) on investments allocated from the Master Fund	203,762	1,691	(7,393)
	42,202	12,010	15,231
SHARE CAPITAL TRANSACTIONS			
PROCEEDS ON ISSUE OF SHARES FROM TREASURY (NOTE 5)			
Sterling shares	–	129,006	–
US Dollar shares	–	3,216	–
ISSUE OF NEW SHARES FROM THE COMBINATION WITH BH GLOBAL LIMITED (IN VOLUNTARY WINDING UP)			
Sterling shares	–	339,914	–
US Dollar shares	–	25,733	–
ISSUE OF NEW SHARES			
Sterling shares	175,403	91,896	–
US Dollar shares	–	–	–
TENDER OFFER			
Sterling shares	–	(60,902)	(60,901)
US Dollar shares	–	(4,314)	(4,314)
TOTAL SHARE CAPITAL TRANSACTIONS	175,403	524,549	(65,215)
NET INCREASE/(DECREASE) IN NET ASSETS	217,605	536,559	(49,984)
NET ASSETS AT THE BEGINNING OF THE PERIOD/YEAR	1,297,728	761,169	761,169
NET ASSETS AT THE END OF THE PERIOD/YEAR	1,515,333	1,297,728	711,185

See accompanying Notes to the Interim Unaudited Financial Statements.

UNAUDITED STATEMENT OF CASH FLOWS

For the period ended 30 June 2022

	01.01.22 30.06.22 (UNAUDITED) US\$'000	01.01.21 31.12.21 (AUDITED) US\$'000	01.01.21 30.06.21 (UNAUDITED) US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net increase in net assets resulting from operations	42,202	12,010	15,231
Adjustments to reconcile net increase in net assets resulting from operations to net cash provided by operating activities:			
Net investment loss allocated from the Master Fund	5,288	4,465	4,362
Net realised gain on investments allocated from the Master Fund	(46,061)	(46,982)	(25,643)
Net unrealised (gain)/loss on investments allocated from the Master Fund	(203,762)	(1,691)	7,393
Purchase of investment in the Master Fund ¹	(142,989)	(145,200)	–
Proceeds from sale of investment in the Master Fund	7,261	113,482	44,546
Increase in Master Fund subscription paid in advance	(32,180)	–	–
Foreign exchange losses/(gains)	144,433	13,044	(7,305)
Increase in prepaid expenses	(39)	(258)	(76)
Increase/(decrease) in performance fees payable	36,925	(34,263)	(38,124)
(Decrease)/increase in management fees payable	(1,232)	2,830	218
(Decrease)/increase in accrued expenses and other liabilities	(27)	152	64
Decrease/(increase) in combination fees receivable	1,749	(1,749)	–
Increase in legal and professional fees payable	–	–	1,467
Increase/(decrease) in administration fees payable	7	(12)	(31)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(188,425)	(84,172)	2,102
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of own shares into treasury	–	(65,216)	–
Proceeds from share issue ^{1,2}	175,403	160,179	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	175,403	94,963	–
CHANGE IN CASH	(13,022)	10,791	2,102
CASH, BEGINNING OF THE PERIOD/YEAR	16,430	961	961
Effect of exchange rate fluctuations	1,746	4,678	35
CASH, END OF THE PERIOD/YEAR	5,154	16,430	3,098
CASH, END OF THE PERIOD/YEAR			
Cash and bank balances denominated in Sterling ³	4,820	15,884	2,657
Cash and bank balances denominated in US Dollars	334	546	441
	5,154	16,430	3,098

Supplemental disclosure of non-cash financing activities

¹ Supplemental disclosure of non-cash financing activities: In the year ended 31 December 2021, non-cash amounts of US\$429.6 million in relation to the Combination with BH Global Limited (in Voluntary Winding Up) have been excluded from the Statement of Cash Flows.

² The balance from the year ended 31 December 2021 contains proceeds from both the Combination with BH Global Limited (in Voluntary Winding Up) and subsequent block listings.

³ Cash and bank balances in Sterling (GBP'000)	3,969	11,726	1,923
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See accompanying Notes to the Interim Unaudited Financial Statements.

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS

For the period from 1 January 2022 to 30 June 2022

1. THE COMPANY

BH Macro Limited (the "Company") is a limited liability closed-ended investment company which was incorporated in Guernsey on 17 January 2007 and then admitted to the Official List of the London Stock Exchange ("LSE") later that year.

Currently, ordinary shares are issued in Sterling and US Dollars.

2. ORGANISATION

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

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

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

At the date of these Interim Unaudited Financial Statements, there were two other feeder funds in operation in addition to the Company that invest all of their assets (net of working capital) in the Master Fund. Furthermore, other funds managed by the Manager invest some of their assets in the Master Fund as at the date of these Financial Statements.

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

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

The Manager

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

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

Subsequent to the resolutions passed at an Extraordinary General Meeting ("EGM") on 29 March 2021, the Management Agreement was amended and restated with effect from 1 July 2021 to reflect the following changes:

i) Increase in Management Fee

The monthly management fee (the "Management Fee") payable by the Company (excluding the operational services fee payable at the level of the Master Fund) was increased to an amount equal to one-twelfth of one and a half (1.5)% of the prevailing NAV of each class of Shares.

The monthly Management Fee was previously equal to one-twelfth of one-half (0.5)% of the lower of (a) the prevailing NAV of each class of Shares and (b) the NAV of that class of Shares as at 1 April 2017, on the basis that all Shares redeemed pursuant to the Company's 2017 own share tender offer had been redeemed on that date (subject to certain other adjustments, including taking account of conversions between Share classes).

This change reversed, in part, the reduction in the Management Fee from one-twelfth of two (2)% per month of the NAV of each class of Shares effective from 1 April 2017 and reversed in full the agreement by the Manager not to charge the Management Fee on performance-related growth of the Company which first applied from October 2016.

2. ORGANISATION (CONTINUED)

In addition, the waiver since October 2016 of the operational services fees in respect of performance-related growth of the Company was discontinued so that those fees revert to being charged on the entire amount of the Company's investment in the Master Fund.

ii) Extension of notice period

The notice period for termination of the Management Agreement without cause by the Company or the Manager was increased to 12 months from three months (which is the notice period that has been effective from 1 April 2019 when it was reduced from 24 months).

iii) Introduction of fee relating to certain share redemptions and repurchases

If, in any calendar year, the Company makes repurchases or redemptions of any class of its Shares above a number equal to 5% of the shares in issue of the relevant class as at 31 December in the prior year (the "Annual Buy Back Allowance"), the Company will be required to pay the Manager a fee equal to 2% of the price paid by the Company to repurchase or redeem those additional Shares. The purpose of this fee is to compensate the Manager in respect of the Management Fee that would otherwise have been payable by the Company in respect of the relevant Shares had they not been repurchased or redeemed. The fee will be payable in respect of all Shares which are repurchased or redeemed by the Company in excess of the Annual Buy Back Allowance in any year, including by way of market purchases, tender offer, annual partial capital return or the class closure provisions included in the Company's Articles of Incorporation.

iv) Introduction of liquidation vote trigger

In the event that the Company's aggregate NAV at the end of any calendar quarter for all share classes combined is lower than US\$300 million (on the basis of the then prevailing exchange rate), the Board will be required to propose a vote to Shareholders for the liquidation of the Company. If the vote were to be passed by Shareholders and the Company placed into liquidation, the Management Agreement would be terminated and the Company would be required to pay the Manager a payment equal to 2% of the Company's NAV (net of any Annual Buy Back Allowance for the relevant calendar year that remains unused), in lieu of the Management Fee that would otherwise have been payable if the Management Agreement had been terminated on 12 months' notice, in addition to any other fees owing to the Manager at the time of termination of the Management Agreement. These arrangements effectively replicate the previous position under the Management Agreement if the Management Agreement were to have been terminated without notice having been served as a result of Shareholders voting to wind up the Company. Further, there would be no obligation on Shareholders to vote in favour of the liquidation in these circumstances.

The annual performance fee payable by the Company to the Manager remains at 20% of the appreciation in the NAV per Share of each class of the Shares during the relevant period above any prior high-water mark. The other terms of the Management Agreement also remained unchanged.

3. SIGNIFICANT ACCOUNTING POLICIES

The Interim Unaudited Financial Statements, which give a true and fair view, are prepared in accordance 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.

As further described in the Directors' Report, these Interim Unaudited Financial Statements have been prepared using the going concern basis of accounting.

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

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

Valuation of investments

The Company records its investment in the Master Fund at fair value. Fair value is determined as the Company's proportionate share of the Master Fund's capital, which approximates fair value. At 30 June 2022, the Company is the sole investor in the Master Fund's ordinary Sterling and US Dollar Class B shares as disclosed on the below. Within the table on the below, the investment in each share class in the Master Fund is included, with the overall total investment shown in the Unaudited Statement of Assets and Liabilities.

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2022 to 30 June 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	PERCENTAGE OF MASTER FUND'S CAPITAL	NAV PER SHARE (CLASS B)	SHARES HELD IN THE MASTER FUND (CLASS B)	INVESTMENT IN MASTER FUND CCY '000	INVESTMENT IN MASTER FUND US\$'000
30 JUNE 2022					
Sterling	14.41%	£6,185.20	188,158	£1,163,801	1,413,264
US Dollar	1.12%	\$6,150.35	17,859	\$109,837	109,837
					1,523,101
31 DECEMBER 2021					
Sterling	14.73%	£5,196.52	169,474	£880,666	1,192,908
US Dollar	1.18%	\$5,179.12	18,439	\$95,511	95,509
					1,288,417
30 JUNE 2021					
Sterling	8.89%	£5,080.47	91,251	£463,591	640,545
US Dollar	0.96%	\$5,059.24	13,652	\$69,083	69,083
					709,628

As at 30 June 2022, there was a Master Fund subscription paid in advance balance of 4,284 Sterling Class B shares for £26,500,000 (\$32,180,275). No subscriptions were paid in advance as at 31 December 2021 and 30 June 2021.

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 the Master Fund is discussed in the notes to the Master Fund's Interim Unaudited Financial Statements which are available on the Company's website, www.bhmacro.com.

Income and expenses

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

Use of estimates

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

Leverage

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**Foreign exchange**

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

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

Allocation of results of the Master Fund

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

Treasury shares

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

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

Refer to note 8 for details of sales of shares from treasury or purchases by the Company of its share capital.

4. MANAGEMENT AGREEMENT AND ADMINISTRATION AGREEMENT**Management and performance fee**

The Company has entered into a Management Agreement with the Manager to manage the Company's investment portfolio. The management fee charged to the Company is reduced by the Company's share of management fees incurred by the Master Fund through any underlying investments of the Master Fund that share the same manager as the Company. Effective from 1 July 2021, the management fee charged was changed to 1/12 of 1.5% per month of the NAV, as described in note 2.

Until 30 June 2021, the management fee charged was the lower of (a) 0.5% the prevailing NAV of each class of Shares and (b) 0.5% the NAV of that class of Shares as at 1 April 2017.¹ The investment in the Class B shares of the Master Fund is not subject to management fees, but was subject to an operational services fee payable to the Manager of 1/12 of 0.5% per month of the NAV.

During the six-month period ended 30 June 2022, US\$11,426,798 (year ended 31 December 2021: US\$10,921,176; six-month period ended 30 June 2021 \$1,272,590) was earned by the Manager as net management fees. At 30 June 2022, US\$2,020,089 (31 December 2021: US\$3,251,592; 30 June 2021: \$639,957) of the fee remained outstanding.

The Manager is also entitled to an annual performance fee for both share classes. The performance fee is equal to 20% of the appreciation in the NAV per share of that class during that calculation period which is above the base NAV per share of that class, other than that arising to the remaining shares of the relevant class from any repurchase, redemption or cancellation of any share in the calculation period. The base NAV per share is the greater of the NAV per share of the relevant class at the time of issue of such share and the highest NAV per share achieved as at the end of any previous calculation period.

¹ On the basis that all shares redeemed pursuant to the Company's 2017 own share tender offer had been redeemed on that date (subject to certain other adjustments, including to take account of conversions between share classes).

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2022 to 30 June 2022

4. MANAGEMENT AGREEMENT AND ADMINISTRATION AGREEMENT (CONTINUED)

The Manager will be paid an estimated performance fee on the business day preceding the last business day of each calculation period. Within 5 business days of the publication of the final NAV of each class of shares as at the end of the calculation period, any difference between the actual performance fee and the estimated amount will be paid to or refunded by the Manager, as appropriate. 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 ongoing basis and is reflected in the Company's published NAV. During the six-month period ended 30 June 2022, US\$45,801,636 (year ended 31 December 2021: US\$6,285,545; six-month period ended 30 June 2021: US\$2,349,730) was earned by the Manager as performance fees.

At 30 June 2022, US\$43,130,012 (31 December 2021: US\$6,205,245; 30 June 2021: US\$2,343,535) of the fee remained outstanding.

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

Until 30 June 2021, the Management Agreement could have been terminated by either party giving the other party not less than 3 months' written notice. In certain circumstances, the Company would have been obliged to pay compensation to the Manager of the aggregate management fees which would otherwise have been payable during the 3 months following the date of such notice and the aggregate of any accrued performance fee in respect of the current calculation period. Compensation would not have been payable if more than 3 months' notice of termination is given.

The notice period for termination of the Management Agreement without cause by both the Company and the Manager was increased from 3 months to 12 months, with effect from 1 July 2021.

Administration fee

The Company has appointed Northern Trust International Fund Administration Services (Guernsey) Limited as Administrator and Corporate Secretary. The Administrator is paid fees based on the NAV of the Company, payable quarterly in arrears.

The fee is at a rate of 0.015% of the average month-end NAV of the Company, subject to a minimum fee of £67,500 per annum. In addition to the NAV based fee, the Administrator is also entitled to an annual fee of £6,000 (31 December 2021 and 30 June 2021: £6,000) for certain additional administration services. The Administrator is entitled to be reimbursed for out-of-pocket expenses incurred in the course of carrying out its duties as Administrator. During the six-month period ended 30 June 2022, US\$113,453 (year ended 31 December 2021: US\$155,973; six-month period ended 30 June 2021: US\$62,848) was earned by the Administrator as administration fees. The amounts outstanding are disclosed on the Unaudited Statement of Assets and Liabilities.

5. SHARE CAPITAL

Issued and authorised share capital

The Company has the power to issue an unlimited number of ordinary shares with no-par value and an unlimited number of shares with a par value. Shares may be divided into at least two classes denominated in Sterling and US Dollar. Further issue of shares may be made in accordance with the Articles. Shares may be issued in differing currency classes of ordinary redeemable shares including C shares. The treasury shares arose as a result of the discount management programme as described in note 8. The tables on the next page show the movement in ordinary and treasury shares.

On 14 January 2022, the Company issued 921,862 Sterling Shares at a price of 3,670 pence per share.

On 16 March 2022, the Company issued 268,379 Sterling Shares at a price of 3,770 pence per share.

At an EGM held on 5 May 2022, Shareholders approved a Resolution allowing the directors to issue up to 2,707,396 Sterling Shares, being 10% of the Sterling shares in issue as at the date of the EGM.

On 19 May 2022, the Company issued 1,521,441 Sterling Shares at a price of 4,270 pence per share.

On 26 May 2022, the Company issued 59,631 Sterling Shares at a price of 4,300 pence per share.

On 16 June 2022, the Company issued 582,182 Sterling Shares at a price of 4,455 pence per share.

5. SHARE CAPITAL (CONTINUED)

For the period from 1 January 2022 to 30 June 2022

	STERLING SHARES	US DOLLAR SHARES
NUMBER OF ORDINARY SHARES		
In issue at 1 January 2022	25,864,663	2,689,547
Share conversions	82,678	(105,649)
Issue of new shares	3,353,495	–
IN ISSUE AT 30 JUNE 2022	29,300,836	2,583,898
NUMBER OF TREASURY SHARES		
In issue at 1 January 2022	–	–
Tender offer shares transferred to treasury (note 8)	–	–
Sale of shares from treasury	–	–
In issue at 30 June 2022	–	–
PERCENTAGE OF CLASS	0.00%	0.00%

For the year ended 31 December 2021

	STERLING SHARES	US DOLLAR SHARES
NUMBER OF ORDINARY SHARES		
In issue at 1 January 2021	15,009,868	2,191,379
Share conversions	153,458	(202,031)
Issue of new shares	9,689,134	449,971
Sale of shares from treasury	2,346,302	375,391
Tender offer shares transferred to treasury (note 8)	(1,334,099)	(125,163)
In issue at 31 December 2021	25,864,663	2,689,547
NUMBER OF TREASURY SHARES		
In issue at 1 January 2021	1,012,203	250,228
Tender offer shares transferred to treasury (note 8)	1,334,099	125,163
Sale of shares from treasury	(2,346,302)	(375,391)
In issue at 31 December 2021	–	–
PERCENTAGE OF CLASS	0.00%	0.00%

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2022 to 30 June 2022

5. SHARE CAPITAL (CONTINUED)

For the period from 1 January 2021 to 30 June 2021

	STERLING SHARES	US DOLLAR SHARES
NUMBER OF ORDINARY SHARES		
In issue at 1 January 2021	15,009,868	2,191,379
Share conversions	74,687	(97,977)
Tender offer shares transferred to treasury (note 8)	(1,334,099)	(125,163)
In issue at 30 June 2021	13,750,456	1,968,239
NUMBER OF TREASURY SHARES		
In issue at 1 January 2021	1,012,203	250,228
Tender offer shares transferred to treasury (note 8)	1,334,099	125,163
In issue at 30 June 2021	2,346,302	375,391
PERCENTAGE OF CLASS	14.58%	16.02%

Share classes

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

Voting rights of shares

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

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

Repurchase of ordinary shares

Under the Company's Articles, Shareholders of a class of shares have the ability to call for repurchase of that class of shares in certain circumstances. See note 8 for further details.

Further issue of shares

As approved by the Shareholders at the Annual General Meeting held on 24 September 2021, the Directors have the power to issue further shares for cash on a non-pre-emptive basis totalling 7,965,377 Sterling shares and 931,107 US Dollar shares, respectively. This power expires fifteen months after the passing of the resolution or on the conclusion of the next Annual General Meeting of the Company, whichever is earlier, unless such power is varied, revoked or renewed prior to that Meeting by a resolution of the Company in general meeting.

5. SHARE CAPITAL (CONTINUED)

As approved by the Shareholders at an EGM held on 5 May 2022, the Directors have the power to issue further shares for cash on a non-pre-emptive basis totalling 2,707,396 Sterling shares. This power expires fifteen months after the passing of the resolution or on the conclusion of the next Annual General Meeting of the Company, whichever is earlier, unless such power is varied, revoked or renewed prior to that Meeting by a resolution of the Company in general meeting.

Distributions

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

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

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

Treasury shares are not entitled to distributions.

Share conversion scheme

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

6. TAXATION

Overview

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

Uncertain tax positions

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

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

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

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2022 to 30 June 2022

7. PUBLICATION AND CALCULATION OF NET ASSET VALUE ("NAV")

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

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

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

8. DISCOUNT MANAGEMENT PROGRAMME

The Company has previously implemented a number of methods in order to seek to manage any discount to NAV at which the Company's shares trade.

Market purchases

Until October 2016, the Company regularly utilised its ability to make market purchases of its shares as part of the discount management programme. The purchase of these shares was funded by the Company redeeming underlying shares in the Master Fund. There were no shares held in treasury as at 30 June 2022, as disclosed in note 5.

However, following the completion of the Tender Offer in April 2017, the Company was not permitted to redeem its investment in the Master Fund to finance own-share purchases before 1 April 2019. For much of the period since that date, the Company's shares have traded at a premium or minimal discount to NAV. However, if the Company's shares were again to trade at wide or volatile discounts to NAV in the future, it is the Board's intention to keep any resumption of market purchases of shares under review.

Annual offer of partial return of capital

Under the Company's Articles of Incorporation, once in every calendar year, the Directors have discretion to determine that the Company make an offer of a partial return of capital in respect of such number of shares of the Company in issue as they determine, provided that the maximum amount distributed did not exceed 100% of the increase in NAV of the Company in the prior calendar year.

The Directors have discretion to determine the particular class or classes of shares in respect of which a partial return of capital would be made, the timetable for that partial return of capital and the price at which the shares of each relevant class were returned.

The decision to make a partial return of capital in any particular year and the amount of the return depended, 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.

Class closure resolutions

If any class of shares trades at an average discount at or in excess of 8% of the monthly NAV in any year from 1 January to 31 December, the Company will hold a class closure vote of the relevant class.

The average premiums to NAV for the Sterling and US Dollar shares for the year ended 31 December 2021 were 2.27% and 2.46% respectively and consequently, no closure vote will be held in 2022.

The average premiums to NAV for the Sterling and US Dollar shares for the six-month period ended 30 June 2022 were 8.49% and 9.41% respectively.

The arrangements are described more fully in the Company's principal documents which were approved at the EGM on 24 February 2017.

9. FINANCIAL HIGHLIGHTS

The following tables include selected data for a single ordinary share of each of the ordinary share classes in issue at 30 June 2022 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.

	30.06.22 STERLING SHARES £	30.06.22 US DOLLAR SHARES US\$
PER SHARE OPERATING PERFORMANCE		
Net asset value at beginning of the year	34.30	35.71
INCOME FROM INVESTMENT OPERATIONS		
Net investment loss*	(1.65)	(1.74)
Net realised and unrealised gain on investment	6.16	6.87
Other capital items**	0.82	(0.08)
TOTAL GAIN	5.33	5.05
NET ASSET VALUE, END OF THE YEAR		
	39.63	40.76
Total gain before performance fees	19.03%	17.61%
Performance fees	(3.50%)	(3.50%)
TOTAL GAIN AFTER PERFORMANCE FEES	15.53%	14.11%

An individual Shareholder's return may vary from these returns based on the timing of their purchase or sale of shares. All figures contained herein in respect of the period ended 30 June 2022 are not annualised.

	30.06.22 STERLING SHARES £'000	30.06.22 US DOLLAR SHARES US\$'000
SUPPLEMENTAL DATA		
Net asset value, end of the year period	1,161,139	105,307
Average net asset value for the year period	1,035,217	101,791

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2022 to 30 June 2022

9. FINANCIAL HIGHLIGHTS (CONTINUED)

	30.06.22 STERLING SHARES	30.06.22 US DOLLAR SHARES
RATIO TO AVERAGE NET ASSETS		
Operating expenses		
Company expenses***	0.83%	0.90%
Master Fund expenses****	0.29%	0.30%
Master Fund interest expenses*****	0.62%	0.61%
Performance fees	3.16%	3.25%
	4.90%	5.06%
Net investment loss before performance fees*	(1.20%)	(1.26%)
Net investment loss after performance fees*	(4.36%)	(4.51%)
PER SHARE OPERATING PERFORMANCE		
	31.12.21 STERLING SHARES £	31.12.21 US DOLLAR SHARES US\$
Net asset value at beginning of the year	33.38	34.78
INCOME FROM INVESTMENT OPERATIONS		
Net investment loss*	(0.86)	(0.82)
Net realised and unrealised gain on investment	1.40	1.66
Other capital items**	0.38	0.09
TOTAL GAIN	0.92	0.93
NET ASSET VALUE, END OF THE YEAR	34.30	35.71
Total gain before performance fees	3.45%	3.39%
Performance fees	(0.69%)	(0.72%)
TOTAL GAIN AFTER PERFORMANCE FEES	2.76%	2.67%

Total gain reflects the net return for an investment made at the beginning of the year and is calculated as the change in the NAV per ordinary share during the year from 1 January 2021 to 31 December 2021. An individual Shareholder's return may vary from these returns based on the timing of their purchase or sale of shares.

	31.12.21 STERLING SHARES £'000	31.12.21 US DOLLAR SHARES US\$'000
SUPPLEMENTAL DATA		
Net asset value, end of the year	887,143	96,050
Average net asset value for the year	651,999	83,120

9. FINANCIAL HIGHLIGHTS (CONTINUED)

	31.12.21 STERLING SHARES	31.12.21 US DOLLAR SHARES
RATIO TO AVERAGE NET ASSETS		
Operating expenses		
Company expenses***	1.33%	1.12%
Master Fund expenses****	0.68%	0.68%
Master Fund interest expenses*****	0.32%	0.33%
Performance fees	0.64%	0.70%
	2.97%	2.83%
Net investment loss before performance fees*	(1.79%)	(1.58%)
Net investment loss after performance fees*	(2.43%)	(2.28%)
PER SHARE OPERATING PERFORMANCE		
	30.06.21 STERLING SHARES £	30.06.21 US DOLLAR SHARES US\$
Net asset value at beginning of the period	33.38	34.78
INCOME FROM INVESTMENT OPERATIONS		
Net investment loss*	(0.45)	(0.44)
Net realised and unrealised gain on investment	0.85	0.90
TOTAL GAIN	0.40	0.46
NET ASSET VALUE, END OF THE PERIOD	33.78	35.24
Total gain before performance fees	1.51%	1.63%
Performance fees	(0.30%)	(0.32%)
TOTAL GAIN AFTER PERFORMANCE FEES	1.21%	1.31%

An individual Shareholder's return may vary from these returns based on the timing of their purchase or sale of shares. All figures contained herein in respect of the period ended 30 June 2021 are not annualised.

	30.06.21 STERLING SHARES £'000	30.06.21 US DOLLAR SHARES US\$'000
SUPPLEMENTAL DATA		
Net asset value, end of the period	464,520	69,361
Average net asset value for the period	505,641	73,537

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2022 to 30 June 2022

9. FINANCIAL HIGHLIGHTS (CONTINUED)

	30.06.21 STERLING SHARES	30.06.21 US DOLLAR SHARES
RATIO TO AVERAGE NET ASSETS		
Operating expenses		
Company expenses***	0.47%	0.41%
Master Fund expenses****	0.35%	0.34%
Master Fund interest expenses*****	0.45%	0.44%
Performance fees	0.30%	0.32%
	1.57%	1.51%
Net investment loss before performance fee*	(1.04%)	(0.96%)
Net investment loss after performance fees*	(1.34%)	(1.28%)

Notes

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

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

*** Company expenses are as disclosed in the Unaudited Statement of Operations excluding the performance fee and foreign exchange losses/gains.

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

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

10. RELATED-PARTY TRANSACTIONS

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

Management fees, performance fees and administration fees are disclosed in note 4.

Until 30 June 2022, The Company's Articles limited the fees payable to Directors in aggregate to £400,000 per annum. The annual Directors' fees were: £70,000 for Richard Horlick, the Chair; £55,000 for John Le Poidevin, the Chair of the Audit Committee; £50,000 for Claire Whittet, as Chair of the Management Engagement Committee and the Senior Independent Director and £45,000 for all other Directors.

From 1 July 2022, the annual aggregate limit was increased to £800,000 per annum. The annual Directors' fees were changed to being £90,000 for Richard Horlick, the Chair; £65,000 for John Le Poidevin, the Chair of the Audit Committee; £55,000 for Julia Chapman, as Chair of the Management Engagement Committee; £55,000 for Bronwyn Curtis, as Chair of the Remuneration and Nomination Committee; £55,000 for Claire Whittet, as Senior Independent Director and £50,000 for all other Directors.

11. SUBSEQUENT EVENTS

On 5 July 2022, the Company completed the share conversion for the 31 May 2022 share conversion date, issuing 35,223 US Dollar Shares and cancelling 28,831 Sterling Shares.

On 7 July 2022, the Company issued 187,684 Sterling Shares pursuant to its block listing facility at a price of 4,300 pence per share.

On 3 August 2022, the Company completed the share conversion for the 30 June 2022 share conversion date, issuing 1,791 US Dollar Shares and cancelling 1,530 Sterling Shares.

On 11 August 2022, the Company issued 356,458 Sterling Shares and 185,000 US Dollar Shares pursuant to its block listing facility at a price of 4,375 pence and \$44.20 per share respectively.

On 2 September 2022, the Company issued 94,360 US Dollar Shares pursuant to its block listing facility at a price of \$47.30 per share.

On 5 September 2022, the Company completed the share conversion for the 31 July 2022 share conversion date, issuing 4,297 Sterling Shares and cancelling 5,089 US Dollar Shares.

The Directors have evaluated subsequent events up to 9 September 2022, which is the date that the Interim Unaudited Financial Statements were approved and available to be issued and have concluded there are no further items that require disclosure or adjustment to the Interim Unaudited Financial Statements.

HISTORIC PERFORMANCE SUMMARY

As at 30 June 2022

	30.06.22 US\$'000	31.12.21 US\$'000	31.12.20 US\$'000	31.12.19 US\$'000	31.12.18 US\$'000
Net increase in net assets resulting from operations	42,202	12,010	181,533	59,462	34,985
TOTAL ASSETS	1,560,768	1,307,490	802,224	570,779	506,307
TOTAL LIABILITIES	(45,435)	(9,762)	(41,055)	(11,014)	(6,004)
NET ASSETS	1,515,333	1,297,728	761,169	559,765	500,303
NUMBER OF SHARES IN ISSUE					
Sterling shares	29,300,836	25,864,663	15,009,868	14,310,040	14,136,242
US Dollar shares	2,583,898	2,689,547	2,191,379	2,442,057	2,664,541
NET ASSET VALUE PER SHARE					
Sterling shares	£39.63	£34.30	£33.38	£26.06	£24.13
US Dollar shares	US\$40.76	US\$35.71	US\$34.78	US\$26.99	US\$24.67

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURES ("APMS")

We assess our performance using a variety of measures that are not specifically defined under US GAAP and therefore termed APMs. The APMs that we use may not be directly comparable with those used by other companies.

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 6 month-end NAV Calculation Dates in the period ended 30 June 2022 calculated as the sum of the final Net Asset Value of the share class as at each month-end NAV Calculation Date during the period ended 30 June 2022, divided by 6.

DISCOUNT/PREMIUM

If the share price of an investment is lower than the NAV per share, the shares are said to be trading at a discount. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage of the NAV per share. If the share price is higher than the NAV per share, the shares are said to be trading at a premium. The Board monitors the level of discount or premium and consideration is given to ways in which share price performance may be enhanced, including the effectiveness of marketing and share buy-backs, where appropriate. The premium is shown below.

	STERLING SHARES		US DOLLAR SHARES	
	30.06.22	31.12.21	30.06.22	31.12.21
Share Price at Period/Year End (A)	£43.60	£37.40	\$44.60	\$40.10
NAV per Share (B)	£39.63	£34.30	\$40.76	\$35.71
Premium to NAV (A-B)/B	10.02%	9.04%	9.45%	12.29%

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES CONTINUED

ONGOING CHARGES

The ongoing charges are calculated using the AIC Ongoing Charges methodology, which was last updated in April 2022 and is available on the AIC website (theaic.co.uk). They 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 and are expressed as a percentage of the average of the daily net assets during the period. The Board continues to be conscious of expenses and works hard to maintain a sensible balance between good quality service and cost. The ongoing charges calculation is shown below:

	STERLING SHARES		US DOLLAR SHARES	
	PERIOD ENDED 30.06.22	YEAR ENDED 31.12.21	PERIOD ENDED 30.06.22	YEAR ENDED 31.12.21
Average NAV for the period/year (a)	£1,035,216,503	£651,999,493	\$101,791,311	\$83,119,938
Investment management fee	£16,442,109	£7,337,629	\$1,737,210	\$840,210
Other Company expenses	£969,985	£1,353,514	\$104,191	\$86,917
TOTAL COMPANY EXPENSES	£17,412,094	£8,691,143	\$1,841,401	\$927,127
Expenses allocated from the Master Fund	£3,333,375	£2,938,057	\$343,652	\$374,525
Performance Fee	£32,798,424	£4,155,847	\$3,301,246	\$575,942
TOTAL EXPENSES (b)	£53,543,893	£15,785,047	\$5,486,299	\$1,877,594
ONGOING CHARGES (b/a)	5.19%	2.43%	5.39%	2.25%

NET ASSET VALUE ("NAV")

The NAV is the net assets attributable to shareholders that is, total assets less total liabilities, expressed as an amount per individual share.

COMPANY INFORMATION

Directors

Richard Horlick (Chair)

Julia Chapman

Bronwyn Curtis

John Le Poidevin

Claire Whittet

All Directors are non-executive and independent for the purpose of Listing Rule 15.2.12-A)

Registered Office

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

Manager

Brevan Howard Capital Management LP
6th Floor
37 Esplanade
St Helier
Jersey
Channel Islands 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
Channel Islands GY1 3QL

Independent Auditor

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

Registrar and CREST Service Provider

Computershare Investor Services (Guernsey) Limited
1st Floor
Tudor House
Le Bordage
St Peter Port
Guernsey GY1 1DB

Legal Advisor (Guernsey Law)

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

Legal Advisors (UK Law)

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

Corporate Broker

JPMorgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

Tax Adviser

Deloitte LLP
PO Box 137
Regency Court
Gategny Esplanade
St Peter Port
Guernsey
Channel Islands GY1 3HW

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