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If you have sold or otherwise transferred all of your shares in BH Macro Limited please send this document and the accompanying documents at once to the purchaser or transferee or to the stockbroker, banker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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## **BH MACRO LIMITED**

*(an authorised closed-ended collective investment scheme established as a company limited by shares under the laws of Guernsey with registration number 46235)*

### **Partial Capital Return**

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The Partial Capital Return will close at 3.00 p.m. on 22 February 2013 and will only be available to Shareholders (other than certain Overseas Shareholders) on the Register as at close of business on 31 January 2013.

If you hold Shares in certificated form, you may only tender such Shares by completing and returning the Redemption Form for the relevant class of Shares in accordance with the procedure set out in paragraph 4.1 of Part III of this document on or before 3.00 p.m. on 22 February 2013. Redemption Forms are available on the Company's website at [www.bhmacro.com](http://www.bhmacro.com) or from the Receiving Agent by telephone on 0870 707 4040 or, if calling from outside the UK, on +44 870 707 4040.

If you hold Shares in uncertificated form (that is, in CREST), you may only tender such Shares by TTE Instruction in accordance with the procedure set out in paragraph 4.2 of Part III of this document on or before 3.00 p.m. on 22 February 2013 and, if those Shares are held under different account IDs, you should send a separate TTE Instruction for each member account ID. You should NOT submit a Redemption Form.

If you hold US Dollar Shares through an account on NASDAQ Dubai, you should contact your Business Partner as set out in paragraph 4.4 of Part III of this document. You should NOT submit a Redemption Form.

**IF YOU DO NOT WISH TO REDEEM ANY OF YOUR SHARES, DO NOT COMPLETE OR RETURN A REDEMPTION FORM OR SUBMIT A SETTLEMENT INSTRUCTION.**

## EXPECTED TIMETABLE

<b>Redemption Price NAV Determination Date</b>	31 December 2012
<b>Record date</b>	5.00 p.m. on 31 January 2013
<b>Date and time by which applications to redeem Shares must be received</b>	3.00 p.m. on 22 February 2013
<b>Effective date of redemption of Shares accepted for redemption</b>	8 March 2013
<b>Date of dispatch of proceeds of redemption</b>	Week commencing 11 March 2013

Each of the above times and dates is subject to change and may be extended or brought forward. All references are to London time.

## PART I

### Letter from the Chairman

## BH MACRO LIMITED

*(an authorised closed-ended collective investment scheme established as a company with limited liability under the laws of Guernsey with registration number 46235)*

*Directors:*

Ian Plenderleith (Chairman)  
Huw Evans  
Anthony Hall  
Christopher Legge  
Talmi Morgan  
Stephen Stonberg

*Registered office:*

Trafalgar Court,  
Les Banques,  
St Peter Port, Guernsey GY1 3QL  
Channel Islands

8 February 2013

### PARTIAL CAPITAL RETURN

Dear Shareholder,

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#### Introduction

The Company announced on 24 January 2013 that it would be offering a partial return of capital to Shareholders based on the NAV growth of each class of the Company's shares during 2012. This circular sets out the timetable for, terms and conditions of, and other information regarding participation in, the Partial Capital Return.

The purpose of the Partial Capital Return is to allow Shareholders to elect to apply for redemption of some of their Shares at a price based on the 31 December 2012 final month-end Net Asset Value per share for the relevant class of Shares (less costs) while at the same time ensuring that Shareholders who do not wish to redeem Shares are not disadvantaged.

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#### The Partial Capital Return

The Partial Capital Return allows Shareholders (other than certain Overseas Shareholders) to elect to apply for redemption of some of their Shares at a price equal to the final month-end NAV per share of the relevant class of Shares as at 31 December 2012, discounted by 4 per cent. (the "Redemption Price"), being Euro Shares €19.4042; Sterling Shares £19.8744; and US Dollar Shares \$19.2557.

For information purposes only, on 5 February 2013, the closing price of each of the Share classes of the Company were as follows: Euro Shares €19.64; Sterling Shares £19.95; and US Dollar Shares \$19.37.

The aggregate value of the Shares of each class to be redeemed by the Company pursuant to the Partial Capital Return (by reference to the relevant 31 December 2012 final month-end NAV and prior to the application of the 4 per cent. discount) will be limited to an amount equivalent to 100 per cent. of the NAV growth of the relevant class during 2012, being the following amounts in respect of each class of Shares: Euro Shares €5,242,482; Sterling Shares £32,677,786; and US Dollar Shares \$22,076,585 (such amounts being the "Available Redemption Amounts" for the relevant class of Shares).

Each Shareholder will be entitled to have redeemed such number of Shares of each class which they hold on the Record Date (rounded down to the nearest whole number) as are equivalent to the "Redemption Entitlement Percentage" of their entire holding of Shares of the relevant class on the Record Date (the "Redemption Entitlement").

The Redemption Entitlement Percentages for each class of Shares are as follows: Euro Shares 3.4808 per cent.; Sterling Shares 3.7856 per cent.; and US Dollar Shares 3.7286 per cent. The Redemption Entitlement Percentage for each class of Shares has been determined: (a) by dividing the Available Redemption Amount for the relevant class of Shares by the final month-end NAV per share of that class of Shares as at 31 December 2012 and (b) by expressing the number determined pursuant to (a) as a percentage of the aggregate number of

Shares of the relevant class in issue (excluding treasury shares) on the Record Date.

In addition, eligible Shareholders may elect to have a number of Shares of a specific class redeemed which is either smaller or greater than their Redemption Entitlement for that class. An election by a Shareholder in respect of more than his or her Redemption Entitlement will be satisfied only to the extent that other Shareholders do not participate in the Partial Capital Return to the full extent of their respective Redemption Entitlements for the relevant class of Shares. In the event that elections exceeding the aggregate Redemption Entitlements are received in respect of any class in excess of the amount by which other Shareholders of that same class have not elected to participate to the extent of their own Redemption Entitlements, those excess elections will be scaled back pro rata to the size of such elections and rounded down to the nearest whole number of Shares. In no case will any fractions of Shares be redeemed.

The Redemption Prices are at a 4 per cent. discount to the relevant final month-end NAVs to reflect the attribution to the Shares to be redeemed of both (a) the costs of the Partial Capital Return and (b) the fractional portion attributable to each such Share of the costs of the Company's initial public offering that would need to be reimbursed to the Manager should either (i) the Company or a specific class of Shares be discontinued prior to the seventh anniversary of the Company's initial listing or otherwise (ii) if so many Shares are redeemed that the net asset value of the Company falls below its net asset value on its initial listing. The management agreement between the Company and the Manager requires the Company to repay the Manager a fraction of the costs paid by Brevan Howard in connection with the Company's initial listing for every dollar by which repurchases, redemptions or cancellations of Shares reduce the net asset value of the Company below that as at the time of its listing. Accordingly, the Redemption Prices take account of the apportionment of part of the Company's potential liability for these costs to the Shares to be redeemed pursuant to the Partial Capital Return.

The terms and conditions of the Partial Capital Return are contained in Part III of this document. All Shares redeemed by the Company pursuant to the Partial Capital Return will be cancelled. The Partial Capital Return may be postponed or terminated in certain circumstances as set out in Part III of this document or otherwise as the Directors may determine in their absolute discretion pursuant to the Articles.

The Partial Capital Return (and related costs) will be funded by the realisation of a portion of the Company's investments. It should be noted that the Company's investments which are realised to fund the Partial Capital Return may be realised at a price that is greater or lower than the price at which such investments were valued in determining the 31 December 2012 final month-end NAV. The costs of the Partial Capital Return will effectively be borne by redeeming Shareholders unless the Partial Capital Return is significantly undersubscribed. Settlement of the Partial Capital Return is conditional on the receipt by the Company of sufficient proceeds from the realisation of investments.

The Partial Capital Return is not available to certain Overseas Shareholders. The attention of Overseas Shareholders is drawn to paragraph 10 of Part III of this document.

It is expected that settlement of the proceeds of the Partial Capital Return will be made during the week commencing 11 March 2013.

As announced by the Company on 24 January 2013, Shareholders who elect to convert Shares between classes as at 31 January 2013 pursuant to the Company's share conversion provisions will not be eligible to participate in the Partial Capital Return in respect of those Shares. In addition, Shares which are tendered for redemption in the Partial Capital Return will not be eligible to participate in the 28 February 2013 scheduled class conversion.

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## United Kingdom Taxation

The following discussion is for informational purposes only and does not purport to be a complete analysis of all potential UK tax consequences of the Partial Capital Return for Shareholders. It is based on current UK legislation and the practice of HM Revenue & Customs, which may change, possibly with retrospective effect. It applies only to Shareholders who are resident in the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Shares as an investment and who are the absolute beneficial owner of both the Shares and any dividends paid on them. The tax position of Shareholders who are subject to special rules (such as persons acquiring their Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) or who are subject to taxation outside the UK is not considered. If you are in any doubt about your tax position, or if you may be subject to tax in a jurisdiction other than the UK, you should consult your professional adviser.

### General

The Company is not intended to be an offshore fund for the purposes of UK taxation and so the special regime for the taxation of interests in offshore funds should not apply.

### **UK resident individuals**

The redemption and cancellation of Shares in the Partial Capital Return should be treated as a disposal of those Shares by an individual Shareholder who is resident or ordinarily resident and domiciled in the UK. Such disposal may, depending upon the Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals or other applicable reliefs), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains. Anti-avoidance rules may apply in certain limited circumstances and special rules apply to individuals who are resident or ordinarily resident, but not domiciled, in the UK. Shareholders should seek appropriate professional advice where necessary.

In some circumstances, individuals becoming temporarily non-UK resident after 16 March 1998 could in the year of return to the UK become subject to UK tax on chargeable gains realised in the intervening years.

### **UK resident companies**

For Shareholders who are UK resident companies, the redemption of Shares in the Partial Capital Return may be treated as giving rise to both an income distribution and a capital disposal. The extent to which the proceeds are treated as a distribution will depend amongst other things on the amount initially subscribed for the redeemed Shares by the original subscriber and may be affected by subsequent transactions such as conversions of the Shares (including conversions of Shares occurring prior to a Shareholder's period of ownership of those Shares). Shareholders should seek appropriate professional advice where necessary.

Shareholders within the charge to UK corporation tax which are "small companies" (for the purposes of UK taxation of distributions) should expect to be subject to tax on any distribution deemed to arise on the redemption of Shares. Other Shareholders within the charge to UK corporation tax will not be subject to tax on any distribution deemed to arise on redemption of the Shares so long as the distribution falls within an exempt category and certain conditions are met. In general, a distribution to a UK corporate Shareholder who holds beneficially less than 10 per cent. of the Company's issued share capital (or any class of that share capital) should fall within an exempt category. However, the exemptions are not comprehensive and are subject to anti-avoidance rules. If the conditions for exemption are not or cease to be satisfied, or such a Shareholder elects for an otherwise exempt distribution to be taxable, the Shareholder will be subject to UK corporation tax on any distribution deemed to arise on redemption of the Shares.

Based on the existing practice of HM Revenue & Customs, the part of the proceeds that is not treated as an income distribution should be treated as consideration for a disposal of the Shares for a Shareholder within the charge to UK corporation tax. This may, depending upon the Shareholder's circumstances and subject to any available exemption or relief (such as an indexation allowance or the substantial shareholding exemption), give rise to a chargeable gain or an allowable loss for the purposes of UK corporation tax.

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### **Action to be taken**

Shareholders who wish to elect to participate in the Partial Capital Return should take the following action:

- If you hold Shares in certificated form, you may only tender such Shares by completing and returning the Redemption Form for the relevant class of Shares in accordance with the procedure set out in paragraph 4.1 of Part III of this document. Redemption Forms are available on the Company's website at [www.bhmacro.com](http://www.bhmacro.com) or from the Receiving Agent by telephone on 0870 707 4040 or, if calling from outside the UK, on +44 870 707 4040.
- If you hold Shares in uncertificated form (that is, in CREST), you may only tender such Shares by TTE Instruction in accordance with the procedure set out in paragraph 4.2 of Part III of this document and, if those Shares are held under different account IDs, you should send a separate TTE Instruction for each member account ID. You should NOT submit a Redemption Form.
- If you hold US Dollar Shares through an account on NASDAQ Dubai, you should contact your Business Partner as set out in paragraph 4.4 of Part III of this document. You should NOT submit a Redemption Form.

**The Board makes no recommendation to Shareholders as to whether to participate in the Partial Capital Return. Whether or not Shareholders decide to participate will depend, among other factors, on their own view of the Company and the Shares as an investment proposition and their own individual circumstances, including their tax position. Those Directors who hold Shares in the Company do not intend to participate in the Partial Capital Return.**

**Shareholders should note that a Redemption Form and/or a settlement instruction, once**

submitted, may only be withdrawn with the consent of the Company.

Shareholders who wish to remain invested in the Company in respect of all of their shareholding should NOT complete or return a Redemption Form or arrange for a settlement instruction to be submitted.

Shareholders who are in any doubt as to the action they should take should consult an appropriate independent professional adviser.

Yours faithfully

**Ian Plenderleith**  
*Chairman*

## PART II

### DEFINITIONS

"Articles"	the articles of incorporation of the Company in force from time to time
"Available Redemption Amounts"	has the meaning given such term in Part I of this document
"Board" or "Directors"	the board of directors of the Company
"Business Day"	any day other than a Saturday, Sunday or public holiday in England and Wales or Guernsey
"Business Partner"	a Dubai brokerage house or custodian that is a business partner in the Nasdaq Dubai CSD
"certificated" or "in certificated form"	a unit of a security which is not in uncertificated form
"Closing Date"	3.00 p.m. on 22 February 2013
"Company"	BH Macro Limited
"CREST"	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations)
"CREST member"	a person who has been admitted by Euroclear as a system-member (as defined in the Regulations)
"CREST participant"	a person who is, in relation to CREST, a system-participant (as defined in the Regulations)
"CREST sponsor"	a CREST participant admitted to CREST as a CREST sponsor being a sponsoring system-participant (as defined in the Regulations)
"CREST sponsored member"	a CREST member admitted to CREST as a sponsored member
"Euroclear"	Euroclear UK and Ireland Limited
"Euro Shares"	Shares designated as Euro Shares
"Manager"	Brevan Howard Capital Management LP
"member account ID"	the identification code or number attached to any member account in CREST
"Nasdaq Dubai"	Nasdaq Dubai Limited
"Net Asset Value" or "NAV"	the aggregate value of the net assets attributable to a class of Shares calculated in accordance with the Articles
"Overseas Shareholder"	a Shareholder who is a citizen or national of, or resident in, a jurisdiction outside the United Kingdom or a custodian, nominee or trustee for a citizen, national or resident of a jurisdiction outside the United Kingdom
"Partial Capital Return"	the invitation to Shareholders (other than certain Overseas Shareholders) to elect to redeem Shares on the terms and subject to the conditions set out in this document
"participant ID"	the identification code or membership number used in CREST to identify a particular CREST member or other CREST participant
"Receiving Agent"	Computershare Investor Services PLC

“Record Date”	5.00 p.m. on 31 January 2013
“Redemption Entitlement”	has the meaning given such term in Part I of this document
“Redemption Entitlement Percentage”	has the meaning given such term in Part I of this document
“Redemption Form”	the form for use by Shareholders holding certificated Shares in connection with the Partial Capital Return
“Redemption Price”	the price at which Shares of the relevant class will be purchased pursuant to the Partial Capital Return
“Register”	the register of members of the Company
“Registrar”	Computershare Investor Services (Guernsey) Limited
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/ 3755)
“Settlement Date”	the date by which the consideration for Shares redeemed under the Partial Capital Return will be settled by a payment through CREST or dispatched by cheque to the Shareholders entitled thereto, which is expected to be during the week commencing 11 March 2013
“Share”	a redeemable ordinary share of no par value in the capital of the Company
“Shareholders”	holders of Shares
“Sterling Shares”	Shares designated as Sterling Shares
“TFE Instruction”	a transfer from escrow instruction (as defined by the CREST Manual issued by Euroclear)
“TTE Instruction”	a transfer to escrow instruction (as defined by the CREST Manual issued by Euroclear)
“uncertificated” or “in uncertificated form”	recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST or another uncertificated system
“United States” or “US”	the United States of America, its territories and possessions, any State of the United States and the District of Columbia
“US Dollar Shares”	Shares designated as US Dollar Shares



## PART III

### TERMS AND CONDITIONS OF THE PARTIAL CAPITAL RETURN

#### 1. Redemption Applications

1.1 All Shareholders on the Register at the Record Date (other than certain Overseas Shareholders) may tender Shares for redemption by the Company and the Company shall redeem such Shares on the terms and subject to the conditions set out in this document and the Articles.

1.2 The Partial Capital Return is being made at the Redemption Price for each class of Shares calculated in accordance with paragraph 3 below. The consideration for each Share redeemed by the Company pursuant to the Partial Capital Return will be paid in accordance with the settlement procedures set out in paragraph 5.

1.3 Upon the Partial Capital Return becoming unconditional and unless the Partial Capital Return has been (and remains) suspended or has lapsed or has been terminated in accordance with the provisions of paragraph 2.2 below, the Company will accept the tenders of Shareholders validly made in accordance with this document, subject as mentioned below, on the following basis:

1.3.1 each Shareholder on the Register on the Record Date (other than certain Overseas Shareholders) will be entitled to tender to the Company for redemption such number of its Shares of the relevant class as is equal to the Redemption Entitlement Percentage for the relevant class of its entire holding of Shares of the relevant class on the Record Date; and

1.3.2 such Shareholder (other than certain Overseas Shareholders) will also be entitled to tender for redemption Shares in excess of its Redemption Entitlement Percentage for the relevant class to the extent that other Shareholders tender Shares in respect of less than the whole of their Redemption Entitlement Percentages. Any such excess tenders will be satisfied (rounded down to the nearest whole number of Shares) pro rata in proportion to the aggregate amount in excess of the relevant Redemption Entitlement Percentages tendered.

#### 2. Conditions and Suspension

2.1 The Partial Capital Return is conditional on the following conditions (together the "Conditions"):

2.1.1 the Company being satisfied that it will, immediately following redemption of all successfully tendered Shares, satisfy the solvency test prescribed by the Companies (Guernsey) Law 2008 (as amended); and

2.1.2 the Partial Capital Return not having been terminated in accordance with paragraph 2.2 below.

2.2 The Directors may, in their absolute discretion, terminate or postpone the Partial Capital Return at any time prior to the Redemption Date including, but without limitation, if either (i) it has become impractical or inappropriate for the Company to redeem its investments or otherwise to raise finance to enable it to fund the redemption of the relevant Shares pursuant to the Partial Capital Return without materially harming the interests of Shareholders as a whole; or (ii) the completion of the redemption of Shares under the Partial Capital Return would have unexpected adverse fiscal consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders.

#### 3. Calculation of the Redemption Price

3.1 The Redemption Price for each class of Shares will be calculated as follows:

3.1.1 The Net Asset Value for each class of Shares as at 31 December 2012 (calculated in accordance with the Articles) will be divided by the total number of Shares of the relevant class in issue (excluding treasury shares) on that date.

3.1.2 The Redemption Price per Share of the relevant class will be at a 4 per cent. discount to the Net Asset Value per Share of the relevant class determined pursuant to paragraph 3.1.1 above.

3.1.3 The Redemption Price per Share for each class of Shares will be calculated in the relevant currency to four decimal places.

#### 4. Procedure for tendering Shares for redemption

***There are different procedures for tendering Shares depending on whether your Shares are held in certificated form or uncertificated form or if you hold US Dollar Shares through an account on NASDAQ Dubai.***

If you hold Shares in certificated form, you may only tender such Shares by completing and returning the Redemption Form for the relevant class of Shares in accordance with the procedure set out in paragraph 4.1 below. Redemption Forms are available on the Company's website at [www.bhmacro.com](http://www.bhmacro.com) or from the Receiving Agent by telephone on 0870 707 4040 or, if calling from outside the UK, on +44 870 707 4040.

If you hold Shares in uncertificated form (that is, in CREST), you may only tender such Shares by TTE Instruction in accordance with the procedure set out in paragraph 4.2 below and, if those Shares are held under different account IDs, you should send a separate TTE Instruction for each member account ID.

If you hold US Dollar Shares through an account on NASDAQ Dubai, you should contact your Business Partner as set out in paragraph 4.4 below.

If you are in any doubt as to how to complete the Redemption Form or as to the procedure for tendering Shares, please contact the Receiving Agent by telephone on 0870 707 4040 or, if calling from outside the UK, on +44 870 707 4040.

Please note that calls may be monitored or recorded. The Receiving Agent will not provide advice on the Partial Capital Return or provide any personal, legal, financial or tax advice. You are reminded that, if you are a CREST Sponsored Member, you should contact your CREST sponsor before taking any action.

#### 4.1 Procedure for Shares held in certificated form (that is, not in CREST)

To tender your Shares held in certificated form you must complete, sign and have witnessed the Redemption Form for the relevant class of Shares.

The completed, signed and witnessed Redemption Form should be sent along with the relevant share certificate either (a) by post (during normal business hours only) to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or (b) by hand (during normal business hours) to The Pavilions, Bridgwater Road, Bristol BS13 8AE, as soon as possible and, in any event, so as to be received no later than 3.00 p.m. on 22 February 2013. The Company shall be entitled (in its sole discretion) to accept late Redemption Forms. No acknowledgement of receipt of documents will be given.

The completed and signed Redemption Form should be accompanied by the relevant share certificate and/or other documents of title.

If your share certificate(s) and/or other documents of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Redemption Form should nevertheless be completed, signed and returned as described above so as to be received by the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to The Pavilions, Bridgwater Road, Bristol BS13 8AE, not later than 3.00 p.m. on 22 February 2013 together with any share certificate(s) and/or documents of title you may have available, accompanied by a letter of explanation stating that the (remaining) Share certificate(s) and/or other document(s) of title will be forwarded as soon as possible thereafter and, in any event, not later than 3.00 p.m. on 22 February 2013. If you have lost your share certificate(s) and/or other document(s) of title, you should write to Computershare Investor Services (Channel Islands) Limited, PO Box 83, Queensway House, Hilgrove Street, St Helier, Jersey JE4 8PW for a letter of indemnity in respect of the lost share certificate(s) which, when completed in accordance with the instructions given, should be returned to the Receiving Agent so as to be received not later than 3.00 p.m. on 22 February 2013.

#### 4.2 Procedure for Shares held in uncertificated form (that is, in CREST)

If the Shares which you wish to tender are held in uncertificated form, you should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Shares which you wish to tender under the Partial Capital Return to an escrow balance, specifying Computershare Investor Services PLC (in its capacity as a CREST receiving agent under its participant ID and Member Account ID referred to below) as the escrow agent, **as soon as possible and, in any event, so that the transfer to escrow settles by not later than 3.00 p.m. on 22 February 2013.** The Company shall be entitled (in its sole discretion) to accept late transfers to escrow.

If you are a CREST Sponsored Member, you should refer to your CREST Sponsor before taking any action. Your CREST Sponsor will be able to confirm details of your Participant ID and the member account ID under which your Shares are held. In addition, only your CREST Sponsor will be able to send a TTE Instruction to Euroclear in relation to the Shares which you wish to tender. You should send (or, if you are a CREST Sponsored Member, procure that your CREST Sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, in addition to other information that is required for the TTE Instruction to settle in CREST, the following details:

- the corporate action number of the Partial Capital Return. This is allocated by Euroclear and will be available on screen from Euroclear;
- the number of Shares to be transferred to an escrow balance;
- your Member Account ID;
- your participant ID;
- the participant ID of the escrow agent, in its capacity as a CREST receiving agent. This is RA70;
- the Member Account ID of the escrow agent. This is: BHMAPR01T;
- the intended settlement date for the transfer to escrow. This should be as soon as possible and, in any event, by no later than 3.00 p.m. on 22 February 2013;
- the ISIN of the Shares, which is GG00B1NP5142 for the Sterling Shares, GG00B1NPGZ52 for the Euro Shares and GG00B1NPGV15 for the US Dollar Shares;
- input with the standard delivery instruction, priority 80; and
- a contact name and telephone number in the shared note field.

After settlement of the TTE Instruction, you will not be able to access the Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by the Receiving Agent as your agent until completion or lapsing of the Partial Capital Return. If the Partial Capital Return becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for redemption to the Company.

You are recommended to refer to the CREST manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action.

Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST Sponsor) to enable a TTE Instruction relating to your Shares to settle prior to 3.00 p.m. on 22 February 2013. In this connection, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

#### **4.3 Deposits of Shares into, and withdrawals of Shares from, CREST**

Normal CREST procedures (including timings) apply in relation to any Shares that are, or are to be, converted from uncertificated to certificated form, or from certificated to uncertificated form, during the course of the Partial Capital Return (whether such conversion arises as a result of a transfer of Shares or otherwise). Shareholders who are proposing to convert any such Shares are recommended to ensure that the conversion procedures are implemented in sufficient time to enable the person holding or acquiring Shares as a result of the conversion to take all necessary steps in connection with such person's participation in the Partial Capital Return (in particular, as regards delivery of Share certificates and/or other documents of title or transfers to an escrow balance as described above) prior to 3.00 p.m. on 22 February 2013.

#### **4.4 Procedure for US Dollar Shares held through an account on NASDAQ Dubai**

Investors who own US Dollar Shares through an account on NASDAQ Dubai and who wish to participate in the Partial Capital Return should inform their Business Partner of the number of Shares they wish to have redeemed under the Partial Capital Return. Their Business Partner will then provide the relevant settlement instruction to Nasdaq Dubai Guardian Limited which in turn will accept the Partial Capital Return in respect of the appropriate number of Shares via a TTE Instruction. Such persons should, therefore, ensure that they have contacted their Business Partners in sufficient time for all relevant actions to have been completed prior to closing of the Partial Capital Return at 3.00 p.m. (London time) on 22 February 2013. Investors will be unable to deal in Shares so tendered, as dealing in such interests will be blocked pending redemption of the Shares under the Partial Capital Return.

**If you are in any doubt as to how to complete the Redemption Form or as to the procedure for tendering Shares, please contact the Receiving Agent by telephone on 0870 707 4040 or, if calling from outside the UK, on +44 870 707 4040. You are reminded that, if you are a CREST sponsored member, you should contact your CREST Sponsor before taking any action.**

**Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.**

### **5. Settlement under the Partial Capital Return**

Settlement of the proceeds of redemption to which any Shareholder is entitled in respect of Shares redeemed by the Company is expected to be made on or as soon as practicable after 11 March 2013 as follows:

5.1 Shares held in certificated form (that is, not in CREST): Where redeemed Shares were held in certificated form, settlement of the proceeds of redemption due to Shareholders is expected to be made on (or as soon as practicable after) 11 March 2013. Cheques will be dispatched by the Receiving Agent by first class post to the person or agent whose name and address is set out in Box 4 of the relevant Redemption Form or, if none is set out, to the registered address of the tendering Shareholder or, in the case of joint holders, the address of the first named. All payments will be made in the currency for the relevant class of shares by cheque drawn on a branch of a UK clearing bank.

5.2 Shares held in uncertificated form (that is, in CREST): Where redeemed Shares were held in uncertificated form, the proceeds of redemption due will be paid by means of CREST by the Company procuring the creation of an assured payment obligation in favour of the relevant Shareholder's payment bank in accordance with the CREST assured payment arrangements.

5.3 Shares held through a NASDAQ Dubai account: Where redeemed Shares were held through a Nasdaq Dubai account, the proceeds of redemption due will be paid by means of CREST by the Company procuring the creation of an assured payment obligation in favour of Nasdaq Dubai in accordance with the CREST assured payment arrangements. Such payment shall be forwarded to Nasdaq Dubai Guardian Limited for crediting by Nasdaq Dubai Guardian Limited (as CSD) to the relevant Nasdaq Dubai member/participant account and subsequent crediting to the relevant client's account.

5.4 In the event that insufficient investments in the Company's portfolio to fund the payment of the aggregate Redemption Price for all successfully tendered Shares are realised and settled in sufficient time before 8 March 2013, the date for settlement may be delayed.

5.5 The payment of the proceeds of redemption for Shares redeemed pursuant to the Partial Capital Return will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of certificates and/or other requisite documents evidencing such Shares, a properly completed and duly executed Redemption Form and any other documents required by the Redemption Form.

5.6 Payments of redemption monies will be made in the same currency as the class of Shares being acquired by the Company. Entitlements to a fraction of a penny or cent will be rounded down to the nearest whole penny or cent, as appropriate.

5.7 If only a part of a holding of Shares is redeemed pursuant to the Partial Capital Return or if, because of scaling back, any Shares in excess of those to be redeemed pursuant to a Shareholder's Redemption Entitlement in respect of the relevant class are not redeemed pursuant to the terms of the Partial Capital Return:

5.7.1 where the Shares are held in certificated form, the relevant Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares of the relevant class; or

5.7.2 where the Shares are held in uncertificated form (that is, in CREST), the remaining Shares will be transferred by the Receiving Agent to the original available balance from which those Shares came; or

5.7.3 where the Shares are held through a NASDAQ Dubai account, the remaining shares will be transferred by the Receiving Agent by means of a settlement instruction to the original account from which the Shares came.

## **6. Redemption Form**

6.1 Each Shareholder by whom, or on whose behalf, a Redemption Form is executed irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

6.1.1 the execution of the Redemption Form shall constitute an offer to the Company to redeem such Shareholder's Redemption Entitlement in respect of the relevant class or, if relevant, the number of Shares inserted in Box 2B or Box 2C on page 3 of the Redemption Form, in each case, on and subject to the terms and conditions set out or referred to in this document and the Redemption Form and that, once lodged, such offer shall be irrevocable;

6.1.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto);

6.1.3 such Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by the Company or any of its directors or any person nominated by the Company in the proper exercise of its or his or her or its powers and/or authorities hereunder;

6.1.4 such Shareholder holding Shares in certificated form will deliver to the Receiving Agent the share certificate(s) and/or other document(s) of title in respect of the Shares referred to in sub-paragraph 6.1.1 above, or an indemnity acceptable to the Company in lieu thereof, or will procure the delivery of such document(s) to such person as soon as possible thereafter and, in any event, no later than 3.00 p.m. on 22 February 2013;

6.1.5 such Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, in each case to complete the redemption of the relevant Shares and/or to perfect any of the authorities expressed to be given hereunder;

6.1.6 if such Shareholder is an Overseas Shareholder, (a) he is not in the United States, Canada, Australia or Japan or in any territory in which it is unlawful to make or accept the Partial Capital Return, (b) he has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the Partial Capital Return may be made available to such Overseas Shareholder under the laws of the relevant jurisdiction;

6.1.7 such Shareholder has not received or sent copies or originals of this document, any Redemption Form or any related documents and has not otherwise utilised in connection with the Partial Capital Return, directly or indirectly, the mails or any means or instrumentality (including, without limitation, facsimile transmission, internet, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia or Japan, that the Redemption Form has not been mailed or otherwise sent in, into or from the United States, Canada, Australia or Japan, and that such Shareholder is not accepting the Partial Capital Return from the United States, Canada, Australia or Japan;

6.1.8 on execution, the Redemption Form takes effect as a deed under English law;

6.1.9 the execution of the Redemption Form constitutes such Shareholder's submission to the jurisdiction of the courts of England and Wales in relation to all matters arising out of or in connection with the Partial Capital Return or the Redemption Form; and

6.1.1 in the case of Shares in certificated form, the dispatch of a cheque in respect of the Redemption Price to a Shareholder at his registered address or such other address as is specified in the Redemption Form will constitute a complete discharge by the Company of its obligation to make such payment to such Shareholder.

6.2 A reference in this paragraph 6 to a Shareholder includes a reference to the person or persons executing the Redemption Form and, in the event of more than one person executing a Redemption Form, the provisions of this paragraph will apply to them jointly and to each of them.

## **7. Tenders through CREST**

7.1 Each Shareholder by whom, or on whose behalf, a tender through CREST is made irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:

7.1.1 the input of the TTE Instruction shall constitute an offer to the Company to redeem such number of Shares of the relevant class as are specified in the TTE Instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and that once the TTE Instruction has settled, such tender shall be irrevocable without the consent of the Company;

7.1.2 such Shareholder has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto);

7.1.3 the input of the TTE Instruction will, subject to the Partial Capital Return becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as the Shareholder's attorney and/or agent (the "attorney") and an irrevocable instruction and authority to the attorney (i) subject to the Partial Capital Return becoming unconditional, to transfer to itself by means of CREST and then to transfer to the Company by means of CREST all of the Relevant Shares (as defined below) in respect of which the Partial Capital Return is accepted or deemed to be accepted (but not exceeding the number of Shares which have been tendered pursuant to the Partial Capital Return); and (ii) if the Partial Capital Return does not become unconditional and lapses, or there are Shares which have not been successfully tendered under the Partial Capital Return, to give instructions to

Euroclear, as promptly as practicable after the lapsing of the Partial Capital Return, to transfer the Relevant Shares to the original available balances from which those Shares came. For the purposes of this paragraph 7.1.3, "Relevant Shares" means Shares in uncertificated form and in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this paragraph 7.1.3;

- 7.1.4 such Shareholder will ratify and confirm each and every act or thing which may be done or effected by the Company or any of its directors or any person nominated by the Company or the Receiving Agent in the proper exercise of its or his or her powers and/or authorities hereunder;
- 7.1.5 it shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, in each case to complete the redemption of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
- 7.1.6 if such Shareholder is an Overseas Shareholder, (a) he is not in the United States, Canada, Australia or Japan or in any territory in which it is unlawful to make or accept the Partial Capital Return, (b) he has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the Partial Capital Return may be made available to such Overseas Shareholder under the laws of the relevant jurisdiction;
- 7.1.7 the creation of a CREST payment in favour of such Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 will, to the extent of the obligations so created, discharge fully any obligation of the Company to pay to such Shareholder the cash consideration to which it is entitled under the Partial Capital Return;
- 7.1.8 the input of the TTE Instruction constitutes such Shareholder's submission to the jurisdiction of the courts of England and Wales in relation to all matters arising out of or in connection with the Partial Capital Return;
- 7.1.9 if, for any reason, any Shares in respect of which a TTE Instruction has been made are, prior to the Closing Date, converted into certificated form, the tender through CREST in respect of such Shares shall cease to be valid and the Shareholder will need to comply with the procedures for tendering Shares in certificated form as set out herein in respect of the Shares so converted, if it wishes to make a valid tender of such Shares pursuant to the Partial Capital Return; and
- 7.1.10 if the appointment of attorney provision under paragraph 7.1.3 above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of the Company or the Receiving Agent the benefit or authority expressed to be given therein, the Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Company or the Receiving Agent to secure the full benefits of paragraph 7.1.3 above.

## **8. Tenders through NASDAQ Dubai**

- 8.1 Each person holding US Dollar Shares through an account on Nasdaq Dubai and by whom, or on whose behalf, a tender is made irrevocably undertakes, represents, warrants and agrees to and with the Company (so as to bind him, his personal representatives, heirs, successors and assigns) that:
  - 8.1.1 the input of the relevant settlement instruction to Nasdaq Dubai Guardian Limited shall constitute an offer to the Company to redeem such number of Shares of the relevant class as are specified in the settlement instruction or deemed to be tendered, in each case, on and subject to the terms and conditions set out or referred to in this document and that once the settlement instruction has settled, such tender shall be irrevocable without the consent of the Company;
  - 8.1.2 such person has full power and authority to tender, sell, assign or transfer the Shares in respect of which such offer is accepted (together with all rights attaching thereto);
  - 8.1.3 the input of the settlement instruction will, subject to the Partial Capital Return becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as the Shareholder's attorney and/or agent (the "attorney") and an irrevocable instruction and authority to the attorney (i) subject to the Partial Capital Return becoming unconditional, to transfer to itself and then to transfer to the Company all of the Relevant Shares (as defined below) in respect of which the Partial Capital Return is accepted or deemed to be accepted (but not exceeding the number of Shares which have been tendered pursuant to the Partial Capital Return); and (ii) if the Partial Capital Return does not become unconditional and lapses, or there are Shares which have not been successfully tendered under the Partial Capital Return, to give instructions to the Receiving Agent, as promptly as practicable after the lapsing of the Partial Capital Return, to transfer the Relevant Shares to the original available balances from which those Shares came. For the purposes of this paragraph 8.1.3, "Relevant Shares" means Shares in respect of which a transfer or transfers to escrow has or have been effected pursuant to the procedures described in this paragraph 8.1.3;
  - 8.1.4 such person will ratify and confirm each and every act or thing which may be done or effected by the Company or any of its directors or any person nominated by the Company or the Receiving Agent in the proper exercise of its or his or her powers and/or authorities hereunder;
  - 8.1.5 it shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by the Company to be desirable, in each case to complete the redemption of the Shares and/or to perfect any of the authorities expressed to be given hereunder;
  - 8.1.6 if such person is an Overseas Shareholder, (a) he is not in the United States, Canada, Australia or Japan or in any territory in which it is unlawful to make or accept the Partial Capital Return, (b) he has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and (c) the invitation under the Partial Capital Return may be made to such Overseas Shareholder under

the laws of the relevant jurisdiction;

- 8.1.7 the creation of a payment in favour of Nasdaq Dubai in accordance with the payment arrangements as referred to in paragraph 5 will, to the extent of the obligations so created, discharge fully any obligation of the Company to pay to such person the cash consideration to which he is entitled under the Partial Capital Return;
- 8.1.8 the input of the settlement instruction constitutes such person's submission to the jurisdiction of the courts of England and Wales in relation to all matters arising out of or in connection with the Partial Capital Return;
- 8.1.9 if the appointment of attorney provision under paragraph 8.1.3 above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of the Company or the Receiving Agent the benefit or authority expressed to be given therein, such person shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable the Company or the Receiving Agent to secure the full benefits of paragraph 8.1.3 above.

## 9. **Miscellaneous**

9.1 Any changes to the terms, or any suspension, extension or termination of the Partial Capital Return will be followed as promptly as practicable by a public announcement thereof no later than the close of business on the Business Day following the date of such event.

9.2 Each Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of the Company agreeing to process his application, such Shareholder will not revoke his tender or withdraw his Shares without the prior written consent of the Company. Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of. Further, Shares that have been tendered may not subsequently be submitted for conversion into another class of Shares pursuant to the Company's class conversion arrangements whilst held in escrow nor may a Share in respect of which a conversion request has been made be tendered in the Partial Capital Return.

9.3 All documents and remittances sent by or to Shareholders will be sent at their own risk. If the Partial Capital Return does not become unconditional or is terminated, all documents lodged pursuant to the Partial Capital Return will be returned promptly by post, within 14 Business Days of the Partial Capital Return terminating or lapsing, to the person or agent whose name and address is set out in Box 4 of the Redemption Form or, if none is set out, to the tendering Shareholder or, in the case of joint holders, the first named at his/her registered address. No such documents will be sent to an address in the United States, Canada, Australia or Japan. In the case of Shares held in uncertificated form, the Receiving Agent, in its capacity as escrow agent will, within 14 Business Days of the Partial Capital Return lapsing, give instructions to Euroclear to transfer all Shares held in escrow balances and in relation to which it is the escrow agent for the purposes of the Partial Capital Return by TFE Instruction to the original available balances from which those Shares came.

9.4 The decision of the Company as to which Shares have been successfully tendered for redemption shall be final and binding on all Shareholders.

9.5 To ensure compliance with applicable money laundering regulations, each of the Receiving Agent (in its capacity as receiving agent) and the Company may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf any Redemption Form is lodged. If either the Receiving Agent or the Company determines that verification of identity requirements should apply in any case, the relevant Redemption Form will not be processed unless and until those verification of identity requirements have been satisfied in respect of the relevant applicant or application. Each of the Receiving Agent and the Company is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any applicant or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion. Any failure to provide requested evidence of identity within a reasonable time may result in delays and potential rejection of a Redemption Form. If, within a reasonable period of time following a request for verification of identity and in any event by 3.00 p.m. on 22 February 2013, the Receiving Agent or the Company has not received evidence satisfactory to it as aforesaid, the Receiving Agent or the Company may, in its absolute discretion, treat the relevant application as invalid.

9.6 The Partial Capital Return and any non-contractual obligations arising out of or in connection with the Partial Capital Return (and any dispute, controversy or claim of whatever nature arising out of or in any way relating to the Partial Capital Return or any non-contractual obligations arising out of or in connection with the Partial Capital Return) are governed by and shall be construed in accordance with the laws of England and Wales.

## 10. **Overseas Shareholders**

10.1 The making of the Partial Capital Return in, or to persons who are citizens or nationals of, or resident in jurisdictions outside the United Kingdom or custodians, nominees or trustees for citizens, nationals or residents of jurisdictions outside the United Kingdom may be prohibited or affected by the laws of the relevant overseas jurisdiction. Shareholders who are Overseas Shareholders should inform themselves about and observe any applicable legal requirements. It is the responsibility of any Overseas Shareholder wishing to tender Shares to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes or other requisite payments due in such jurisdiction. Any such Overseas Shareholder will be responsible for the payment of any such transfer or other taxes or other requisite payments due by whomsoever payable and the Company and all persons acting on its behalf shall be fully indemnified and held harmless by such Overseas Shareholder for any such transfer or other taxes or other requisite payments such person may be required to pay.

10.2 In particular, the Partial Capital Return is not being made directly or indirectly in or into or by the use of the mails or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) or interstate or

foreign commerce, or any facility of a national securities exchange of, the United States, Canada, Australia or Japan. Accordingly, copies of this document, the Redemption Form and any related documents are not being and must not be mailed or otherwise distributed or sent in, into or from the United States, Canada, Australia or Japan, including to Shareholders with registered addresses in the United States, Canada, Australia or Japan or to persons who are custodians, nominees or trustees holding Shares for persons in the United States, Canada, Australia or Japan. Persons receiving such documents (including, without limitation, custodians, nominees and trustees) should not distribute, send or mail them in, into or from the United States, Canada, Australia or Japan or use such mails or any such means, instrumentality or facility in connection with the Partial Capital Return, and doing so will render invalid any purported application under the Partial Capital Return. Persons wishing to participate in the Partial Capital Return should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to the Partial Capital Return. Envelopes containing Redemption Forms should not be postmarked in the United States, Canada, Australia or Japan or otherwise dispatched from the United States, Canada, Australia or Japan and all Shareholders must provide addresses outside the United States, Canada, Australia or Japan for the remittance of cash or return of Redemption Forms and share certificates.

10.3 If, in connection with making the Partial Capital Return, notwithstanding the restrictions described above, any person (including, without limitation, custodians, nominees and trustees), whether pursuant to a contractual or legal obligation or otherwise, forwards this document, the Redemption Form or any related documents in, into or from the United States, Canada, Australia or Japan or uses the mails of, or any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce of, or any facility of a national securities exchange of the United States, Canada, Australia or Japan in connection with such forwarding, such persons should (i) inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient; and (iii) draw the attention of the recipient to this paragraph.

10.4 The provisions of this paragraph 10 and any other terms of the Partial Capital Return relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company in its absolute discretion but only if the Company is satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law.

10.5 The provisions of this paragraph supersede any terms of the Partial Capital Return which may be inconsistent herewith.

10.6 Overseas Shareholders should inform themselves about and observe any applicable or legal regulatory requirements. If any Overseas Shareholder is in doubt about his position, he should consult his professional adviser in the relevant territory.