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If you have sold or transferred all your Shares in BH Macro Limited, please send this document, together with the accompanying Tender Form(s) and Form(s) of Proxy, to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Tender Form(s) and any accompanying documents should not, however, be forwarded or transmitted in or into the United States, Canada, Australia or Japan.

J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove ("J.P. Morgan Cazenove"), which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Tender Offer, the proposed Structural Changes and the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of J.P. Morgan Cazenove or for providing advice in relation to the Tender Offer, the proposed Structural Changes and the contents of this document or any other matter referred to herein. Nothing in this document shall serve to exclude or limit any responsibilities which J.P. Morgan Cazenove may have under FSMA or the regulatory regime established thereunder.

IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES DO NOT COMPLETE OR RETURN A TENDER FORM OR SUBMIT A TTE INSTRUCTION. YOU ARE, HOWEVER, STRONGLY ENCOURAGED TO VOTE YOUR SHARES AT THE EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS REGARDLESS OF WHETHER YOU WISH TO TENDER ANY SHARES.

BH MACRO LIMITED

(an authorised closed-ended collective investment scheme authorised by the Guernsey Financial Services Commission and established as a non-cellular company limited by shares incorporated under the laws of the Island of Guernsey with registration number 46235)

Tender Offer and Proposed Structural Changes

Notice of Extraordinary General Meeting and Notices of Class Meetings

Notice of an Extraordinary General Meeting of the Company to be held at 11:30 a.m. on 24 February 2017 at the offices of Northern Trust International Fund Administration (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL is set out at the end of this document. Notices of Class Meetings in respect of each of the Euro, Sterling and US Dollar share classes of the Company to be held from 11:40 a.m. on 24 February 2017 at the offices of Northern Trust International Fund Administration (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL are also set out at the end of this document.

Shareholders are requested to return the Forms of Proxy accompanying this document for use at the Extraordinary General Meeting and Class Meetings. To be valid, the Forms of Proxy must be completed and returned in accordance with the instructions printed thereon so as to be received by Computershare Investor Services (Guernsey) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, not later than 11:30 a.m. on 22 February 2017. The Form(s) of Proxy may also be sent to Computershare Investor Services (Guernsey) Ltd either by fax at +44(0)370 703 6322 or by email at externalproxyqueries@computershare.co.uk.

If you own more than one class of Shares, you will need to complete and return a Form of Proxy for the Extraordinary General Meeting in respect of each class of Shares that you own.

The Tender Offer will close at 5 p.m. on 22 February 2017 and will only be available to Eligible Shareholders on the Register at the close of business on the Record Date.

Eligible Shareholders who hold their Shares in certificated form and who wish to tender Shares for purchase by the Company under the Tender Offer should ensure that their completed Tender Forms are returned to the Receiving Agent by post to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to The Pavilions, Bridgwater Road, Bristol BS13 8AE, so as to be received by no later than 5 p.m. on 22 February 2017. Eligible Shareholders who hold their Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Shares tendered.

Eligible Shareholders who hold Shares in uncertificated form (that is, in CREST) should not return the Tender Form and should arrange for the Shares tendered to be transferred into escrow as described in paragraph 4 of Part IV of this document.

Eligible Shareholders who own US Dollar Shares through an account on Nasdaq Dubai and who wish to participate in the Tender Offer should inform their Dubai brokerage house or custodian that is a business partner in the Nasdaq Dubai CSD (the "Business Partner") so as to ensure that the relevant settlement instruction is submitted to the Receiving Agent by no later than 5 p.m. on 22 February 2017. Overseas Shareholders should also note the provisions of paragraph 11 of Part IV of this document. In addition, such persons who wish to attend the Extraordinary General Meeting and/or the US Dollar Share Class Meeting or to exercise the voting rights attached to interests in Shares held by them at the Extraordinary General Meeting and/or the US Dollar Share Class Meeting should inform their Business Partner at least 10 full days before the Extraordinary General Meeting and the US Dollar Share Class Meeting, after which they will receive the applicable attendance ticket and proxy card.

The Tender Offer is not being made directly or indirectly in or into or by use of mails or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or any facility of a national securities exchange, of the United States, nor is it being made directly or indirectly in or into Canada, Australia or Japan and cannot be accepted by any such use, means, instrumentality or facility or from within the United States, Canada, Australia or Japan.

Your attention is drawn to the letter from the Chairman of BH Macro Limited which is set out in Part 1 of this document and which recommends that you vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting. Your attention is also drawn to the section entitled "Risk Factors" on page 32 of this document and "Action to be Taken" on page 12 of this document.

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Expected Timetable

Latest time and date for receipt of Forms of Proxy for the Extraordinary General Meeting and Class Meetings	11:30 a.m. on 22 February 2017
Latest time and date for settlement of Shares held in CREST into escrow	3 p.m. on 22 February 2017
Latest time and date for receipt of Tender Forms	5 p.m. on 22 February 2017
Record Date for Tender Offer	the close of business on 22 February 2017
Extraordinary General Meeting	11:30 a.m. on 24 February 2017
Euro Share Class Meeting	From 11:40 a.m. on 24 February 2017
Sterling Share Class Meeting	From 11:45 a.m. on 24 February 2017
US Dollar Share Class Meeting	From 11:50 a.m. on 24 February 2017
Results of Extraordinary General Meeting and Class Meetings announced	24 February 2017
Results of Tender Offer announced	24 February 2017
NAV Determination Date (being the date of the NAVs on which the Tender Price is based)	31 March 2017
Final Tender Price for each class of Share and repurchase date for successfully tendered Shares announced	First week of May 2017
Settlement through CREST of, and despatch of cheques for, the Tender Offer consideration, as appropriate	by 12 May 2017

All references are to London time.

The dates set out in the expected timetable may be adjusted by J.P. Morgan Cazenove, with the consent of the Board, in which event details of the new dates will be notified to Shareholders via an announcement made by the Company through a Regulatory Information Service.

Documents Accompanying this Circular

Accompanying this document are Forms of Proxy and a Tender Form for each class of Shares of the Company that you hold.

IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES, DO NOT COMPLETE OR RETURN THE TENDER FORM(S) OR SUBMIT A TTE INSTRUCTION IN CREST.

YOU SHOULD READ THE WHOLE OF THIS DOCUMENT, WHICH CONTAINS THE MATERIAL TERMS OF THE TENDER OFFER, AND NOT JUST THIS SECTION WHEN DECIDING WHAT ACTION TO TAKE.

YOU ARE ENTITLED AND STRONGLY ENCOURAGED TO VOTE YOUR SHARES IN FAVOUR OF THE RESOLUTIONS TO BE PROPOSED AT THE EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS REGARDLESS OF WHETHER YOU WISH TO TENDER ANY SHARES.

To vote on the Tender Offer and the proposed Structural Changes:

Complete and return the Forms of Proxy for the Extraordinary General Meeting and relevant Class Meetings to Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, by no later than 11:30 a.m. on 22 February 2017 and/or attend and vote at the Extraordinary General Meeting and relevant Class Meeting on 24 February 2017.

To tender your Shares that are held in certificated form under the Tender Offer:

Complete and return the Euro, Sterling or US Dollar Tender Form, as applicable, to the Receiving Agent at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, as soon as possible and, in any event, by no later than 5 p.m. on 22 February 2017.

To tender your Shares that are held in uncertificated form (that is, in CREST) under the Tender Offer:

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 Tender Offer. 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 3RA44;
- the Member Account ID of the escrow agent. This is BHMTEND;
- 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 p.m. on 22 February 2017;
- 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.

Eligible Shareholders holding US Dollar Shares through Nasdaq Dubai accounts

Eligible Shareholders who own US Dollar Shares through an account on Nasdaq Dubai and who wish to participate in the Tender Offer should inform their Business Partner so as to ensure that the relevant settlement instruction is submitted by the Business Partner to the Receiving Agent by no later than 5 p.m. on 22 February 2017. In addition, such persons who wish to attend the Extraordinary General Meeting and/or the US Dollar Share Class Meeting or to exercise the voting rights attached to interests in Shares held by them at the Extraordinary General Meeting and/or the

US Dollar Share Class Meeting should inform their Business Partner at least 10 full days before the Extraordinary General Meeting and the US Dollar Share Class Meeting, as appropriate, after which they will receive the applicable attendance ticket and proxy card.

Full details of the action to be taken are set out in this document and in the instructions on the respective forms.

The attention of Overseas Shareholders is drawn to the section headed "Overseas Shareholders" in paragraph 11 of Part IV of this document.

If you have any queries in relation to your shareholding(s), please contact Computershare Investor Services PLC by telephone on 0370 707 4040 or, if calling from outside the UK, on +44 370 707 4040. Computershare Investor Services PLC can only provide information regarding the completion of forms and cannot provide you with advice on the Tender Offer or provide any personal, legal, financial or tax advice.

Part I – Letter from the Chairman

IF YOU DO NOT WISH TO TENDER ANY OF YOUR SHARES DO NOT COMPLETE OR RETURN A TENDER FORM OR SUBMIT A TTE INSTRUCTION. YOU ARE, HOWEVER, STRONGLY ENCOURAGED TO VOTE YOUR SHARES AT THE EXTRAORDINARY GENERAL MEETING AND THE CLASS MEETINGS REGARDLESS OF WHETHER YOU WISH TO TENDER ANY SHARES.

BH Macro Limited

(an authorised closed-ended collective investment scheme authorised by the Guernsey Financial Services Commission and established as a non-cellular company limited by shares incorporated under the laws of the Island of Guernsey with registration number 46235)

Directors:

Ian Plenderleith (Chairman)
Huw Evans
John Le Poidevin
Colin Maltby
Claire Whittet

Registered office:

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

27 January 2017

Tender Offer and Proposed Structural Changes Notice of Extraordinary General Meeting and Notices of Class Meetings

Dear Shareholder,

Introduction

On 29 November 2016, the Company announced, following discussions with Brevan Howard Capital Management L.P. (the “Manager”):

- A tender offer for up to 100 per cent. of each class of the Company’s issued Share capital at a price equal to 96 per cent. of the net asset value per Share (the “Tender Offer”); and
- Assuming the amount of valid acceptances received is below the Tender Limit (as defined below) and the Tender Offer completes, changes to the Company’s discount management arrangements and its management agreement (the “Management Agreement”) with the Manager to the benefit of the holders of Shares that are not tendered in the Tender Offer (the “Structural Changes”).

The Board believes that these proposals allow Shareholders who wish to realise all or some of their investment in the Company an opportunity to do so, while providing Shareholders who wish to remain invested in the Company with the benefit of enhanced terms. The Board is confident that there is significant demand for the Company to continue as a means of obtaining access to the investment performance of Brevan Howard Master Fund Limited (the “Master Fund”) through a listed vehicle.

Shareholders should note that although it is being made in respect of all of the Company’s issued Share capital, completion of the Tender Offer is conditional on valid tenders being received in respect of no more than 66.667 per cent. of the Company’s shares in issue on the basis of their prevailing net asset value, or such greater percentage of the Company’s issued share capital on the basis of their prevailing net asset value, being no more than 75 per cent., as the Company and the Manager may agree following receipt of all tenders (such percentage amount, the “Tender Limit”). If the Tender Limit is exceeded then the Tender Offer shall not proceed and the proposed Structural Changes will not be implemented and, instead, the Company will put forward proposals for the liquidation of the Company.

In the event that valid tenders are received in respect of Shares representing more than 66.667 per cent., but not more than 75 per cent., of the Shares in issue on the basis of their prevailing

net asset value, then the precise Tender Limit will be agreed between the Company and the Manager to arrive at a figure which ensures that the Company remains a viable investment proposition for those Shareholders who elect not to tender all of their Shares.

This document sets out the terms of the Tender Offer and the proposed Structural Changes. The Company's board of directors (the "Board") believes that the Tender Offer provides the ability for those Shareholders who wish to realise some or all of their investment in the Company to do so on an attractive basis while the proposed Structural Changes provide those Shareholders who wish to remain invested in the Company the benefit of improved terms. The Board is especially grateful to the Manager for its constructive help and assistance in formulating these proposals.

Implementation of both the Tender Offer and the proposed Structural Changes are conditional on the approval of the Company's shareholders. This document also includes notice of an extraordinary general meeting of the Company to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL on 24 February 2017 at 11:30 a.m. (the "Extraordinary General Meeting") and notices of class meetings of each of the holders of the Euro Shares, the Sterling Shares and the US Dollar Shares (the "Class Meetings") to be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 3QL on 24 February 2017 immediately following conclusion of the Extraordinary General Meeting. The resolutions to be proposed at the Extraordinary General Meeting and the Class Meetings (the "Resolutions") are contained in the notices of such meetings.

The Tender Offer is also conditional on Shareholders approving the Structural Changes at the Extraordinary General Meeting and Class Meetings. Therefore all Shareholders are strongly encouraged to vote in favour of the Structural Changes, even if they intend to tender their Shares in the Tender Offer.

The Tender Offer

Eligible Shareholders may tender all or any part of their holding of Shares of any class of the Company's issued Share capital for purchase at a price equal to 96 per cent. of the net asset value per Share of the relevant class as at 31 March 2017 (the "Tender Price").

The Tender Price is based on the Company's best estimate of its liquidation value (excluding the expenses of liquidation).

The principal costs to the Company on liquidation (excluding expenses) in the event that the Tender Limit is exceeded will be the payments due to the Manager under the Management Agreement. In addition to accrued fees that are already taken into account in calculating the Company's net asset value, in the case of termination (or deemed termination) of the Management Agreement on less than 24 months' notice by the Company other than for cause, the Company would be required to make a payment to the Manager in respect of 24 months' management fees based on the most recent net asset value of the Company. The management fee is currently payable at a rate of one-twelfth of two per cent. per month of the net asset value of each class of Shares, meaning that a payment in respect of 24 months' worth of management fees is equivalent to four per cent. of net asset value.

The Tender Offer is not subject to any minimum acceptance criteria and, other than in respect of the Tender Limit, which applies to the prevailing Net Asset Value of all the Shares tendered, there is no specific limit on the number of Shares of any class that may be tendered pursuant to the Tender Offer. The Tender Limit will be calculated and applied on the basis of the prevailing net asset value of all Shares of the Company in issue of whatever class, and not on a class-by-class basis.

The process for tendering Shares and the terms and conditions of the Tender Offer are set out in Parts III and IV of this document.

The consideration payable under the Tender Offer will be funded by the redemption by the Company of a proportionate amount of its underlying investment in the Master Fund with effect on 31 March 2017. The proceeds of this redemption should be received by the Company, and payments made in respect of validly tendered Shares, in May 2017. The Tender Offer consideration will be made in the same currency as the class of Shares tendered. Entitlements to a fraction of a penny or cent will be rounded down to the nearest whole penny or cent, as appropriate.

In the event that the Tender Offer completes, an amount equal to two per cent. of net asset value of the Shares tendered will be paid by the Company to the Manager instead of the four per cent. of net asset value that would be payable if the Company served notice of termination of the Management Agreement on less than 24 months' notice.

The remaining costs of the Tender Offer will be financed by the Company from the remaining two per cent. of the net asset value of the validly tendered Shares. Depending on the precise number of Shares that are validly tendered, this should result in continuing Shareholders receiving an uplift in net asset value following completion of the Tender Offer and, in any event, will ensure that continuing Shareholders are not unduly prejudiced should they choose not to participate in the Tender Offer.

The Tender Offer is subject to certain conditions which are set out in Part IV of this document. In addition, the Tender Offer may be suspended or terminated in certain circumstances, as set out in paragraphs 2 of Part IV of this document. In particular, the Tender Offer is conditional on (a) valid tenders received pursuant to the Tender Offer not exceeding the Tender Limit; (b) the approval of Shareholders being obtained for the Tender Offer at the Extraordinary General Meeting; and (c) the approval of Shareholders being obtained for the Structural Changes at the Extraordinary General Meeting and at the Class Meetings.

If, following completion of the Tender Offer, any of the Company's Share classes has a net asset value below US\$25 million (or its equivalent in the relevant currency), the class will be closed and the remaining Shares of that class will be converted into Shares of whichever class is largest following completion of the Tender Offer (which is expected will be the Sterling class). In these circumstances, the Company will request the cancellation of the listing of the Shares of the class that is closed and Shareholders will no longer be able to request conversion of Shares of other classes into that class.

The Tender Offer is not available to certain Overseas Shareholders. The attention of Overseas Shareholders is drawn to paragraph 11 of Part IV of this document.

Liquidation of the Company

In the event that valid tenders are received under the Tender Offer in excess of the Tender Limit, the Tender Offer will not proceed and the Company will instead put forward proposals for the liquidation of the Company.

The liquidation of the Company will require approval by special resolution of Shareholders (a "Liquidation Resolution") and, if required, the Company will send Shareholders a separate circular including the probable terms of the liquidation and containing a notice convening an extraordinary general meeting of the Company to vote on a Liquidation Resolution.

Shareholders should, however, note that:

- There can be no guarantee that Shareholders would approve a Liquidation Resolution.
- If a Liquidation Resolution were to be passed by Shareholders, there can be no guarantee regarding the time that the liquidation would take nor the precise amount that would be distributed to Shareholders in connection with the liquidation.
- Shareholders should not expect to receive the proceeds of a liquidation as quickly as they may otherwise receive the consideration under the Tender Offer.
- It is probable that the amount per Share received by Shareholders in a liquidation would be in the region of 95 per cent. of the prevailing net asset value per Share, as a result of the amount that the Company is required to pay to the Manager pursuant to the Management Agreement and the other expenses of the liquidation.

Shareholders should also note that if the Tender Offer does not proceed because the Resolutions being proposed at the Extraordinary General Meeting and the Class Meetings to approve the Tender Offer and Structural Changes are not passed, the Company will not be required to propose a resolution for the winding up of the Company.

Proposed Structural Changes

Shareholders should note that implementation of the following Structural Changes is conditional on the Tender Offer completing as well as being conditional on the passing of

the Resolutions by Shareholders at the Extraordinary General Meeting and the Class Meetings.

From 1 April 2017

Assuming that the Tender Offer completes and that Shareholders approve each of the Resolutions, the Company and the Manager have agreed to make the following changes to the fees payable under the Management Agreement and the terms of the Company's investment in the Master Fund with effect from 1 April 2017:

- The management fee payable by the Company to the Manager will be reduced from an amount equal to one-twelfth of two (2) per cent. per month of the net asset value of each class of Shares in issue to an amount equal to one-twelfth of one-half (0.5) per cent. per month of the net asset value of each class of Shares in issue.
- The management fee and operational services fee concession announced on 19 October 2016 will continue to apply in respect of performance related growth in the Company's net asset value for each class of Share in excess of its level on 1 April 2017 as if the Tender Offer had completed on that date (the "**Base Level**"). To the extent that the Company's net asset value for a specific class of Share falls below the Base Level as a result of own-share purchases, returns of capital or other distributions, the concession will only apply once the net asset value of that class again exceeds the Base Level.
- The Company will not be permitted to redeem its investment in the Master Fund to finance own-share purchases before 1 April 2019 (and, therefore, will not make any own-share purchases in that period) and any other redemption of its investment in the Master Fund prior to 1 April 2019 will be subject to a 10 per cent. redemption fee (except for redemptions required by the Company for working capital purposes or in the case of a redemption in connection with a for cause termination of the Management Agreement by the Company, in which case no redemption fee will apply).

In addition, the class closure vote and annual partial capital return provisions contained in the Articles will be disapplied in respect of the years ending 31 December 2016, 2017 and 2018.

Class Discontinuation Vote

If, in the period from 1 January 2018 to 31 December 2018, any class of Shares trades at an average discount at or in excess of eight per cent. of the monthly net asset value for that class over that period, the Company will propose a vote of the relevant class to discontinue that class (the "Class Discontinuation Vote"). Any such Class Discontinuation Vote would be held on or prior to 28 February 2019.

If a Class Discontinuation Vote is passed by three-quarters of the votes cast on the resolution, holders of Shares of the relevant class would be able to opt to receive:

- 97.5 per cent. of the Net Asset Value per Share of the relevant class as at 31 March 2019 (less, to the extent not already reflected in the Net Asset Value per Share, an amount in respect of the costs incurred by the Company in relation to or arising from convening the Class Discontinuation Vote for the relevant class of Shares or implementing other class closure arrangements or other outstanding costs and expenses of the Company attributable to the relevant class (including redemption fees or penalties that may be imposed)) as soon as practicable following that date (with an amount equal to 2.5 per cent. of the Net Asset Value per Share being retained by the Master Fund); or
- 50 per cent. of the net asset value per Share of the relevant class as at 31 March 2019 (less, to the extent not already reflected in the Net Asset Value per Share, an amount in respect of the costs incurred by the Company in relation to or arising from convening the Class Discontinuation Vote for the relevant class of Shares or implementing other class closure arrangements or other outstanding costs and expenses of the Company attributable to the relevant class (including redemption fees or penalties that may be imposed)) as soon as practicable following that date and the remaining 50 per cent. as at the 30 June 2019 Net Asset Value per Share of the relevant class, paid as soon as practicable thereafter.

In the event that any Class Discontinuation Vote is passed by the requisite majority, any redemptions of the Company's investment in the Master Fund necessary to finance purchases from Shareholders of Shares in the relevant class will occur on or after 1 April 2019, and will therefore

not be subject to the 10 per cent. redemption fee applicable during the period from 1 April 2017 to 31 March 2019.

If a Class Discontinuation Vote is held and passed in respect of each class of the Company's Shares then in issue, the Company will put forward proposals for the Company to be liquidated. If Shares of a class remain in issue following the passing of a Class Discontinuation Vote, the Company may continue that class if it remains viable or convert the Shares of the relevant class into Shares of the largest then remaining class.

From 1 April 2019 onwards

Conditional on completion of the Tender Offer and approval by Shareholders of the Structural Changes, the Company and the Manager have agreed to make the following changes to the Management Agreement and the terms of the Company's investment in the Master Fund with effect from 1 April 2019:

- The notice period for termination of the Management Agreement without cause by both the Company and the Manager will be reduced from 24 months to three months.
- The Company will be permitted to redeem its investment in the Master Fund to finance own-share purchases without payment of the ten per cent. redemption fee applicable during the period from 1 April 2017 to 31 March 2019.

In addition, the Company's existing class closure provisions and annual partial capital return will be reinstated and applicable in respect of the twelve month period ending on 31 December 2019 and thereafter, except that the relevant trigger for the class closure provisions will be an eight per cent. discount to the net asset value of the relevant class of shares over the relevant period, instead of the existing ten per cent. threshold.

The Company and the Manager have entered into an amendment to the Management Agreement to implement the specific changes to the Management Agreement described above which is conditional on the Tender Offer proceeding and the Resolutions being passed. If the Tender Offer does not proceed and the Resolutions are not passed, neither the amendment to the Management Agreement nor the other proposed Structural Changes will become effective.

Completion of the Tender Offer is conditional on approval by Shareholders of the Structural Changes.

Notwithstanding the proposals described in this document, there is no guarantee that, following the Tender Offer, the Company will make any purchases of its own Shares or that any Class Discontinuation Vote or other class closure resolution will be held. Accordingly, Shareholders should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the Company's investment in the Master Fund.

Taxation

Eligible Shareholders who sell Shares in the Tender Offer may, depending on their individual circumstances, incur a liability to taxation. The attention of Eligible Shareholders is drawn to Part VI of this document which sets out a general guide to certain aspects of current law and tax authority practice in respect of UK and Guernsey taxation.

Shareholders who are in any doubt as to their tax position or who are subject to tax in a jurisdiction other than the United Kingdom or Guernsey should consult an appropriate professional adviser.

Extraordinary General Meeting and Class Meetings

The implementation of the Tender Offer and Structural Changes together require the approval of Shareholders at the Extraordinary General Meeting and the approval of the holders of each class of Shares at the Class Meetings.

Both Resolutions to be proposed at the Extraordinary General Meeting are special resolutions, which require not less than seventy five per cent. of the members and duly appointed proxies attending the meeting and voting on a show of hands to vote in favour (excluding any votes that are withheld) or, if a poll is demanded, not less than seventy five per cent. of the total voting rights cast on the relevant resolution (excluding any votes that are withheld) to be in favour. In order to

be effective in respect of each class of Shares, Resolution 2 to be proposed at the Extraordinary General Meeting must also be approved at the Class Meetings.

A quorum consisting of two Shareholders entitled to vote and attending in person or by proxy (or, in the case of a corporation, by a duly appointed representative) is required for the Extraordinary General Meeting.

The Resolution to be proposed at each Class Meeting is an ordinary resolution, which requires a simple majority of the members of that class of Shares and duly appointed proxies attending the relevant Class Meeting and voting on a show of hands to vote in favour (excluding any votes that are withheld) or, if a poll is demanded, a majority of the total voting rights of the class cast on the resolution (excluding any votes that are withheld) to be in favour. In order for the resolution to be effective for any class of share, Resolution 2 proposed at the Extraordinary General Meeting must also be approved by Shareholders as a whole.

The quorum for each Class Meeting (other than an adjourned meeting) is two persons holding or representing by proxy at least one-third of the issued Shares of the relevant Share class.

Share conversions

The Company has not suspended the ability for Shareholders to convert their Shares from one class to another in respect of the January and February 2017 share conversion dates. However, Shareholders should note that Shares submitted for conversion on the February 2017 share conversion date may not be tendered in the Tender Offer nor may Shares tendered in the Tender Offer be submitted for conversion on the February 2017 share conversion date. Shareholders should also note that conversion of any Shares submitted for conversion on the January 2017 conversion date may not be completed in time for those Shares to be tendered under the Tender Offer.

Action to be Taken

(a) Forms of Proxy

You will find enclosed Forms of Proxy for use at the Extraordinary General Meeting and the relevant Class Meetings. If you own more than one class of Shares, you will need to complete a Form of Proxy for the Extraordinary General Meeting in respect of each class of Shares that you own. Whether or not you intend to attend the Extraordinary General Meeting and the relevant Class Meetings, you are urged to complete and return the Form(s) of Proxy as soon as possible. To be valid, the Forms of Proxy must be completed in accordance with the instructions printed thereon and lodged with Computershare Investor Services (Guernsey) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event not later than 11:30 a.m. on 22 February 2017. Forms of Proxy may also be sent by fax to +44(0) 370 703 6322 or by email to externalproxyqueries@computershare.co.uk.

The lodging of a Form of Proxy will not prevent you from attending the Extraordinary General Meeting or relevant Class Meeting and voting in person if you so wish. If you have any queries relating to the completion of the Form(s) of Proxy, please contact the Receiving Agent at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. The Receiving Agent can only provide information regarding the completion of the Form(s) of Proxy and cannot provide you with advice on the Tender Offer or provide any personal, legal, financial, legal or tax advice.

Eligible Shareholders who own US Dollar Shares through an account on Nasdaq Dubai who wish to attend the Extraordinary General Meeting or the US Dollar Share Class Meeting or to exercise the voting rights attached to interests in Shares held by them at the Extraordinary General Meeting or the US Dollar Share Class Meeting should inform their Business Partner at least 10 full days before the Extraordinary General Meeting and US Dollar Share Class Meeting, as appropriate, after which they will receive the applicable attendance ticket and proxy card.

Each Class Meeting will be quorate only if holders of at least one-third of the issued Shares of the relevant class are present at the relevant Class Meeting in person or by proxy. If a Class Meeting is adjourned by reason of lack of quorum, the quorum at the adjourned Class Meeting shall be the members of the relevant class present in person or by proxy. Therefore, it is particularly important that you return your Form of Proxy for the relevant Class Meeting(s).

(b) Tender Form

Shareholders who wish to maintain their current shareholding in the Company should not complete or return a Tender Form or submit a TTE Instruction in CREST.

Only those Eligible Shareholders who wish to tender Shares and who hold their Shares in certificated form should complete and return a Tender Form. Those Eligible Shareholders who hold their Shares in uncertificated form do not need to complete or return a Tender Form.

Eligible Shareholders who wish to participate in the Tender Offer and hold their Shares in certificated form should complete the applicable Tender Form in accordance with the instructions set out therein and return the completed Tender Form to 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, to arrive as soon as possible and, in any event, by no later than 5 p.m. on 22 February 2017. There are different Tender Forms to use for each class of Shares being tendered, as stated on the front page of the Tender Forms. Please ensure that you use the correct Tender Form for the class of Shares you wish to tender.

Eligible Shareholders who wish to participate in the Tender Offer and hold their Shares in certificated form should also return their share certificate(s) and/or other document(s) of title in respect of the Shares tendered with their Tender Form.

Eligible Shareholders who wish to tender Shares and hold their Shares in uncertificated form (that is, in CREST) should arrange for the relevant Shares to be transferred to escrow by means of a TTE Instruction as described in paragraph 4.2 of Part IV of this document.

Eligible Shareholders who own US Dollar Shares through an account on Nasdaq Dubai and who wish to participate in the Tender Offer should inform their Business Partner so as to ensure that the relevant settlement instruction is submitted by the Business Partner to the Receiving Agent by no later than 3 p.m. on 22 February 2017.

Recommendation

The Board considers that the Resolutions are in the best interests of Shareholders as a whole.

Accordingly, the Board unanimously recommends Shareholders, as those Directors who own Shares intend to do so in respect of their own beneficial holdings, to vote in favour of the Resolutions to be proposed at the Extraordinary General Meeting and the Class Meetings.

The Board makes no recommendation to Eligible Shareholders as to whether or not they should tender their Shares in the Tender Offer. Whether or not Eligible Shareholders decide to tender their Shares will depend, among other factors, on their view of the Company's prospects and their own individual circumstances, including their tax position.

There is currently one Director who owns Shares. They do not intend to tender any of those Shares in the Tender Offer.

You are requested to complete and return the enclosed Forms of Proxy without delay, whether or not you intend to attend the Extraordinary General Meeting or the relevant Class Meeting(s).

Yours faithfully

Ian Plenderleith
Chairman

Part II – Proposed changes to the Articles of Incorporation

The following changes are proposed to be made to the Articles in order to implement the proposed Structural Changes:

- With effect from 1 January 2019, the amendment of the reference to “90 per cent.” in Article 50.1 shall be replaced with a reference to “92 per cent.”.
- The addition of the following new Article 55:

“55. **CLASS DISCONTINUATION VOTE AND SUSPENSION OF CLASS CLOSURE AND ANNUAL PARTIAL CAPITAL RETURN PROVISIONS**”

Class Discontinuation Vote

55.1 If A is equal to or less than 92 per cent. of B in relation to the shares of a particular class (for the purposes of this Article, the “**Relevant Class**”) in the period from 1 January 2018 to 31 December 2018 (the “**Relevant Period**”), where:

55.1.1 A is the average closing market price of a Share of the Relevant 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 the Relevant Class as at each London Stock Exchange trading day during the Relevant Period, divided by the number of such trading days in the Relevant Period; and

55.1.2 B is the average Net Asset Value per Share of the shares of the Relevant Class taken over the 12 NAV Calculation Dates in the Relevant Period calculated as the sum of the latest Net Asset Value of the Relevant Class as at each NAV Calculation Date during the Relevant Period, divided by 12,

the Directors shall be required to convene a separate extraordinary general meeting of the holders of shares of the Relevant Class (a “**Class Discontinuation Meeting**”) prior to 28 February 2019 at which will be proposed a Special Resolution (a “**Class Discontinuation Resolution**”) which, if approved, shall require the Company to offer the holders of shares of the Relevant Class the options set out in Article 55.2 or, in the alternative and conditional upon a Class Discontinuation Resolution being approved by each class of shares then in issue in respect of the Relevant Period, to approve the winding-up of the Company.

55.2 If a Class Discontinuation Resolution is approved by the holders of a Relevant Class (and provided that Article 55.7 does not apply), the Company shall offer to each holder of that Relevant Class the ability to elect for one of the following options:

55.2.1 the ability for each holder of shares of the Relevant Class to offer all or some of its shares for redemption by the Company at a price equal to 97.5 per cent. of the net asset value per Share of the Relevant Class as at 31 March 2019 less, to the extent not already reflected in the Net Asset Value for the relevant class of Shares, the costs and expenses incurred by the Company in relation to or arising from holding the Class Discontinuation Resolution for the relevant class of Shares or implementing other class closure arrangements or other outstanding costs and expenses of the Company attributable to the relevant class (including any redemption fees or penalties that may be imposed), payable as soon as practicable following that date; or

55.2.2 the ability for each holder of shares of the Relevant Class to offer all or some of its shares for redemption by the Company at a price equal to the sum of (a) 50 per cent. of the net asset value per Share of the Relevant Class as at 31 March 2019 payable as soon as practicable following that date and (b) 50 per cent. of the net asset value per Share of the Relevant Class as at 30 June 2019 less, to the extent not already reflected in the Net Asset Value for the relevant class of Shares, the costs and expenses incurred by the Company in relation to or arising from holding the Class Discontinuation Resolution for the relevant class of Shares or implementing other class closure arrangements or other outstanding costs and expenses of the Company attributable to the relevant class (including any redemption fees or penalties that may be imposed), payable as soon as practicable following that date; or

- 55.2.3 the ability for each holder of shares of the Relevant Class to convert all or some of its shares (subject to the limitations imposed by Article 45.10) into shares of another class of the Company (but not into any class in which a Class Discontinuation Resolution has been passed or the requirement to hold a Class Discontinuation Meeting has been triggered but the relevant Class Discontinuation Resolution has not yet been voted on by the holders of shares of the relevant class) in accordance with the procedures set out in Article 45 as modified by Article 55.5; or
- 55.2.4 subject to exercise by the Directors of the powers granted to them by Articles 45, 48 and 55.6, not to take any action in respect of all or some its holding of shares of the relevant class.
- 55.3 The Company shall provide notice to the holders of shares of the relevant class of the options specified in Article 55.2 within 30 days of the passing of the relevant Class Discontinuation Resolution (the “**Discontinuation Notice**”) and shall require each such holder to elect for one or more of the options in respect of its holding of the relevant class by notice to the Company (the “**Election Notice**”) in such form or forms as the Directors may determine in their absolute discretion (and which, in the case of Uncertificated shares may be sent by means of a relevant system if the Directors so determine in their absolute discretion) and by such date as shall be specified by the Directors, being a date no sooner than 15 days and no longer than 30 days following the date of the Discontinuation Notice. A holder of shares of the relevant class who does not deliver an Election Notice to the Company in the appropriate form within the specified time period in respect of any of its holding of shares of the relevant class shall be deemed to have elected not to take any action in respect of those shares. Whether an Election Notice has been duly completed in respect of any shares shall be determined by the Directors in their absolute discretion.
- 55.4 An Election Notice, once served on the Company shall be irrevocable and a Member shall not be entitled to withdraw or amend such notice without the consent of the Company (which consent may be withheld in its absolute discretion) nor, in the case of an Election Notice electing to have shares of the relevant class redeemed or converted in accordance with Article 55.2.1, 55.2.2 or 55.2.3 shall not be able to deal in the shares that are the subject of the notice in the period between the date of such notice and redemption or conversion, as the case may be.
- 55.5 The provisions of Article 45 shall apply in respect of the conversion of any shares pursuant to Article 55.2.3 subject as follows:
- 55.5.1 the Conversion Calculation Date shall be such date as is specified by the Directors in the Discontinuation Notice, being no later than the date that is 90 days following the passing of the relevant Class Discontinuation Resolution.
- 55.5.2 the Conversion Notice shall be the Election Notice served by the relevant Member on the Company pursuant to Article 55.3, and the time periods specified in Article 55.3 shall apply regarding service of such notice.
- 55.5.3 conversion of the Original Shares shall take place on a date to be determined by the Directors and in any event no later than 25 Business Days after the Conversion Calculation Date.
- 55.6 If any Member of the Relevant Class does not offer all of its shares of the Relevant Class either for redemption or conversion pursuant to Article 55.2 within the relevant time limit, the Company may (but is not required to) redeem the relevant shares on the same terms as contemplated by Article 55.2.1 or 55.2.2 (as determined by the Directors in their absolute discretion) by notice in a form to be determined by the Directors (in their absolute discretion) to the relevant Member and upon issue of such notice the Company shall be entitled and bound to redeem those shares.
- 55.7 If the Company has convened a Class Discontinuation Meeting for each class of shares so that all the classes of shares in the Company have approved a Class Discontinuation Resolution (as such term is applied to each such class) such resolutions taken together shall in accordance with the terms of the Class Discontinuation Resolution constitute a Special Resolution under section 391(1)(b) of the Companies Law for the purposes of

winding up the Company and the Directors shall take all necessary steps to effect a winding-up of the Company.

- 55.8 The provisions of Articles 51.11 to 51.19 shall apply to any redemption of shares by the Company pursuant to a Class Discontinuation Resolution as if it were a “Redemption Offer” as defined in Article 51.11.
- 55.9 Any of the time periods specified in this Article 55 may be varied by the Directors in the event that they determine, in their absolute discretion, that such variation does not materially adversely affect the interests of the Members as a whole.

Suspension of Class Closure and Annual Redemption Offer Provisions

- 55.10 The provisions of each of Article 50 (“**Class Closure**”) and Articles 51.1 to 51.8 (“**Annual Redemption Offer**”) shall not apply in respect of the calendar years ending on 31 December 2016, 31 December 2017 and 31 December 2018.”

Part III – Letter from J.P. Morgan Cazenove

25 Bank Street
Canary Wharf
London E14 5JP

27 January 2017

To Shareholders of BH Macro Limited

Dear Sir or Madam,

Tender Offer

As explained in the letter from your Chairman in Part I of this document, Eligible Shareholders are being given the opportunity to tender some or all of their Shares for purchase in the Tender Offer. The purpose of this letter is to set out the principal terms and conditions of the Tender Offer.

J.P. Morgan Cazenove hereby invites Eligible Shareholders to tender Shares for purchase by J.P. Morgan Cazenove for cash. Eligible Shareholders may choose to tender their Shares for repurchase at a price equivalent to a four per cent. discount to the net asset value for the relevant class of Shares as at 31 March 2017.

The Tender Offer is being made on the terms and subject to the conditions set out in Part IV of this document.

The Tender Offer will be implemented only if the requisite approval of Shareholders is obtained in respect of the Resolutions to be proposed at the Extraordinary General Meeting and the Class Meetings and valid tenders are received for no more than the Tender Limit.

J.P. Morgan Cazenove, which is authorised by the Prudential Regulation Authority and regulated by the Prudential Regulation Authority and the Financial Conduct Authority in the United Kingdom, is acting exclusively for the Company and no-one else in connection with the Tender Offer, the proposed Structural Changes and the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to customers of J.P. Morgan Cazenove or for providing advice in relation to the Tender Offer, the Proposed Structural Changes and the contents of this document or any other matter referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which J.P. Morgan Cazenove may have under FSMA or the regulatory regime established thereunder.

The Company has agreed to purchase the Shares purchased by J.P. Morgan Cazenove under the Tender Offer at the Tender Price pursuant to the Repurchase Agreement.

Procedure for tendering Shares

Eligible Shareholders who wish to tender Shares and hold their Shares in certificated form should complete the applicable Tender Form for the relevant class in accordance with the instructions set out therein and return the completed Tender Form to 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, so as to be received as soon as possible and, in any event, not later than 5 p.m. on 22 February 2017. Eligible Shareholders should at the same time return the share certificate(s) and/or other document(s) of title in respect of any Shares tendered which are in certificated form.

Eligible Shareholders who wish to tender Shares and who hold their Shares in uncertificated form (that is, in CREST) should arrange for their Shares to be transferred into escrow as described in paragraph 4.2 of Part IV of this document.

Only those Eligible Shareholders who hold their Shares in certificated form should complete and return a Tender Form. Those Eligible Shareholders who hold their Shares in uncertificated form do not need to complete or return a Tender Form.

Eligible Shareholders who own US Dollar Shares through an account on Nasdaq Dubai and who wish to participate in the Tender Offer should inform their Business Partner so as to ensure that the relevant settlement instruction is submitted by the Business Partner to the Receiving Agent by no later than 3 p.m. on 22 February 2017. See Part IV of this document for further details.

Further details of the procedure for tendering Shares are set out in paragraph 4 of Part IV of this document and, in the case of certificated Shares, in the Tender Form.

Validity of Tender Forms and TTE Instructions

Tender Forms or TTE Instructions which are received by the Receiving Agent after 5.00 p.m. on the Closing Date or which at that time are incorrectly completed or not accompanied by all relevant documents or instructions may be rejected and, if relevant, returned to Eligible Shareholders or their appointed agent, together with any accompanying share certificate(s) and/or other document(s) of title.

J.P. Morgan Cazenove reserves the right to treat as valid Tender Forms or TTE Instructions which are not entirely in order and, in the case of Tender Forms, which are not accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof.

Overseas Shareholders

The making of the Tender Offer to persons outside the United Kingdom may be prohibited or affected by the relevant laws of the overseas jurisdiction. Shareholders with registered or mailing addresses outside the United Kingdom or who are citizens or nationals of, or resident in, a jurisdiction other than the United Kingdom should read paragraph 11 of Part IV of this document.

Conditions

The Tender Offer is conditional on the passing of the Resolutions set out in the notice of Extraordinary General Meeting and the Class Meetings at the end of this document on 24 February 2017 or such later date as the Company and J.P. Morgan Cazenove may determine. The Tender Offer is also conditional on the other matters described in paragraph 2.1 of Part IV of this document.

Termination of the Tender Offer

If, in the Board's opinion, it is impractical or inappropriate, as a result of market conditions, to dispose of investments held by the Company or otherwise to raise finance to enable it to fund the repurchase of each of the Shares as are to be repurchased by it pursuant to the Repurchase Agreement without materially harming the interests of Shareholders as a whole or if the completion of the Tender Offer would have unexpected adverse fiscal consequences for the Company or its Shareholders, the Tender Offer may be terminated or its closing deferred by up to 10 Business Days. If the closing of the Tender Offer is deferred to a subsequent date and such circumstances continue to exist at that subsequent date, the Tender Offer will lapse on that date as described in paragraph 2 of Part IV of this document.

Further, the Tender Offer will not complete if valid acceptances are received in respect of Shares representing more than the Tender Limit.

Settlement

Subject to the Tender Offer becoming unconditional, payment of the Tender Price due to Eligible Shareholders whose tenders under the Tender Offer have been accepted will be made (by cheque or payment through CREST as appropriate) by 12 May 2017 or as soon as practicable thereafter, as described in paragraph 5 of Part IV of this document. Payments of the Tender Price will be made in the same currency as the class of Shares being acquired by J.P. Morgan Cazenove.

Further Information

Your attention is drawn to the information contained in the rest of this document, including, in particular, the terms and conditions of the Tender Offer in Part IV of this document.

Yours faithfully,

William H. Simmonds
Managing Director
Corporate Finance

Part IV – Tender Offer Terms and Conditions

1. The Tender Offer

- 1.1 All Eligible Shareholders on the Register as at the Record Date may tender Shares for purchase by J.P. Morgan Cazenove. J.P. Morgan Cazenove will purchase such Shares on the terms and subject to the conditions set out in this document and, in the case of Shares held in certificated form, the accompanying Tender Form(s) (which, together with this document, constitute the Tender Offer). **Eligible Shareholders are not obliged to tender any Shares.**
- 1.2 The Tender Offer is being made at the Tender Price for each class of Shares calculated in accordance with paragraph 3 of this Part IV. The Company will calculate the Tender Price and the number of Shares successfully tendered and such calculations will be conclusive and binding on all Eligible Shareholders.
- 1.3 The consideration for each tendered Share acquired by J.P. Morgan Cazenove pursuant to the Tender Offer will be paid in accordance with the settlement procedures set out in paragraph 5 of this Part IV.
- 1.4 Upon the Tender Offer becoming unconditional and unless the Tender Offer has been (and remains) suspended or has lapsed or has been terminated in accordance with the provisions of paragraph 2.2 of this Part IV, J.P. Morgan Cazenove will accept the offers of Eligible Shareholders validly made in accordance with this Part IV.

2 Conditions and Suspension

- 2.1 The Tender Offer is conditional on the following conditions (together the “**Conditions**”):
 - (a) the passing the Resolutions set out in the notices of the Extraordinary General Meeting and the Class Meetings at the end of this document by not later than 24 February 2017 or such later date as the Company and J.P. Morgan Cazenove may determine;
 - (b) the Board and J.P. Morgan Cazenove being satisfied that the total number of valid acceptances received does not exceed the Tender Limit;
 - (c) the Board and J.P. Morgan Cazenove being satisfied that the Company has in its control or to its order the aggregate of the Tender Price for all successfully tendered Shares and the Company having paid the same into an account or accounts in accordance with the Repurchase Agreement;
 - (d) the Board being satisfied that the Company will, immediately following repurchase of all successfully tendered Shares, satisfy the solvency test prescribed by The Companies (Guernsey) Law 2008, as amended;
 - (e) the Tender Offer not having been terminated in accordance with paragraphs 2.2, below, and 10 prior to the fulfilment of the conditions referred to in sub-paragraphs 2.1 (a) and (b) above; and
 - (f) J.P. Morgan Cazenove being satisfied, acting in good faith, that the Company has complied with its obligations and is not in breach of the warranties, representations and undertakings given by it, under the Repurchase Agreement.

J.P. Morgan Cazenove will not purchase any Shares pursuant to the Tender Offer unless the Conditions have been satisfied in full. The Conditions, other than 2.1(c) and (f), may not be waived by J.P. Morgan Cazenove. If the Conditions are not satisfied prior to the close of business on 12 May 2017, the Company may postpone the completion of the Tender Offer for up to 10 Business Days, after which time the Tender Offer, if not then completed, will lapse.
- 2.2 If the Company (acting through the Directors) at any time prior to J.P. Morgan Cazenove effecting the purchase as principal of the tendered Shares pursuant to the Tender Offer notifies J.P. Morgan Cazenove in writing that in its reasonable opinion either: (i) it has become impractical or inappropriate for the Company to redeem its investment in the Master Fund or otherwise to raise finance to enable it to fund the repurchase of such of the Shares as are to be repurchased by it pursuant to the Repurchase Agreement without materially harming the interests of Shareholders as a whole; or (ii) the completion of the purchase of Shares under the Tender Offer would have unexpected adverse fiscal

consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, the Company may either exercise its powers to terminate the Tender Offer in accordance with paragraph 10 of this Part IV or may postpone the NAV Determination Date or the completion of the Tender Offer for up to 10 Business Days, after which the Tender Offer, if not then completed by reason of the postponement circumstances continuing, will lapse.

3. Calculation of the Tender Price

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

- 3.1 The Company will calculate the Net Asset Value for each class of Shares as at the NAV Determination Date in accordance with its articles of incorporation.
- 3.2 The resulting Net Asset Value for each class of Shares will then be divided by the total number of Shares of the relevant class in issue on the NAV Determination Date (the “**NAV per Share**”).
- 3.3 The Company will then calculate the Tender Price per Share of the relevant class by applying a four per cent. discount to the NAV per Share for the relevant class.
- 3.4 The Tender Price per Share for each class of Shares will be calculated to four decimal places and will be announced in Sterling, Euro or Dollars (as appropriate).
- 3.5 Except as otherwise stated above, all assets and liabilities will be taken into account in accordance with United States generally accepted accounting principles and, subject thereto, consistently with the current accounting policies of the Company.

4. Procedure for tendering Shares

There are different procedures for tendering Shares depending on whether your Shares are held in certificated or uncertificated form and 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 Tender Form for the relevant class of Shares in accordance with the procedure set out in paragraph 4.1 below. Additional Tender Forms are available from the Receiving Agent by telephone on 0370 707 4040 or, if calling from outside the UK, on +44 370 707 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 are in any doubt as to how to complete the Tender Form or as to the procedure for tendering Shares, please contact the Receiving Agent by telephone on 0370 707 4040 or, if calling from outside the UK, on +44 370 707 4040. Please note that calls will be monitored or recorded. The Receiving Agent will not provide advice on the Tender Offer 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 Tender Form for the relevant class of Shares.

The completed, signed and witnessed Tender Form should be sent either by post in the accompanying reply-paid envelope (for use in the UK only) along with the relevant share certificate(s) and/or other document(s) of title or by hand (during normal business hours only) to 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, as soon as possible and, in any event, so as to be received by no later than 5 p.m. on 22 February 2017. J.P. Morgan Cazenove shall be entitled (in its sole discretion) to accept late Tender Forms. No acknowledgement of receipt of documents will be given.

The completed and signed Tender Form should be accompanied by the relevant share certificate(s) and/or other document(s) of title.

If your share certificate(s) and/or other document(s) of title are not readily available (for example, if they are with your stockbroker, bank or other agent) or are lost, the Tender 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 5 p.m. on 22 February 2017, together with any share certificate(s) and/or document(s) 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 5 p.m. on 22 February 2017. The Receiving Agent will effect such procedures as are required to transfer your Shares to J.P. Morgan Cazenove under the Tender Offer. If you have lost your share certificate(s) and/or other document(s) of title, you should write to the Registrar at Computershare Investor Services (Guernsey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY to request 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 5 p.m. on 22 February 2017.

By signing the Tender Form, Eligible Shareholders will be deemed to have instructed J.P. Morgan Cazenove to issue a contract note to the Receiving Agent on behalf of such Eligible Shareholder and to remit the cash consideration to the Receiving Agent with instructions that such consideration be remitted in accordance with the instructions set out in the Tender Form.

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 Tender Offer 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 the relevant escrow account settles by not later than 3 p.m. on 22 February 2017. J.P. Morgan Cazenove 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 Tender Offer. 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 3RA44;
- the Member Account ID of the escrow agent. This is BHMTEND;
- 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 p.m. on 22 February 2017;

- 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 Tender Offer. If the Tender Offer becomes unconditional, the Receiving Agent will transfer the Shares which are accepted for purchase to J.P. Morgan Cazenove.

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 p.m. on 22 February 2017. In this regard, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. J.P. Morgan Cazenove shall be entitled (in its sole discretion) to accept late TTE Instructions to settle.

An appropriate announcement will be made if any of the details contained in this paragraph 4.2 are altered.

4.3 Validity of Tender Forms and TTE Instructions

Notwithstanding the powers in paragraph 12.7 below, J.P. Morgan Cazenove reserves the right to treat as valid only: (i) (in the case of Shares held in certificated form) Tender Forms which are accompanied by the relevant share certificate(s) and/or other document(s) of title or a satisfactory indemnity in lieu thereof; or (ii) (in the case of Shares held in uncertificated form) settled TTE Instructions, in each case to be received entirely in order by no later than 3 p.m. or 5 p.m., as applicable, on 22 February 2017 in respect of the entire number of Shares tendered. The Record Date for the Tender Offer is close of business on 22 February 2017.

Notwithstanding the completion of a valid Tender Form or TTE Instruction, the Tender Offer may be suspended, terminated or lapse in accordance with the Terms and Conditions set out in this Part IV.

J.P. Morgan Cazenove shall be entitled to accept TTE Instructions or Tender Forms which are received after 3 p.m. or 5 p.m., as applicable, on 22 February 2017 in its sole discretion. The decision of J.P. Morgan Cazenove as to which Shares have been validly tendered shall be conclusive and binding on all Eligible Shareholders.

4.4 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 Tender Offer (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 Tender Offer (in particular, as regards delivery of share certificate(s) and/or other document(s) of title or transfers to an escrow balance as described above) prior to 3 p.m. on 22 February 2017.

4.5 Procedure for US Dollar Shares held through an account on Nasdaq Dubai

Eligible Shareholders who own US Dollar Shares through an account on Nasdaq Dubai and who wish to participate in the Tender Offer should inform their Business Partner of the number of US Dollar Shares they wish to have repurchased under the Tender Offer. The Business Partner will then provide the relevant settlement instruction to Nasdaq Dubai CSD

which in turn will provide instructions to Computershare Company Nominees Limited (as UK custodian). Computershare Company Nominees Limited, acting as instructed by Nasdaq Dubai CSD, will accept the Tender Offer in respect of the appropriate number of US Dollar 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 Tender Offer at 5 p.m. on 22 February 2017. Eligible Shareholders will be unable to deal in US Dollar Shares so tendered, as dealing in such interests will be blocked pending purchase of the US Dollar Shares under the Tender Offer and will be released if the US Dollar Shares are not acquired in the Tender Offer.

If you are in any doubt as to how to complete the Tender Form or as to the procedure for tendering Shares, please contact the Receiving Agent by telephone on 0370 707 4040 or, from outside the UK, +44 370 707 4040. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking any action.

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

5. Settlement under the Tender Offer

Settlement of the consideration to which any Eligible Shareholder is entitled pursuant to valid tenders accepted by J.P. Morgan Cazenove is expected to be made on, or as soon as practicable after, 12 May 2017 as follows:

- 5.1 Shares held in certificated form (that is, not in CREST): Where an accepted tender relates to Shares held in certificated form, settlement of the consideration due to Eligible Shareholders is expected to be made on (or as soon as practicable after) 12 May 2017. Cheques for the consideration due will be despatched 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 Tender Form or, if none is set out, to the registered address of the Eligible Shareholder or, in the case of joint holders, the address of the first named. All cash 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 an accepted tender relates to Shares held in uncertificated form, the consideration due will be paid by means of CREST on 12 May 2017 by J.P. Morgan Cazenove procuring the creation of an assured payment obligation in favour of the Eligible Shareholder's payment bank in accordance with the CREST assured payment arrangements.
- 5.3 Shares held through a Nasdaq Dubai account: Where an accepted tender relates to Shares held through a Nasdaq Dubai account, the consideration due will be paid by means of CREST on 12 May 2017 by J.P. Morgan Cazenove procuring the creation of an assured payment obligation in favour of Computershare Company Nominees Limited in accordance with the CREST assured payment arrangements. Such payment shall be forwarded by Computershare Company Nominees Limited to Nasdaq Dubai for crediting by Nasdaq Dubai (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 there are insufficient investments in the Company's portfolio to fund the payment of the Tender Price for all successfully tendered Shares which would be settled by 12 May 2017, the Company may terminate the Tender Offer in accordance with paragraph 10 of this Part IV at any time prior to J.P. Morgan Cazenove effecting the purchase of the relevant Shares pursuant to the Tender Offer.
- 5.5 In the event that there is a delay in the Company realising its investments in its portfolio in order that it can fund the payment of the Tender Price for all successfully tendered Shares which are to be settled by 12 May 2017, the date for settlement of the Tender Offer may be delayed.
- 5.6 The payment of any consideration for Shares pursuant to the Tender Offer will be made only after the relevant TTE Instruction has settled or (as the case may be) timely receipt by the Receiving Agent of share certificates and/or other requisite document(s) of title evidencing such Shares, a properly completed and duly executed Tender Form and any other documents required under the Tender Offer.

- 5.7 Payments of consideration will be made in the same currency as the class of Shares being acquired by J.P. Morgan Cazenove. Entitlements to a fraction of a penny or cent will be rounded down to the nearest whole penny or cent, as appropriate.
- 5.8 If only a part of a holding of Shares is sold pursuant to the Tender Offer:
- (a) where the Shares are held in certificated form, the relevant Eligible Shareholder will be entitled to receive a certificate in respect of the balance of the remaining Shares of the relevant class; or
 - (b) where the Shares are held in uncertificated form (that is, in CREST), the unsold Shares will be transferred by the Receiving Agent to the original account from which those Shares came; or
 - (c) where the Shares are held through a Nasdaq Dubai account, the unsold US Dollar Shares will be transferred by the Receiving Agent by means of a settlement instruction to the original account from which the US Dollar Shares came.

6. Tender Form

- 6.1 Each Eligible Shareholder by whom, or on whose behalf, a Tender Form in respect of Shares held in certificated form is executed irrevocably undertakes, represents, warrants and agrees to and with J.P. Morgan Cazenove (for itself and for the benefit of the Company) (so as to bind him, his personal representatives, heirs, successors and assigns) that:
- (a) the execution of the Tender Form shall constitute an offer to sell to J.P. Morgan Cazenove the number of Shares inserted in Box 2 of the relevant Tender Form, in each case, on and subject to the terms and conditions set out or referred to in this document and the relevant Tender Form and that, once lodged, such offer shall be irrevocable without the consent of J.P. Morgan Cazenove;
 - (b) such Eligible 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) and, when the same are purchased by J.P. Morgan Cazenove, J.P. Morgan Cazenove will acquire such Shares with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date;
 - (c) the execution of the Tender Form will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of any director or officer of J.P. Morgan Cazenove as such Eligible Shareholder's attorney and/or agent ("**Attorney**"), and an irrevocable instruction to the Attorney to complete and execute all or any instruments of transfer and/or other document(s) at the Attorney's discretion in relation to the Shares referred to in sub-paragraph 6.1(a) above in favour of J.P. Morgan Cazenove or such other person or persons as J.P. Morgan Cazenove may direct and to deliver such instrument(s) of transfer and/or other documents at the discretion of the Attorney, together with the share certificate(s) and/or other document(s) relating to such Shares, for registration within six months of the Tender Offer becoming unconditional and to do all such other acts and things as may in the opinion of such Attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer and to vest in J.P. Morgan Cazenove or its nominee(s) or such other person(s) as J.P. Morgan Cazenove may direct such Shares;
 - (d) such Eligible Shareholder agrees to ratify and confirm each and every act or thing which may be done or effected by J.P. Morgan Cazenove or any of its directors or any person nominated by J.P. Morgan Cazenove in the proper exercise of its or his or her powers and/or authorities hereunder;
 - (e) such Eligible 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(a) above, or an indemnity acceptable to J.P. Morgan Cazenove in lieu thereof, or will procure the delivery of

such document(s) to such person as soon as possible thereafter and, in any event, by no later than the Closing Date;

- (f) the provisions of the Tender Form shall be deemed to be incorporated into the terms and conditions of the Tender Offer;
- (g) such Eligible Shareholder shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by J.P. Morgan Cazenove to be desirable, in each case to complete the purchase of the Shares referred to in paragraph 6.1(a) above and/or to perfect any of the authorities expressed to be given hereunder;
- (h) such Eligible Shareholder, if an Overseas Shareholder, has fully observed any applicable legal requirements and that the invitation under the Tender Offer may be made to and accepted by him under the laws of the relevant jurisdiction;
- (i) such Eligible Shareholder has not received or sent copies or originals of this document, any Tender Form or any related documents and has not otherwise utilised in connection with the Tender Offer, 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 Tender 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 Tender Offer from the United States, Canada, Australia or Japan;
- (j) on execution, the Tender Form shall take effect as a deed;
- (k) the execution of the Tender Form constitutes such Eligible Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer or the Tender Form;
- (l) the despatch of a cheque in respect of the Tender Price to an Eligible Shareholder at his registered address or such other address as is specified in the Tender Form will constitute a complete discharge by J.P. Morgan Cazenove of its obligation to make such payment to such Eligible Shareholder; and
- (m) if the appointment of the attorney or agent under paragraph 6.1(c) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of J.P. Morgan Cazenove the benefit or authority expressed to be given therein, the Eligible Shareholder shall with all practicable speed do all such acts and things and execute all such documents that may be required to enable J.P. Morgan Cazenove to secure the full benefits of paragraph 6.1(c) above.

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

7. Tenders through CREST

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

- (a) the input of the TTE Instruction shall constitute an offer to sell to J.P. Morgan Cazenove 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 J.P. Morgan Cazenove;
- (b) such Eligible 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) and, when the same are purchased by J.P. Morgan Cazenove, J.P. Morgan Cazenove will acquire such Shares with full title guarantee, fully paid and free from all liens, charges, encumbrances, equitable interests, rights

of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after the Closing Date including the right to receive all dividends and other distributions declared, paid or made after that date;

- (c) the input of the TTE Instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as the Eligible Shareholder's attorney and/or agent (the "**Attorney**") and an irrevocable instruction and authority to the Attorney (i) subject to the Tender Offer becoming unconditional, to transfer to itself by means of CREST and then to transfer to J.P. Morgan Cazenove (or to such person or persons as J.P. Morgan Cazenove may direct) by means of CREST all of the Relevant Shares (as defined below) in respect of which the Tender Offer is accepted or deemed to be accepted (but not exceeding the number of Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer does not become unconditional and lapses, or there are Shares which have not been successfully tendered under the Tender Offer, to give instructions to Euroclear, as promptly as practicable after the lapsing of the Tender Offer, to transfer the Relevant Shares to the original accounts from which those Shares came. For the purposes of this paragraph 7.1, "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(c);
- (d) such Eligible Shareholder will ratify and confirm each and every act or thing which may be done or effected by J.P. Morgan Cazenove or the Receiving Agent or any of their respective directors or any person nominated by J.P. Morgan Cazenove or the Receiving Agent in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) it shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by J.P. Morgan Cazenove to be desirable, in each case to complete the purchase of the relevant Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (f) if such Eligible Shareholder is an Overseas Shareholder: (i) he, she or it is not in the United States, Canada, Australia or Japan or in any territory in which it is unlawful to make or accept the Tender Offer; (ii) he, she or it has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident; and (iii) the invitation under the Tender Offer may be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
- (g) the creation of a CREST payment in favour of such Eligible Shareholder's payment bank in accordance with the CREST payment arrangements as referred to in paragraph 5 of this Part IV will, to the extent of the obligations so created, discharge fully any obligation of J.P. Morgan Cazenove to pay to such Eligible Shareholder the cash consideration to which he, she or it is entitled under the Tender Offer;
- (h) the input of the TTE Instruction constitutes such Eligible Shareholder's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer;
- (i) 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 Eligible Shareholder will need to comply with the procedures for tendering Shares in certificated form as set out in this Part IV in respect of the Shares so converted, if the Eligible Shareholder wishes to make a valid tender of such Shares pursuant to the Tender Offer; and
- (j) if the appointment of the attorney or agent under paragraph 7.1(c) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of the Receiving Agent the benefit or authority expressed to be given therein, the Eligible Shareholder shall with all practicable speed do all such acts and things and

execute all such documents that may be required to enable the Receiving Agent to secure the full benefits of paragraph 7.1(c) 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 J.P. Morgan Cazenove (for itself and for the benefit of the Company) (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) the input of the relevant settlement instruction to Nasdaq Dubai CSD shall constitute an offer to sell to J.P. Morgan Cazenove such number of US Dollar Shares 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 J.P. Morgan Cazenove;
- (b) such person has full power and authority to tender, sell, assign or transfer the US Dollar Shares in respect of which such offer is accepted (together with all rights attaching thereto) and, when the same are purchased by J.P. Morgan Cazenove, J.P. Morgan Cazenove will acquire such US Dollar Shares with full title guarantee, fully paid and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto, on or after the Closing Date including the right to receive all dividends and other distributions declared, paid or made after that date;
- (c) the input of the settlement instruction will, subject to the Tender Offer becoming unconditional, constitute the irrevocable appointment of the Receiving Agent as the Eligible Shareholder's attorney and/or agent (the "**Attorney**") and an irrevocable instruction and authority to the Attorney (i) subject to the Tender Offer becoming unconditional, to transfer to itself and then to transfer to J.P. Morgan Cazenove (or to such person or persons as J.P. Morgan Cazenove may direct) all of the Relevant Shares (as defined below) in respect of which the Tender Offer is accepted or deemed to be accepted (but not exceeding the number of US Dollar Shares which have been tendered pursuant to the Tender Offer); and (ii) if the Tender Offer does not become unconditional and lapses, or there are US Dollar Shares which have not been successfully tendered under the Tender Offer, to give instructions to the Receiving Agent, as promptly as practicable after the lapsing of the Tender Offer, to transfer Relevant Shares to the original accounts from which those US Dollar Shares came. For the purposes of this paragraph 8.1, "Relevant Shares" means US Dollar 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(c);
- (d) such person will ratify and confirm each and every act or thing which may be done or effected by J.P. Morgan Cazenove or the Receiving Agent or any of their respective directors or any person nominated by J.P. Morgan Cazenove or the Receiving Agent in the proper exercise of its or his or her powers and/or authorities hereunder;
- (e) it shall do all such acts and things as shall be necessary or expedient and execute any additional documents deemed by J.P. Morgan Cazenove to be desirable, in each case to complete the purchase of the relevant US Dollar Shares and/or to perfect any of the authorities expressed to be given hereunder;
- (f) if such person is an Overseas Shareholder: (i) he, she or it is not in the United States, Canada, Australia or Japan or in any territory in which it is unlawful to make or accept the Tender Offer; (ii) he has fully observed any applicable legal and regulatory requirements of the territory in which such Overseas Shareholder is resident or located and; (iii) the invitation under the Tender Offer may be made to such Overseas Shareholder under the laws of the relevant jurisdiction;
- (g) the creation of a CREST payment in favour of Computershare Company Nominees Limited in accordance with the payment arrangements as referred to in paragraph

5 of this Part IV will, to the extent of the obligations so created, discharge fully any obligation of J.P. Morgan Cazenove to pay to such person the cash consideration to which he, she or it is entitled under the Tender Offer;

- (h) the input of the settlement instruction constitutes such person's submission to the jurisdiction of the Court in relation to all matters arising out of or in connection with the Tender Offer; and
- (i) if the appointment of the attorney or agent under paragraph 8.1(c) above shall be unenforceable or invalid or shall not operate so as to afford any director or officer of 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 Receiving Agent to secure the full benefits of paragraph 8.1(c) above.

9. Additional provisions regarding the Tender Offer

- 9.1 Each Eligible Shareholder may tender some of or all of his holding of Shares of the relevant class as at the Record Date by the Closing Date in respect of the relevant class on the basis provided in paragraph 1 of this Part IV. In the case of Shares held in certificated form, if (i) Box 2 of the Tender Form is not completed; or (ii) in J.P. Morgan Cazenove's determination (in its sole discretion), Box 2 has not been validly completed then such tender shall be rejected by J.P. Morgan Cazenove.
- 9.2 Shares acquired by J.P. Morgan Cazenove under the Tender Offer will be purchased by J.P. Morgan Cazenove as principal and such purchases will be market purchases in accordance with the rules of the London Stock Exchange and the UK Listing Authority.
- 9.3 Shares sold by Eligible Shareholders pursuant to the Tender Offer will be acquired with full title guarantee and free from all liens, charges, encumbrances, equitable interests, rights of pre-emption or other third party rights of any nature and together with all rights attaching thereto on or after the Closing Date, including the right to receive all dividends and other distributions declared, paid or made after that date.
- 9.4 Unless it has been suspended or terminated prior to such time in accordance with the provisions of paragraphs 2 and 10 of this Part IV, the Tender Offer will close at 5 p.m. on 22 February 2017 and any documentation received after that time will (unless the Receiving Agent, J.P. Morgan Cazenove and the Company, in their absolute discretion determine otherwise) be returned without any transaction taking place.
- 9.5 Each Eligible Shareholder who tenders or procures the tender of Shares will thereby be deemed to have agreed that, in consideration of J.P. Morgan Cazenove agreeing to process his tender, such Eligible Shareholder will not revoke his tender or withdraw his, her or its Shares without the prior written consent of the Company. Eligible Shareholders should note that, once tendered, Shares may not be sold, transferred, charged or otherwise disposed of.
- 9.6 Subject to paragraph 12 below, all tenders by certificated holders must be made on the relevant prescribed Tender Form, duly completed in accordance with the instructions set out thereon, which constitute part of the terms of the Tender Offer. A Tender Form will only be valid when the procedures contained in these terms and conditions and in the Tender Form are complied with. The Tender Offer and all tenders will be governed by and construed in accordance with English law. Delivery or posting of a Tender Form or submission of a TTE Instruction will constitute submission to the jurisdiction of the Court.
- 9.7 All documents and remittances sent by or to Eligible Shareholders will be sent at their own risk. If the Tender Offer does not become unconditional or is terminated, all documents lodged pursuant to the Tender Offer will be returned promptly by post, within 14 Business Days of the Tender Offer terminating or lapsing, to the person or agent whose name and address is set out in Box 4 of the Tender Form or, if none is set out, to the Eligible Shareholder or, in the case of joint holders, the first named at his/her/its 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 Tender Offer 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 Tender Offer by TFE Instruction to

the original accounts from which those Shares came. In any of these circumstances, Tender Forms will cease to have any effect.

- 9.8 The instructions, terms, provisions and authorities contained in or deemed to be incorporated in the Tender Form shall, in the case of Shares held in certificated form, constitute part of the terms of the Tender Offer. The definitions set out at the end of this document apply to the terms and conditions set out in this Part IV.
- 9.9 The decision of J.P. Morgan Cazenove as to which Shares have been successfully tendered shall be final and binding on all Eligible Shareholders.
- 9.10 Further copies of this document and the Tender Form(s) for each class of Shares may be obtained on request from the Receiving Agent at the addresses set out in the Tender Form.
- 9.11 Shares purchased pursuant to the Tender Offer will, following the completion of the Tender Offer, be acquired from J.P. Morgan Cazenove by the Company on the London Stock Exchange pursuant to the Repurchase Agreement and will be cancelled save to the extent that such Shares can be held in treasury in accordance with applicable laws and regulations.
- 9.12 Tendering Shareholders will not be obliged to pay brokerage fees, commissions or transfer taxes or stamp duty in the UK on the purchase by J.P. Morgan Cazenove of Shares pursuant to the Tender Offer or on the repurchase (if any) by the Company thereafter.

10. Termination of the Tender Offer

- 10.1 If the Company (acting through the Directors) shall at any time prior to J.P. Morgan Cazenove effecting the purchase as principal of the tendered Shares pursuant to the Tender Offer (and including where it has previously deferred the NAV Determination Date in accordance with paragraph 2.2 of this Part IV) notify J.P. Morgan Cazenove in writing that in its reasonable opinion either: (i) it has either become impractical or inappropriate for the Company to redeem its investments or otherwise to raise finance to enable it to fund the repurchase of Shares pursuant to the Repurchase Agreement without materially harming Shareholders as a whole; or (ii) the completion of the purchase of Shares under the Tender Offer would have unexpected adverse fiscal or other consequences (whether by reason of a change in legislation or practice or otherwise) for the Company or its Shareholders if the Tender Offer were to proceed, the Company shall be entitled at its complete discretion to terminate the Tender Offer by a public announcement and a subsequent written notice to Shareholders, in which event the Tender Offer shall terminate immediately or as otherwise specified in such announcement.

11. Overseas Shareholders

- 11.1 The making of the Tender Offer 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 or purchase Shares to satisfy himself, herself, or itself 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 J.P. Morgan Cazenove and the Company and any person acting on their 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.
- 11.2 In particular, the Tender Offer is not being made available directly or indirectly in or into or by the use of the mails of by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of 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 Tender 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 Tender Offer, and doing so will render invalid any purported acceptance of the Tender Offer. Persons wishing to accept the Tender Offer should not use such mails or any such means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Tender Offer. Envelopes containing Tender 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 accepting Shareholders must provide addresses outside the United States, Canada, Australia or Japan for the remittance of cash or return of Tender Forms and share certificate(s) or other document(s) of title.

- 11.3 If, in connection with making the Tender Offer, 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 Tender 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 11.
- 11.4 The provisions of this paragraph 11 and any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by J.P. Morgan Cazenove and the Company in their absolute discretion but only if J.P. Morgan Cazenove and the Company are satisfied that such waiver, variation or modification will not constitute or give rise to a breach of applicable securities or other law.
- 11.5 The provisions of this paragraph 11 supersede any terms of the Tender Offer which may be inconsistent herewith.
- 11.6 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, she or it should consult his, her or its professional adviser in the relevant territory.

12. Miscellaneous

- 12.1 Any changes to the terms, or any suspension, extension or termination of the Tender Offer will be followed as promptly as practicable by a public announcement thereof by no later than the close of business on the Business Day following the date of such event. Such an announcement will be released to the London Stock Exchange. References to the making of an announcement by the Company include the release of an announcement on behalf of the Company by J.P. Morgan Cazenove to the press and delivery of, or telephone or facsimile or other electronic transmission of, such announcement to the London Stock Exchange.
- 12.2 None of J.P. Morgan Cazenove, the Receiving Agent, the Registrar or the Company will accept responsibility for documentation lost or delayed in the postal system.
- 12.3 The latest time for receipt of valid documentation under the Tender Offer is 5 p.m. on 22 February 2017. Any documentation received by the Receiving Agent which is either incomplete, incorrect or received after 5 p.m. on 22 February 2017 will (unless the Receiving Agent, J.P. Morgan Cazenove and the Company, in their absolute discretion determine otherwise) be returned without any transaction taking place.
- 12.4 Any omission to despatch or decision not to despatch this document, the Tender Form or any notice required to be despatched under the terms of the Tender Offer to, or any failure

- to receive the same by, any person entitled to participate in the Tender Offer shall not invalidate the Tender Offer in any way or create any implication that the Tender Offer has not been made to any such person.
- 12.5 No acknowledgement of receipt of any Tender Form, share certificate(s) and/or other document(s) of title will be given. All communications, notices, certificates, document(s) of title and remittances to be delivered by or sent to or from Eligible Shareholders (or their designated agents) will be delivered by or sent to or from such Eligible Shareholders (or their designated agents) at their own risk.
- 12.6 All powers of attorney and authorities on the terms conferred by or referred to in this Part IV or in the Tender Form are given by way of security for the performance of the obligations of the Eligible Shareholders concerned and are irrevocable in accordance with section 4 of the Powers of Attorney Act 1971 of England and Wales.
- 12.7 J.P. Morgan Cazenove reserves the absolute right to inspect (either itself or through its agents) all Tender Forms and TTE Instructions and may consider void and reject any tender that does not in J.P. Morgan Cazenove's sole judgement meet the requirements of the Tender Offer. J.P. Morgan Cazenove also reserves the absolute right to waive any defect or irregularity in the tender of any Shares, including any Tender Form (in whole or in part) which is not entirely in order, or which is not accompanied by the related share certificate(s) and/or other document(s) of title or an indemnity acceptable to J.P. Morgan Cazenove in lieu thereof. However, in that event, the consideration in the Tender Offer for successfully tendered Shares held in certificated form will only be despatched when the relevant Tender Form is entirely in order and the relevant share certificate(s) and/or other document(s) of title or indemnities satisfactory to J.P. Morgan Cazenove has/have been received. None of J.P. Morgan Cazenove, the Company, the Receiving Agent, the Registrars or any other person will be under any duty to give notification of any defects or irregularities in tenders or incur any liability for failure to give any such notification.
- 12.8 The Tender Offer, the Tender Form and any contractual and non-contractual obligations arising out of or in connection with them are and shall be governed by, and shall be construed in accordance with, the laws of England and Wales.

Part V – Risk Factors

The decision to tender Shares in the Tender Offer and to vote for or against the Resolutions is a matter for each individual Shareholder. However, certain risks (which are not intended to be exhaustive) which Shareholders may wish to take into account when considering the Tender Offer and the Resolutions are set out below. Shareholders should carefully consider the risk factors set out below (and any other factors they might consider relevant) before deciding whether or not to accept the Tender Offer or vote in favour or against the Resolutions.

The Board considers that the risks described below are the material risks related to the Tender Offer and the Resolutions as at the date of this document. Whilst the Board considers the risks below to be the material risks related to the Tender Offer and the Resolutions as at the date of this document, other risks may be applicable to the matters set out in this document or a continued holding of Shares in the Company.

The risk factors in this document do not constitute legal, tax, investment or other advice and any Shareholder who is in any doubt about the action it should take is recommended to seek immediately suitable advice from an appropriately qualified independent adviser.

Risks relating to the Tender Offer

- The Tender Offer is subject to certain conditions (principally the need for Shareholder approval for both the Tender Offer and Structural Changes and the Tender Limit). If these conditions are not fulfilled, the Tender Offer will not be implemented.
- A Tender Form or TTE Instruction, once submitted, may only be withdrawn with the consent of J.P. Morgan Cazenove.
- It is possible that, if the Tender Offer completes, the proportionate size of the shareholding of one or more Shareholders could increase so that they hold 30 per cent. or more of the voting rights of the Company following implementation of the Tender Offer. In particular, as at 18 November 2016, Schroders plc held 27.43 per cent. of the Company's existing issued Ordinary Shares, which means that if it was to choose not to tender into the Tender Offer and the Tender Offer completes, its shareholding would most probably exceed 30 per cent. of the Company's voting rights following the Tender Offer.
- Pursuant to Note 1 to Rule 37 of the City Code, any Shareholder who comes to hold 30 per cent. or more of the Company's voting rights following implementation of the Tender Offer will not be required to make a mandatory offer for the Company under Rule 9 of the City Code and a vote of independent shareholders will not be required to authorise the absence of such an offer. This is on the basis that none of the Directors is acting in concert with any such Shareholder (as such term is understood for the purposes of the City Code). For the avoidance of doubt, Brevan Howard Capital Management LP, as the manager of the Company, is considered to be a Director for the purposes of the City Code.
- The net asset value of each class of Shares may alter significantly during the time in which J.P. Morgan Cazenove is conducting the Tender Offer including between the time when Tender Forms or TTE Instructions are submitted and the date on which completion of the Tender Offer is expected to take place. Accordingly, there can be no certainty as to the exact prices at which Shares will be purchased under the Tender Offer nor the relationship that those prices will bear to the prevailing market price of each class of Shares from time to time.
- Securities laws in certain jurisdictions, in particular the United States, Canada, Australia and Japan, may prevent certain Shareholders from participating in the Tender Offer. For more information, please refer to the section entitled "Overseas Shareholders" in Part IV of this document.

Risks relating to a potential liquidation of the Company

In the event that Shares are tendered under the Tender Offer in excess of the Tender Limit, the Company will propose a resolution for its winding up. However:

- There can be no guarantee that any winding up resolution will be passed.
- If the winding up resolution is passed, there can be no guarantee as to the amount of proceeds of liquidation that may be received by Shareholders and it is probable that those

proceeds will represent a lower percentage of the Net Asset Value per Share of the relevant class of Shares than the Tender Price.

- Further, if the winding up resolution is passed, there can be no certainty as to the length of time required to make distributions to Shareholders in the winding up, save that it will take a longer period of time than payment of the Tender Price under the Tender Offer.

Risks relating to remaining invested in the Company

- Shareholders should be aware that past performance is not necessarily indicative of likely future performance.
- The proposed Structural Changes will not be implemented if the Tender Offer does not complete and the Resolutions are not passed.
- There can be no guarantee that the Company's investment performance or its Share prices will improve as a result of the Tender Offer or implementation of the proposed Structural Changes.
- The market for Shares may be less liquid once the Tender Offer is completed.
- As with all listed investment company shares, the market price of the Shares may not reflect their underlying net asset value and the discount (or premium) to net asset value at which Shares trade may fluctuate from day to day, depending on factors such as supply and demand, market conditions and general investor sentiment.
- Following the completion of the Tender Offer, and the repurchase of the tendered Shares pursuant to the Repurchase Agreement, the Company will have a smaller number of Shares in issue and, as a result, the Company's fixed costs will be shared across a smaller number of Shares resulting in higher costs per Share for Shareholders.
- Notwithstanding the existence of share buy-back powers and other discount management measures, there is no guarantee that the market price of the Shares will fully reflect their underlying Net Asset Value. Further, if the proposed Structural Changes are implemented, the Company will not undertake any discount management measures in the period from 1 April 2017 to 31 March 2019.
- There can be no guarantee that, following the Tender Offer and the repurchase of the tendered Shares pursuant to the Repurchase Agreement, the Company will make any purchases of its own Shares or that any Class Discontinuation Vote or other class closure resolution will be held. Accordingly, Shareholders should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the Company's investment in the Master Fund.

Part VI – Taxation in the United Kingdom and Guernsey

The following discussion does not constitute tax advice, it is intended as a general guide to certain United Kingdom and Guernsey tax considerations and does not purport to be a complete analysis of all potential United Kingdom and Guernsey tax consequences of selling Shares pursuant to the Tender Offer. It is based on current United Kingdom and Guernsey legislation and tax authority published practice, which are subject to change at any time (possibly with retroactive effect). It is of a general nature and (unless otherwise stated) only applies to certain Eligible Shareholders who are resident for tax purposes in (and only in) the United Kingdom (although the discussion of certain Guernsey tax considerations applies to Eligible Shareholders who are resident for tax purposes in or outside Guernsey), who hold their Shares as an investment and who are the absolute beneficial owners of the Shares. It does not address the position of certain categories of Eligible Shareholders who are subject to special rules, such as dealers in securities, insurance companies and collective investment schemes.

Eligible Shareholders who are in any doubt as to the potential tax consequences of selling their Shares pursuant to the Tender Offer or who may be subject to tax in a jurisdiction other than the United Kingdom or Guernsey are strongly recommended to consult their own independent tax advisers before making any such sales.

United Kingdom Shareholders

Having regard to advice received, the Company does not consider any class of its shares to be a “mutual fund” for the purposes of section 356 of the Taxation (International and Other Provisions) Act 2010 and therefore the special regime for the taxation of interests in offshore funds in Part 8 of that Act should not apply.

Taxation of chargeable gains

The sale of Shares by an Eligible Shareholder to J.P. Morgan Cazenove pursuant to the Tender Offer should be treated as a disposal of those shares for United Kingdom tax purposes. This may, subject to the Eligible Shareholder’s individual circumstances and any available exemption or relief, give rise to a chargeable gain (or allowable loss) for the purposes of United Kingdom taxation of chargeable gains (“CGT”).

For an Eligible Shareholder who is an individual, the amount of CGT payable, if any, as a consequence of the sale of Shares will depend on their own personal tax position. Broadly, an Eligible Shareholder whose total taxable gains and income in a given tax year of assessment, including any gains made on the sale of Shares (“Total Taxable Gains and Income”), are less than or equal to the upper limit of the income tax basic rate band applicable in respect of that tax year (the “Band Limit”) (£43,000 for 2016/2017) will normally be subject to CGT at the basic rate (10% for 2016/2017) in respect of any gain arising on the sale of their Shares. An Eligible Shareholder whose Total Taxable Gains and Income are more than the Band Limit will normally be subject to CGT at the basic rate in respect of any gain arising on the sale of their Shares (to the extent that, when added to the Eligible Shareholder’s other taxable gains and income, the gain is less than or equal to the Band Limit) and at the higher rate (20% for 2016/2017) in respect of the remainder of the gain arising on the sale of their Shares.

However, no tax will be payable on any gain arising on the sale of Shares if the amount of the chargeable gain realised by an Eligible Shareholder in respect of the sale, when aggregated with other chargeable gains realised by that Eligible Shareholder in the tax year of assessment (and after taking into account aggregate losses), does not exceed the annual exemption (£11,100 for 2016/2017).

A corporate Shareholder is normally taxable on all of its chargeable gains, subject to any reliefs and exemptions. Corporate Shareholders should be entitled to indexation allowance up to the date the chargeable gain is realised.

Transactions in securities

Under the provisions of Part 15 of the Corporation Tax Act 2010 (for companies subject to corporation tax) and Chapter 1 of Part 13 of the Income Tax Act 2007 (for individuals and others subject to income tax), HMRC can in certain circumstances counteract tax advantages arising in relation to a transaction or transactions in securities. If these provisions were to be applied by HMRC to the Tender Offer, Eligible Shareholders who are subject to corporation tax might be liable

to corporation tax or income tax (as applicable) as if they had received an income amount rather than a capital amount.

In summary, these provisions do not apply where it can be shown, in the case of any corporation tax advantage, that the transaction or transactions in question were entered into for genuine commercial reasons and none of the transactions involved as one of their main objects the obtaining of any corporation tax advantage and, in the case of any income tax advantage, *inter alia*, that the person did not become a party to any of the transactions with one of the main purposes of obtaining an income tax advantage.

No application has been made to HMRC for clearance in respect of the application of Part 15 of the Corporation Tax Act 2010 or Chapter 1 of Part 13 of the Income Tax 2007 to the Tender Offer.

Whether or not these provisions would apply to any Eligible Shareholder will depend on that Eligible Shareholder's own circumstances, but the Company would not expect these provisions to apply to any Eligible Shareholder in respect of the Tender Offer.

Non-United Kingdom Shareholders

Eligible Shareholders who are not resident in the United Kingdom for tax purposes will not generally be subject to United Kingdom taxation on chargeable gains in respect of any disposal of their Shares unless they hold their Shares for the purposes of a trade, profession or vocation carried on by them through a branch, agency or permanent establishment in the United Kingdom or for the purposes of such a branch, agency or permanent establishment. Individual Eligible Shareholders may later become liable to United Kingdom capital gains tax in respect of any gain made on the disposal of their Shares in the Tender Offer if they become resident in the United Kingdom for tax purposes at some point during the tax year in which the sale occurs or if they resume United Kingdom residence after a period of temporary non-residence.

Guernsey Taxation

Taxation of Eligible Shareholders

The sale of Shares by an Eligible Shareholder to J.P. Morgan Cazenove pursuant to the Tender Offer should not give rise to any Guernsey income tax.

Foreign Account Tax Compliance Act ("FATCA")

The Company could be subject to the application of FATCA. FATCA generally imposes a reporting regime and potentially a 30 per cent. withholding tax with respect to certain US source income (including dividends and interest) and, from 1 January 2019, gross proceeds from the sale or other disposal of property that can produce US source interest or dividends and (from the later of 1 January 2019 or the date of publication of certain final regulations) a portion of non-US source payments from certain non-US financial institutions to the extent attributable to US source payments if it does not comply with certain registration and due diligence obligations under FATCA ("Withholdable Payments"). As a general matter, the rules are designed to require US persons' direct and indirect ownership of non-US accounts and non-US entities to be reported to the US Internal Revenue Service (the "Service"). The 30 per cent. withholding tax regime applies if there is a failure to provide required information regarding US ownership.

Generally, the rules subject all Withholdable Payments received by the Company to 30 per cent. withholding tax (including the share that is allocable to non-US persons) unless the Company complies with information reporting rules implemented pursuant to an intergovernmental agreement between Guernsey and the United States or the Company enters into an agreement with the Service to provide information, representations and waivers of non-US law as may be required to comply with the provisions of the rules, including, information regarding its direct and indirect US accountholders.

FATCA IS PARTICULARLY COMPLEX. EACH ELIGIBLE SHAREHOLDER SHOULD CONSULT ITS OWN TAX ADVISER TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND THE OTHER SIMILAR LEGISLATION REFERRED TO BELOW AND HOW THIS LEGISLATION MIGHT AFFECT EACH ELIGIBLE SHAREHOLDER IN ITS PARTICULAR CIRCUMSTANCE.

United States-Guernsey Intergovernmental Agreement

On 13 December 2013 the Chief Minister of Guernsey signed an intergovernmental agreement with the United States ("**US-Guernsey IGA**") regarding the implementation of FATCA. Under FATCA

and legislation enacted in Guernsey to implement the US-Guernsey IGA, certain disclosure requirements will be imposed in respect of certain Eligible Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the United States, unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that will need to be disclosed will include certain information about Eligible Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance.

Under the terms of the US-Guernsey IGA, Guernsey resident financial institutions that comply with the due diligence and reporting requirements of Guernsey's domestic legislation will be treated as compliant with FATCA and, as a result, should not be subject to FATCA withholding on payments they receive and should not be required to withhold under FATCA on payments they make. If the Company does not comply with these obligations, it may be subject to a FATCA deduction on certain payments to it of US source income (including interest and dividends) and (from 1 January 2019) proceeds from the sale of property that could give rise to US source interest or dividends. The US-Guernsey IGA is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form.

Under the US-Guernsey IGA, securities that are "regularly traded" on an established securities market, such as the main market of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, Shares will be considered "regularly traded" if there is a meaningful volume of trading with respect to the Shares on an on-going basis. Notwithstanding the foregoing, a Share will not be considered "regularly traded" and will be considered a financial account if the Shareholder is not a financial institution acting as an intermediary. Such Shareholders will be required to provide information to the Company to allow it to satisfy its obligations under FATCA, although it is expected that whilst the Shares are held within CREST, the holder of the Shares will likely be a financial institution acting as an intermediary. Shareholders that own the Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under FATCA.

Common Reporting Standard

On 13 February 2014, the Organization for Economic Co-operation and Development released the "Common Reporting Standard" ("CRS") designed to create a global standard for the automatic exchange of information, similar to the information to be reported under FATCA. On 29 October 2014, fifty-one jurisdictions signed the multilateral competent authority agreement ("Multilateral Agreement") that activates this automatic exchange of FATCA-like information in line with the CRS. Since then further jurisdictions have signed the Multilateral Agreement and in total over 100 jurisdictions have committed to adopting the CRS. Over 50 of these jurisdictions have adopted the CRS with effect from 1 January 2016.

Early adopters who signed the Multilateral Agreement (including Guernsey and the UK) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

Under the CRS and legislation enacted in Guernsey to implement the CRS with effect from 1 January 2016, certain disclosure requirements will be imposed in respect of certain Shareholders whether natural persons who themselves are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that would need to be disclosed will include certain information about Eligible Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The Company will be required to report this information each year in the prescribed format and manner as per local guidance. The CRS is implemented through Guernsey's domestic legislation in accordance with guidance that is published in draft form and which is supplemented by guidance issued by the Organization for Economic Co-operation and Development.

Under the CRS, there is currently no reporting exemption for securities that are "regularly traded" on an established securities market, although it is expected that whilst the Shares are held through CREST, the holder of the Shares will likely be a financial institution acting as an intermediary. Shareholders that own the Shares through a financial intermediary may be required to provide

information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

EU Savings Tax Directive

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into agreements with EU Member States on the taxation of savings income. However, paying agents located in Guernsey are not required to operate the measures on payments made by closed-ended investment companies.

However, on 10 November 2015 the Council of the European Union repealed the EU Savings Directive (2003/48/EC) (the “**EU Savings Tax Directive**”) from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Tax Directive and the implementation of the Common Reporting Standard in the EU under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

Guernsey is in the process of seeking confirmation from each EU Member State that the repeal of the EU Savings Tax Directive suspends the equivalent agreements that the EU Member States have with Guernsey. It is anticipated that all EU Member States, other than Austria, will give this confirmation. Discussions with Austria are on-going and it may be that the equivalent agreement with Austria continues to have effect until 31 December 2016 (at which point the EU Savings Tax Directive will cease to apply to Austria). Guernsey is also intending to suspend retroactively its domestic EU Savings Tax Directive legislation with effect from 1 January 2016 (whilst retaining the relevant provisions to enable reports for 2015 to be made), although this process may be delayed pending the outcome of discussions with the Austrian authorities.

All Shareholders should consult with their own tax advisers regarding the possible implications of FATCA, the CRS and any other similar legislation and/or regulations on their investment in the Company.

Part VII – Additional Information

1. J.P. Morgan Cazenove has given and has not withdrawn its written consent to the issue of this document and its letter with the references to its name in the form and context in which they are included.
2. The Company and J.P. Morgan Cazenove have entered into a Repurchase Agreement pursuant to which the Company has agreed to purchase from J.P. Morgan Cazenove such number of Shares as J.P. Morgan Cazenove shall purchase pursuant to the Tender Offer, at an aggregate price equal to the amount paid by J.P. Morgan Cazenove for its purchase of the tendered Shares. The Tender Offer may be terminated if J.P. Morgan Cazenove receives notice from the Company that, in the Board's reasonable opinion, any of the circumstances set out in paragraph 10 of Part IV of this document have arisen or in the event that the Repurchase Agreement is terminated in accordance with its terms.
3. The costs of implementing the Tender Offer are estimated at up to £750,000 (inclusive of any applicable VAT).
4. As at the close of business on the Latest Practicable Date, the Company had 25,022,321 Sterling Shares in issue, 1,626,703 Sterling Shares held in treasury, 1,786,726 Euro Shares in issue, 271,854 Euro Shares held in treasury, 11,381,752 US Dollar Shares in issue and 1,406,228 US Dollar Shares held in treasury.
5. The Company has no warrants or options to subscribe for equity shares in issue as at the Latest Practicable Date.
6. The effect of the Tender Offer and the repurchase of the tendered Shares pursuant to the Repurchase Agreement will be to reduce the number of each class of Shares in issue and to increase the net asset value per Share of Shares remaining in issue.
7. As at the Latest Practicable Date, the interests of the Directors in the Company's Shares were as follows:

Director	Total Shares Held
Huw Evans	710 Sterling Shares

8. As at the Latest Practicable Date, the Company was aware of the following major interests in its Shares:

Euro Shares:

Shareholder	Total Shares Held	% holding in class
Lynchwood Nominees Limited	167,095	9.35
Smith & Williamson Nominees Limited	114,210	6.39
Luna Nominees Limited	94,73	5.30
State Street Nominees Limited	92,000	5.15

Sterling Shares:

Shareholder	Total Shares Held	% holding in class
Luna Nominees Limited	4,694,989	18.76
Ferlim Nominees Limited	1,262,387	5.05

US Dollar Shares:

Shareholder	Total Shares Held	% holding in class
Chase Nominees Limited	2,650,269	23.29
Morstan Nominees Limited	1,056,320	9.28
J.P. Morgan Securities LLC	914,256	8.03
Vidacos Nominees Limited	843,262	7.41
Luna Nominees Limited	742,747	6.53

9. As was reported in respect of November 2016, the Net Asset Value of each class of the Company's Shares has increased recently in light of Master Fund's recent investment performance. This has been driven by interest rate and FX trading, including higher interest rates in the US and, to some extent, in Europe together with the strengthening of the US dollar, mostly against the Japanese Yen and the Euro.
10. This document includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Company. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The investment performance, financial condition, assets and prospects of the Company may change. Except as required by law or applicable regulation, the Company does not undertake any obligation to update any forward-looking statements, even though the situation of the Company may change in the future. All of the information presented in this document, and particularly the forward-looking statements, is qualified by these cautionary statements.

Definitions

“Articles”	the Company’s articles of incorporation, as amended from time to time
“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
“Class Meetings”	the class meetings of each of the Euro, Sterling and US Dollar share classes of the Company convened for 24 February 2017 (or any adjournment thereof), notices of which are set out at the end of this document and “Class Meeting” means any one of them
“Closing Date”	22 February 2017
“Company”	BH Macro Limited
“Court”	The High Court of Justice in England and Wales
“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”	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (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
“CRS”	the Organization for Economic Co-operation and Development’s Common Reporting Standard
“CSD”	Central Securities Depository
“Eligible Shareholder”	a Shareholder who is eligible to participate in the Tender Offer (which excludes certain Overseas Shareholders as detailed in Parts I, III or IV of this document)
“Eligible Shares”	in respect of any Shareholder, their total shareholding as at the Record Date
“EU Savings Tax Directive”	has the meaning given in Part VI of this document
“Euro” or “€” or “EUR”	the lawful single currency shared by the majority of the member states of the European Union
“Euro Shares”	ordinary shares of no par value in the capital of the Company designated as Euro shares
“Euro Tender Form”	the tender form accompanying this document for use by holders of Euro Shares in connection with the Tender Offer
“Euroclear”	Euroclear UK & Ireland Limited
“Extraordinary General Meeting”	the Extraordinary General Meeting of the Company convened for 11:30 a.m. on 24 February 2017 (or any adjournment thereof), notice of which is set out at the end of this document
“Form(s) of Proxy”	the Form(s) of Proxy accompanying this document, for use by Shareholders in connection with the Extraordinary General Meeting and the Class Meetings
“FSMA”	the Financial Services and Markets Act 2000, as amended
“HMRC”	H.M. Revenue & Customs

“J.P. Morgan Cazenove”	J.P. Morgan Securities plc, which conducts its UK investment banking activities as J.P. Morgan Cazenove
“Latest Practicable Date”	25 January 2017, being the latest practicable date prior to the publication of this document
“London Stock Exchange”	London Stock Exchange plc
“Management Agreement”	the agreement between the Company and the Manager regarding the management of the Company
“Manager”	Brevan Howard Capital Management L.P.
“Master Fund”	Brevan Howard Master Fund Limited
“Member Account ID”	the identification code or number attached to any member account in CREST
“Multilateral Agreement”	has the meaning given in Part VI of this document
“Nasdaq Dubai”	Nasdaq Dubai Limited
“NAV Determination Date”	31 March 2017
“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
“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”	close of business on 22 February 2017
“Register”	the register of members of the Company
“Registrar”	Computershare Investor Services (Guernsey) Ltd
“Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755)
“Regulatory Information Service”	one of the service providers listed in Schedule 12 of the listing rules of the UK Listing Authority
“Repurchase Agreement”	the agreement between the Company and J.P. Morgan Cazenove for the repurchase by the Company on the London Stock Exchange of Shares purchased by J.P. Morgan Cazenove pursuant to the Tender Offer
“Resolutions”	the resolutions to be proposed at the Extraordinary General Meeting and the Class Meetings
“Share”	an ordinary share of no par value in the capital of the Company designated as a Euro Share, Sterling Share or US Dollar Share
“Shareholders”	holders of Shares
“Sterling” or “£” or “GBP”	the lawful currency of the United Kingdom
“Sterling Shares”	ordinary shares of no par value in the capital of the Company designated as Sterling shares
“Sterling Tender Form”	the tender form accompanying this document for use by holders of Sterling Shares in connection with the Tender Offer
“Structural Changes”	the proposed changes to the Articles and the Management Agreement as explained in Part I of this document
“Tender Form”	the tender forms accompanying this document for use by each class of Shareholders in connection with the Tender Offer
“Tender Limit”	66.667 per cent. of the Company’s Shares in issue by value, or such greater percentage of the Company’s issued Share capital by value, being no more than 75 per cent., as the Company and the Manager may agree following receipt of all tenders

“Tender Offer”	the invitation by J.P. Morgan Cazenove to Eligible Shareholders (other than certain Overseas Shareholders) to tender Shares on the terms and subject to the conditions set out in this document
“Tender Price”	the price at which Shares of the relevant class will be purchased pursuant to the Tender Offer as determined in accordance with the terms and conditions of the Tender Offer
“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)
“UK Listing Authority”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part IV of FSMA
“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
“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-Guernsey IGA”	has the meaning given in Part VI of this document
“US Dollar” or “\$” or “USD”	the lawful currency of the United States
“US Dollar Shares”	ordinary shares of no par value in the capital of the Company designated as US Dollar Shares
“US Dollar Tender Form”	the tender form accompanying this document for use by holders of US Dollar Shares in connection with the Tender Offer

BH Macro Limited

(an authorised closed-ended collective investment scheme authorised by the Guernsey Financial Services Commission and established as a non-cellular company limited by shares incorporated under the laws of the Island of Guernsey with registration number 46235)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting of BH Macro Limited (the “Company”) will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey on 24 February 2017 at 11:30 a.m. to consider and, if thought fit, to pass the following resolutions which will be proposed as special resolutions as set out below:

SPECIAL RESOLUTIONS

1. THAT, without prejudice to any subsisting authority conferred on the Company, the Company be and is hereby generally and unconditionally authorised in accordance with The Companies (Guernsey) Law 2008, as amended, to make market purchases (as defined in that Law) of each class of its shares (the “Shares”) (either for retention as treasury shares for further reissue and resale or transfer, or cancellation) pursuant to the tender offer (the “Tender Offer”) to all of the Company’s shareholders (excluding certain overseas shareholders) to be made by J.P. Morgan Securities plc on the terms and subject to the conditions set out in the circular of the Company dated 27 January 2017 (the “Circular”), PROVIDED THAT:
 - a. the maximum number of Shares authorised to be purchased shall be 23,395,618 Shares designated as Sterling Shares, 1,514,872 Shares designated as Euro Shares and 9,975,524 Shares designated as US Dollar Shares;
 - b. the price which may be paid for a Share of a specific class shall be the Tender Price, as defined in the Circular, for that class of Share; and
 - c. the authority hereby conferred shall expire on 30 May 2017 (unless such authority is renewed prior to such date), save that the Company may, prior to such expiry, enter into a contract to purchase Shares which will or may be completed or executed wholly or partly after such expiry and make a purchase of such Shares pursuant to any such contract.
2. THAT, conditional on the passing of Resolution 1 above and the Tender Offer not being discontinued and becoming unconditional on or before 1 May 2017, and conditional on approval of such amendments to the articles of incorporation being obtained at the relevant class meetings of the Euro, Sterling and US Dollar classes of the Company’s Shares convened for the same day as this meeting (but only insofar as such amendments amount to a variation or abrogation of the rights attaching to the relevant class of Shares) the articles of incorporation of the Company are, with effect from 1 April 2017, amended in the terms set out in Part II of the Circular.

By order of the Board

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

Dated: 27 January 2017

Notes:

1. To have the right to attend and vote at the meeting you must hold Shares in the Company and your name must be entered on the share register of the Company in accordance with note 4 below.
2. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies (who need not be a Shareholder) to attend, speak and vote on their behalf, provided that if two or more proxies are to be appointed, each proxy must be appointed to exercise the rights attaching to different Shares. Where multiple proxies have been appointed to exercise rights attached to different Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he, she or it were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies.
3. To be valid, the relevant instrument appointing a proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by Computershare Investor Services (Guernsey) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, not later than 11:30 a.m. on 22 February 2017. A Form of Proxy accompanies this notice. If a Shareholder owns more than one class of Shares, such Shareholder should complete a Form of Proxy for the meeting in respect of each class of Shares that such Shareholder owns. Completion and return of the Form(s) of Proxy will not preclude members from attending and voting at the meeting should they wish to do so.
4. The time by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting is 11:30 a.m. on 22 February 2017. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. In calculating such 48 hours period, no account shall be taken of any part of a day that is not a Business Day. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. On a poll each Shareholder will be entitled to one vote per Euro Share held, 0.7606 votes per US Dollar Share held and 1.471 votes per Sterling Share held. As at the latest practicable date prior to the date of this notice, the Company's issued share capital (excluding Shares held in treasury) consisted of 23,395,618 Euro Shares, 1,514,872 US Dollar Shares and 9,975,524 Sterling Shares. Therefore, the total voting rights in the Company as at the latest practicable date prior to the date of this notice are 43,517,209.
6. Eligible Shareholders owning US Dollar Shares through an account on Nasdaq Dubai who wish to attend the Extraordinary General Meeting or to exercise the voting rights attached to interests in the US Dollar Shares held by them through an account on Nasdaq Dubai at the Extraordinary General Meeting should inform their Dubai broker, bank or custodian that is a business partner in the Nasdaq Dubai CSD at least 10 full days before the Extraordinary General Meeting, after which they will receive an attendance ticket and proxy card.

BH Macro Limited

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NOTICE OF CLASS MEETING OF THE HOLDERS OF EURO SHARES

NOTICE is hereby given that a class meeting of the holders of the Euro Shares of BH Macro Limited (the "Company") will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey on 24 February 2017 at 11:40 a.m. (or as soon thereafter as the extraordinary general meeting of the Company convened for the same place and date is concluded or adjourned) to consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution as set out below:

ORDINARY RESOLUTION

THAT the amendments to the Company's Articles of Incorporation on the terms set out in Part II of the circular of the Company dated 27 January 2017 (insofar as they amount to a variation or abrogation of rights attaching to the Euro Shares) be approved.

By order of the Board

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

Dated: 27 January 2017

Notes:

1. To have the right to attend and vote at the meeting you must hold Euro Shares in the Company and your name must be entered on the share register of the Company in accordance with note 4 below.
2. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies (who need not be a Shareholder) to attend, speak and vote on their behalf, provided that if two or more proxies are to be appointed, each proxy must be appointed to exercise the rights attaching to different Euro Shares. Where multiple proxies have been appointed to exercise rights attached to different Euro Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he, she or it were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies.
3. To be valid, the relevant instrument appointing a proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by Computershare Investor Services (Guernsey) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, not later than 11:30 a.m. on 22 February 2017. A Form of Proxy accompanies this notice. Completion and return of the Form(s) of Proxy will not preclude members from attending and voting at the meeting should they wish to do so.
4. The time by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting is 11:30 a.m. on 22 February 2017. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. In calculating such 48 hours period, no account shall be taken of any part of a day that is not a Business Day. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. On a poll each Shareholder will be entitled to one vote per Euro Share held. As at the latest practicable date prior to the date of this notice, the Company's issued Euro Share capital (excluding Euro Shares held in treasury) consisted of 1,514,872 Euro Shares. Therefore, the total Euro Share voting rights as at the latest practicable date prior to the date of this notice for the purpose of the meeting are 1,514,872.

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NOTICE OF CLASS MEETING OF THE HOLDERS OF STERLING SHARES

NOTICE is hereby given that a class meeting of the holders of the Sterling Shares of BH Macro Limited (the "Company") will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey on 24 February 2017 at 11:45 a.m. (or as soon thereafter as the class meeting of the Euro Shares of the Company convened for the same place and date is concluded or adjourned) to consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution as set out below:

ORDINARY RESOLUTION

THAT the amendments to the Company's Articles of Incorporation on the terms set out in Part II of the circular of the Company dated 27 January 2017 (insofar as they amount to a variation or abrogation of rights attaching to the Sterling Shares) be approved.

By order of the Board

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

Dated: 27 January 2017

Notes:

1. To have the right to attend and vote at the meeting you must hold Sterling Shares in the Company and your name must be entered on the share register of the Company in accordance with note 4 below.
2. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies (who need not be a Shareholder) to attend, speak and vote on their behalf, provided that if two or more proxies are to be appointed, each proxy must be appointed to exercise the rights attaching to different Sterling Shares. Where multiple proxies have been appointed to exercise rights attached to different Sterling Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he, she or it were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies.
3. To be valid, the relevant instrument appointing a proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by Computershare Investor Services (Guernsey) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, not later than 11:30 a.m. on 22 February 2017. A Form of Proxy accompanies this notice. Completion and return of the Form(s) of Proxy will not preclude members from attending and voting at the meeting should they wish to do so.
4. The time by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting is 11:30 a.m. on 22 February 2017. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. In calculating such 48 hours period, no account shall be taken of any part of a day that is not a Business Day. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. On a poll each Shareholder will be entitled to one vote per Sterling Share held. As at the latest practicable date prior to the date of this notice, the Company's issued Sterling Share capital (excluding Sterling Shares held in treasury) consisted of 23,395,618 Sterling Shares. Therefore, the total Sterling Share voting rights as at the latest practicable date prior to the date of this notice for the purpose of the meeting are 23,395,618.

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NOTICE OF CLASS MEETING OF THE HOLDERS OF US DOLLAR SHARES

NOTICE is hereby given that a class meeting of the holders of the US Dollar Shares of BH Macro Limited (the "Company") will be held at the offices of Northern Trust International Fund Administration Services (Guernsey) Limited, Trafalgar Court, Les Banques, St Peter Port, Guernsey on 24 February 2017 at 11:50 a.m. (or as soon thereafter as the class meeting for Sterling Shares of the Company convened for the same place and date is concluded or adjourned) to consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution as set out below:

ORDINARY RESOLUTION

THAT the amendments to the Company's Articles of Incorporation on the terms set out in Part II of the circular of the Company dated 27 January 2017 (insofar as they amount to a variation or abrogation of rights attaching to the US Dollar Shares) be approved.

By order of the Board

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

Dated: 27 January 2017

Notes:

1. To have the right to attend and vote at the meeting you must hold US Dollar Shares in the Company and your name must be entered on the share register of the Company in accordance with note 4 below.
2. Shareholders entitled to attend and vote at the meeting may appoint one or more proxies (who need not be a Shareholder) to attend, speak and vote on their behalf, provided that if two or more proxies are to be appointed, each proxy must be appointed to exercise the rights attaching to different US Dollar Shares. Where multiple proxies have been appointed to exercise rights attached to different US Dollar Shares, on a show of hands those proxy holders taken together will collectively have the same number of votes as the Shareholder who appointed them would have on a show of hands if he, she or it were present at the meeting. On a poll, all or any of the rights of the Shareholder may be exercised by one or more duly appointed proxies.
3. To be valid, the relevant instrument appointing a proxy (and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) must be received by Computershare Investor Services (Guernsey) Ltd, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY as soon as possible and, in any event, not later than 11:30 a.m. on 22 February 2017. A Form of Proxy accompanies this notice. Completion and return of the Form(s) of Proxy will not preclude members from attending and voting at the meeting should they wish to do so.
4. The time by which a person must be entered on the register of members in order to have the right to attend and vote at the meeting is 11:30 a.m. on 22 February 2017. If the meeting is adjourned, the time by which a person must be entered on the register of members in order to have the right to attend or vote at the adjourned meeting is 48 hours before the date fixed for the adjourned meeting. In calculating such 48 hours period, no account shall be taken of any part of a day that is not a Business Day. Changes to entries on the register of members after such times shall be disregarded in determining the rights of any person to attend or vote at the meeting.
5. On a poll each Shareholder will be entitled to one vote per US Dollar Share held. As at the latest practicable date prior to the date of this notice, the Company's issued US Dollar Share capital (excluding US Dollar Shares held in treasury) consisted of 9,975,524 US Dollar Shares. Therefore, the total US Dollar Share voting rights as at the latest practicable date prior to the date of this notice for the purpose of the meeting are 9,975,524.
6. Eligible Shareholders owning US Dollar Shares through an account on Nasdaq Dubai who wish to attend the class meeting for the US Dollar Shares or to exercise the voting rights attached to interests in the US Dollar Shares held by them through an account on Nasdaq Dubai at the class meeting for the US Dollar Shares should inform their Dubai broker, bank or custodian that is a business partner in the Nasdaq Dubai CSD at least 10 full days before the class meeting, after which they will receive an attendance ticket and proxy card.

