

30 JUNE 2023

BH MACRO LIMITED

Interim Report and Unaudited
Financial Statements 2023

Contents

01	Chair's Statement
03	Board Members
04	Disclosure of Directorships in Public Companies Listed on Recognised Stock Exchanges
05	Directors' Report
14	Statement of Directors' Responsibility in respect of the Interim Report and Unaudited Financial Statements
15	Manager's Report
19	Independent Review Report to BH Macro Limited
20	Unaudited Statement of Assets and Liabilities
21	Unaudited Statement of Operations
22	Unaudited Statement of Changes in Net Assets
23	Unaudited Statement of Cash Flows
24	Notes to the Interim Unaudited Financial Statements
38	Historic Performance Summary
39	Glossary of Terms and Alternative Performance Measures
	IBC Company Information



CHAIR'S STATEMENT

Whilst it has been a rollercoaster start to the year for BH Macro Limited ("the Company"), it has also been a period in which the core fundamentals have stood out of how Brevan Howard Capital Management LP ("the Manager") manages the assets of the Company and Brevan Howard Master Fund Limited ("the Master Fund") and maintains robust risk management systems.

Towards the end of 2022, the Company's shares in both the Sterling and US Dollar share classes were trading at a significant premium, despite continuous tap issuance of new shares. Consequently, there were persistent requests from Shareholders for a large placing of shares to enable many of our Shareholders in the wealth management industry to rebalance their holdings across their client base. Additionally, a number of investors were attracted by the notion of a 10 for 1 share sub-division in order to improve the liquidity of the individual shares in both share classes.

The Company responded by negotiating a significant capacity agreement with the Manager of the Company and the Master Fund subsequently raising US\$381.6 million through an offer for sale by way of an offer for subscription, a placing and an intermediaries offer, resulting in the issuance of 72,378,000 shares of the Sterling share class and 746,400 shares of the US Dollar share class at a premium to NAV of two percent. The new shares were admitted to the market on 13 February 2023. As an aside, a number of Directors, including myself participated in that share issue.

However, after this successful start, which was warmly welcomed by the majority of Shareholders, March delivered an acute reversal of fortunes. You will all be aware of the failures in the banking system in the US, most prominently, the collapse of Silicon Valley Bank ("SVB"). The fear of a systemic problem amongst the smaller banks in the US (numbering some 4,500 banks) led to an abrupt volte face in the stance of the Federal Reserve and the sharpest reversal in interest rate expectations for 50 years. The impact of this unprecedented movement in interest rate expectations should not be underestimated, and it will be scant consolation to Shareholders that the reversal in the Company's performance represented "only" 4.29* percent of the NAV of Sterling shares in March. The result was a significant divergence between the NAV performance of both the Sterling and US Dollar share classes and the share price performance. Moreover, since that date to the period end at 30 June, the portfolio saw little recovery, although there has been some growth in NAV over the summer months.

In the run up to these events and in response to strong economic data and hawkish United States Federal Reserve commentary throughout February and early March, the Master Fund had positioned for higher US rates. As interest rate markets rapidly pivoted to price a much more dovish Fed in response to the SVB collapse, these directional positions were essentially eliminated

within two business days. This rapid action by the Manager in the face of loss making positions, is a hallmark of Brevan Howard's risk management process and has served investors well over the past 2 decades. Your Board was pleased by the speed of this response as well as by other measures taken by the Manager's risk management team to ensure the Master Fund was in a strong position to navigate whatever scenario had ultimately played out in the banking system and markets more widely.

The interim period to end 30 June also saw the announcement of a potential merger between two of the Company's largest Shareholders, namely, Rathbones and Investec Wealth, which would on combination result in a shareholding of 28% of the Company across both share classes as at the 15 August 2023, the latest practicable date for which the information is available. The Board is conscious that this could create a potential issue of an overhang of stock should a decision be taken by that new entity to reduce its holding in aggregate, despite the impact that this might have at the individual client level. Whilst this remains a possibility, your Board and its advisors have been in regular discussion and continue to monitor the situation closely.

The overall result of the events in the period meant that the share price moved from £4.49* to £3.68 for the Sterling share class and from US\$4.52* to US\$3.99 for the US Dollar share class, with a change from a premium of 7.39% to a discount of 6.36% for the Sterling share class, and from a premium of 4.44% to a discount of 2.21% for the US Dollar share class.

Your Board has not been complacent and monitors the Manager and the market closely with the help of our advisors. We retain confidence in the Manager and the strategy of the Company and its holding in the Master Fund. Conditions, globally, remain uncertain, with significant risks at both the macroeconomic and at the geopolitical level; we anticipate that markets are likely to remain challenging for investors to navigate for the foreseeable future. Your Board is very confident in the Manager and believes it is very well placed to profit from these challenges and that the Company continues to represent a good diversifier for portfolios.

I would like to take this opportunity to thank you all for your continuing support.

Richard Horlick
Chair

13 September 2023

* For illustrative purposes, the share prices at the beginning of the period are adjusted by a factor of 10 to reflect the 10 for 1 share sub-division on 7 February 2023.

CHAIR'S STATEMENT CONTINUED

STERLING SHARES SHARE PRICE VS NET ASSET VALUE



US DOLLAR SHARES SHARE PRICE VS NET ASSET VALUE



For illustrative purposes, all share prices and Net Asset Values from 7 February 2023 are adjusted by a factor of 10 to reflect the 10 for 1 share sub-division on 7 February 2023.

BOARD MEMBERS

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

Richard Horlick (Chair)

Richard Horlick is UK resident. He is currently the non-executive chairman of CCLA Investment Management which manages assets for over 38,000 charities and church and local authority funds. He has served on a number of closed-ended fund boards. He has had a long and distinguished career in investment management graduating from Cambridge University in 1980 with an MA in Modern History. After 3 years in the corporate finance department of Samuel Montagu he joined Newton Investment Management in January 1984, where he became a Director and portfolio manager. In 1994, he joined Fidelity International as President of their institutional business outside the US and in 2001 became President and CEO of Fidelity Management Trust Company in Boston which was the Trust Bank for the US Fidelity Mutual fund range and responsible for their defined benefit pension business. In 2003, he joined Schroders Plc as a main board Director and head of investment worldwide. Mr. Horlick was appointed to the Board in May 2019 and was appointed Chair in February 2021.

Caroline Chan

Caroline Chan is a Guernsey resident and has over 30 years' experience as a corporate lawyer, having retired from private practice in 2020. After studying law at Oxford University, Caroline qualified as an English solicitor with Allen & Overy, working in their corporate teams in London and Hong Kong. On returning to Guernsey in 1998, Caroline qualified as a Guernsey advocate and practised locally, including as a partner with law firms Ogier and Mourant Ozannes. Since retiring from private practice, Caroline has taken on non-executive directorship roles and is Chair of the Board of Governors of The Ladies' College, Guernsey. She has recently retired as a member of the Guernsey Competition and Regulatory Authority. Ms. Chan was appointed to the Board in December 2022.

Julia Chapman

Julia Chapman is a Jersey resident and a solicitor qualified in England & Wales and in Jersey with over 30 years' experience in the investment fund and capital markets sector. After working at Simmons & Simmons in London, she moved to Jersey and became a partner of Mourant du Feu & Jeune (now Mourant) in 1999. She was then appointed general counsel to Mourant International Finance Administration (the firm's fund administration division). Following its acquisition by State Street in April 2010, Julia was appointed European Senior Counsel for State Street's alternative investment business. In July 2012, Julia left State Street to focus on the independent provision of directorship and governance services to a small number of investment fund vehicles. Mrs. Chapman was appointed to the Board in October 2021.

Bronwyn Curtis

Bronwyn Curtis is a UK resident and Senior Executive with 30 years leadership in finance, commodities, consulting and the media. Her executive roles included Head of Global Research at HSBC Plc, Managing Editor and Head of European Broadcast at Bloomberg LP, Chief Economist of Nomura International, and Global Head of Foreign Exchange and Fixed Income Strategy at Deutsche Bank. She has also worked as a consultant for the World Bank and UNCTAD. Her other current appointments include non-executive member of the Oversight Board of the UK Office for Budget Responsibility, trustee of the Centre for Economic and Policy Research, the Australia-UK Chamber of Commerce and The Times shadow MPC. She is a graduate of the London School of Economics and La Trobe University in Australia where she received a Doctor of Letters in 2017. Bronwyn was awarded an OBE in 2008 for her services to business economics. Mrs. Curtis was appointed to the Board in January 2020.

John Le Poidevin

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

Claire Whittet

Claire Whittet is Guernsey resident and has over 40 years' experience in the financial services industry. After obtaining a MA (Hons) in Geography from the University of Edinburgh, Mrs. Whittet joined the Bank of Scotland for 19 years and undertook a wide variety of roles. She moved to Guernsey in 1996 and was Global Head of Private Client Credit for Bank of Bermuda before joining Rothschild & Co Bank International Limited in 2003, initially as Director of Lending and latterly as Managing Director and Co-Head until May 2016 when she became a non-executive Director, until retiring in July 2023. She is an ACIB member of the Chartered Institute of Bankers in Scotland, a Chartered Banker, a member of the Chartered Insurance Institute and holds an IoD Director's Diploma in Company Direction. She is an experienced non-executive director of a number of listed investment and private equity funds. Until her recent retirement, and after serving for 9 years, she chaired a listed fund and is Senior Independent Director on others, including this Company. Mrs. Whittet was appointed to the Board in June 2014 and will not be standing for re-election at the forthcoming Annual General Meeting.

DISCLOSURE OF DIRECTORSHIPS IN PUBLIC COMPANIES LISTED ON RECOGNISED STOCK EXCHANGES

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

	EXCHANGE
RICHARD HORLICK	
Riverstone Energy Limited	London
VH Global Sustainable Energy Opportunities Plc	London
CAROLINE CHAN	
Round Hill Music Royalty Fund Limited	London
JULIA CHAPMAN	
GCP Infrastructure Investments Limited	London
Henderson Far East Income Limited	London
The International Stock Exchange Group Limited	The International Stock Exchange
BRONWYN CURTIS	
Pershing Square Holdings Ltd	London and Euronext Amsterdam
Scottish American Investment Company Plc	London
TwentyFour Income Fund Limited	London
JOHN LE POIDEVIN	
International Public Partnerships Limited	London
Super Group (SGHC) Limited	New York
TwentyFour Income Fund Limited	London
CLAIRE WHITTET	
Eurocastle Investment Limited	Euronext Amsterdam
Riverstone Energy Limited	London
Third Point Investors Limited	London

DIRECTORS' REPORT

30 June 2023

The Directors submit their Interim Report together with the Company's Unaudited Statement of Assets and Liabilities, Unaudited Statement of Operations, Unaudited Statement of Changes in Net Assets, Unaudited Statement of Cash Flows and the related notes for the period ended 30 June 2023. The Directors' Report together with the Interim Unaudited Financial Statements and their related notes (the "Financial Statements") give a true and fair view of the financial position of the Company. They have been prepared in accordance with United States Generally Accepted Accounting Principles ("US GAAP") and are in agreement with the accounting records.

THE COMPANY

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

The Company's ordinary shares are issued in Sterling and US Dollars.

INVESTMENT OBJECTIVE AND POLICY

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

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

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

The Company may employ leverage for the purposes of financing share purchases or buy backs, satisfying working capital requirements or financing further investment into the Master Fund, subject to an aggregate borrowing limit of 20% of the Company's NAV, calculated as at the time of borrowing.

Borrowing by the Company is in addition to leverage at the Master Fund level, which has no limit on its own leverage.

RESULTS AND DIVIDENDS

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

SHARE CAPITAL

As approved by the Shareholders at the Annual General Meeting held on 9 September 2022, the Directors had the power to issue further shares for cash on a non-pre-emptive basis totalling 9,818,410 Sterling shares and 873,549 US Dollar shares, respectively.

As noted below, this authority was superseded by a Shareholder resolution adopted on 6 February 2023.

On 23 January 2023, the Board announced the commencement of its initial issue (the "Initial Issue"), comprising of the initial placing (the "Placing"), intermediaries offer (the "Intermediaries Offer") and offer for subscription (the "Offer for Subscription"), together with an issuance programme for subsequent issues, which remains open until 23 January 2024 (the "Issuance Programme"), in respect of the issue of up to an aggregate of 220 million shares (based on a 10:1 share sub-division); the issue of circular for an EGM, which was held on 6 February 2023, in relation to the Initial Issue, Issuance Programme and share sub-division; and details of amendments to the Management Agreement, including terms of the Company's investment in the Master Fund, in order to reflect the increased investment of the Company in the Master Fund as a result of the Initial Issue and the Issuance Programme. Further details are disclosed in note 5 to the Interim Unaudited Financial Statements.

On 6 February 2023, following the EGM, the Company announced that (i) the Board was empowered to allot and issue, in aggregate, up to 220 million new shares of no par value in the Company designated as Sterling shares or US Dollar shares, as if the pre-emption provisions of the Company's articles of incorporation ("Articles") did not apply; and (ii) each existing share would be sub-divided into 10 shares of the same currency class and with the same rights and subject to the same restrictions as the then existing shares of the same currency class, in the capital of the Company, with the sub-divided shares to be admitted to listing the following day. These resolutions superseded the relevant resolutions adopted at the 2022 Annual General Meeting.

DIRECTORS' REPORT CONTINUED

SHARE CAPITAL (CONTINUED)

On 13 February 2023, the completion of the Initial Issue was announced. A total of 72,378,000 Sterling shares and 746,400 US Dollar shares were issued in the Initial Issue at a price per share equal, respectively, to 431.5 pence per Sterling share and US\$4.47 per US Dollar share, raising gross proceeds of approximately £312.3m for the Sterling share class and US\$3.3m for the US Dollar share class.

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

GOING CONCERN

The Directors, having considered the Principal and Emerging Risks and Uncertainties to which the Company is exposed, which are listed on pages 11 and 12 and on the assumption that these are managed or mitigated as noted, are not aware of any material uncertainties which may cast significant doubt upon the Company's ability to continue as a going concern and, accordingly, consider that it is appropriate that the Company continues to adopt the going concern basis of accounting for these Interim Unaudited Financial Statements.

The Board continues to monitor the ongoing impact of various geopolitical events, including elevated levels of global inflation, recessionary risks and the ongoing war in Ukraine. The Board has concluded that the biggest threat to the Company in relation to these geopolitical concerns remains the failure of a key service provider to maintain business continuity and resiliency. The Board has assessed the measures in place by key service providers to maintain business continuity and, so far, has not identified any significant issues that affect the Company. The financial position of the Company has not been negatively impacted by these geopolitical events either. For these reasons, the Board is confident that these events have not impacted the going concern assessment of the Company.

THE BOARD

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

The Articles provide that, unless otherwise determined by ordinary resolution, the number of Directors shall not be less than two.

The Board meets at least four times a year and between these formal meetings, there is regular contact with the Manager, the

Corporate Broker and the Administrator. The Directors are kept fully informed of investment and financial controls, and other matters that are relevant to the business of the Company are brought to the attention of the Directors. The Directors also have access to the Administrator and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

For each Director, the tables below set out the number of Board and Audit Committee meetings they were entitled to attend during the period ended 30 June 2023 and the number of such meetings attended by each Director.

SCHEDULED BOARD MEETINGS	HELD	ATTENDED
Richard Horlick	2	2
Caroline Chan	2	2
Julia Chapman	2	2
Bronwyn Curtis	2	2
John Le Poidevin	2	2
Claire Whittet	2	2

AUDIT COMMITTEE MEETINGS	HELD	ATTENDED
John Le Poidevin	2	2
Caroline Chan	2	2
Julia Chapman	2	2
Bronwyn Curtis	2	2
Claire Whittet	2	2

In addition to these scheduled meetings, ten ad-hoc committee meetings were held during the period ended 30 June 2023, which were attended by those Directors available at the time.

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

The Chair's and the Directors' tenures are limited to nine years, which is consistent with the principles listed in the UK Corporate Governance Code. Claire Whittet is not standing for re-election at the forthcoming Annual General Meeting having served on the Board since June 2014.

DIRECTORS' REPORT CONTINUED

THE BOARD (CONTINUED)

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

DIRECTORS' INTERESTS

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

	30.06.23	31.12.22	STERLING SHARES 30.06.22
Richard Horlick	200,000	20,000	20,000
Caroline Chan ¹	11,587	Nil	N/A
Julia Chapman	6,260	626	626
Bronwyn Curtis	33,175	1,000	1,000
John Le Poidevin	75,620	5,482	5,482
Claire Whittet ²	23,111	1,500	1,500

	30.06.23	31.12.22	US DOLLAR SHARES 30.06.22
Richard Horlick	20,000	Nil	Nil
Caroline Chan ¹	Nil	Nil	N/A
Julia Chapman	Nil	Nil	Nil
Bronwyn Curtis	Nil	Nil	Nil
John Le Poidevin	Nil	Nil	Nil
Claire Whittet	Nil	Nil	Nil

¹ Caroline Chan was appointed to the Board on 6 December 2022.

² All units are held through a Retirement Annuity Trust Scheme, jointly owned by Mrs Whittet and her husband.

During the 10:1 share sub-division, which was completed on 7 February 2023 (as mentioned on pages 5 and 6), the following changes were made to the Directors' shareholdings in the Company:

Richard Horlick, 20,000 Sterling shares cancelled, 200,000 Sterling shares issued;

Julia Chapman, 626 Sterling shares cancelled, 6,260 Sterling shares issued;

Bronwyn Curtis, 1,000 Sterling shares cancelled, 10,000 Sterling shares issued;

John Le Poidevin, 5,482 Sterling shares cancelled, 54,820 Sterling shares issued; and

Claire Whittet, 1,500 Sterling shares cancelled, 15,000 Sterling shares issued.

On 13 February 2023, the Board participated in the Initial Issue for the following amounts:

Richard Horlick, US\$89,400 of US Dollar shares (20,000 shares); Caroline Chan, £50,000 of Sterling shares (11,587 shares);

Bronwyn Curtis, £100,000 of Sterling shares (23,175 shares);

John Le Poidevin, £90,000 of Sterling shares (20,800 shares); and

Claire Whittet, £35,000 of Sterling shares (8,111 shares).

DIRECTORS' INDEMNITY

Directors' and Officers' liability insurance cover is in place in respect of the Directors.

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

CORPORATE GOVERNANCE

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

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

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

DIRECTORS' REPORT CONTINUED

CORPORATE GOVERNANCE (CONTINUED)

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

The UK Corporate Governance Code includes provisions relating to:

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

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

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

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

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

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

In line with the AIC Code, Article 21.3 of the Company's Articles requires all Directors to retire at each Annual General Meeting. At the Annual General Meeting of the Company on 9 September 2022, Shareholders re-elected all the then incumbent Directors of the Company, except for Caroline Chan, who was appointed on 6 December 2022.

The Board, through the Remuneration and Nomination Committee, regularly reviews its composition and believes that the current appointments provide an appropriate range of skill, experience and diversity. Having served nine years as a Board member, Claire Whittet will not seek re-election at the forthcoming Annual General Meeting of the Company.

Each of the Board, the Audit Committee, the Management Engagement Committee and the Remuneration and Nomination Committee undertakes an evaluation of their own performance and that of individual Directors on an annual basis. In order to review their effectiveness, the Board and its Committees carry out a process of formal self-appraisal. The Board and the Committees consider how they function as a whole and also review the individual performance of their members. This process is conducted by the Chair of each Committee reviewing the relevant Directors' performance, contribution and commitment to the Company.

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

BOARD PERFORMANCE

The performance of the Board and that of each individual Director is scheduled for external evaluation every three years, the most recent of which was completed in 2022.

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

DIRECTORS' REPORT CONTINUED

BOARD PERFORMANCE (CONTINUED)

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

POLICY TO COMBAT FRAUD, BRIBERY AND CORRUPTION

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

In respect of the UK Criminal Finances Act 2017, which introduced a new corporate criminal offence of 'failing to take reasonable steps to prevent the facilitation of tax evasion', the Board confirms that it is committed to preventing the facilitation of tax evasion and takes all reasonable steps to do so.

SOCIAL AND ENVIRONMENTAL ISSUES

The Board also keeps under review developments involving other social and environmental issues, such as modern slavery, and will report on those to the extent they are considered relevant to the Company's operations. Further explanation of these issues is detailed on page 12 under 'Climate Change and ESG Risks'.

ONGOING CHARGES

The ongoing charges (the "Ongoing Charges") represent the Company's management fee and all other operating expenses, excluding finance costs, performance fees, share issue or buyback costs and non-recurring legal and professional fees, expressed as a percentage of the average of the daily net assets during the year.

Ongoing Charges for the six-month period ended 30 June 2023, year ended 31 December 2022 and six-month period ended 30 June 2022 have been prepared in accordance with the AIC's recommended methodology.

The following table presents the Ongoing Charges for each share class of the Company for the six-month period ended 30 June 2023, year ended 31 December 2022 and six-month period ended 30 June 2022.

30.06.23

	STERLING SHARES	US DOLLAR SHARES
Company – Ongoing Charges	1.58%	1.58%
Master Fund – Ongoing Charges	0.55%	0.58%
Performance fees	0.00%	0.00%
Ongoing Charges plus performance fees	2.13%	2.16%

31.12.22

	STERLING SHARES	US DOLLAR SHARES
Company – Ongoing Charges	1.68%	1.74%
Master Fund – Ongoing Charges	0.20%	0.22%
Performance fees	4.23%	4.20%
Ongoing Charges plus performance fees	6.11%	6.16%

30.06.22

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

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

PERFORMANCE GRAPHS

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

DIRECTORS' REPORT CONTINUED

AUDIT COMMITTEE

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

MANAGEMENT ENGAGEMENT COMMITTEE

The Board has established a Management Engagement Committee with formal duties and responsibilities. The Management Engagement Committee meets formally at least once a year and comprises all members of the Board.

It has been chaired by Julia Chapman since 17 June 2022.

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

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

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

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

At its meeting on 9 September 2022, the Management Engagement Committee concluded that the continued appointment of each of the Manager, the Administrator, the Company's UK and Guernsey legal advisers, the Registrar and the Corporate Broker on the terms agreed was in the interests of the Company's Shareholders as a whole. At the date of this report, the Board continues to be of the same opinion.

REMUNERATION AND NOMINATION COMMITTEE

The Board established a Remuneration and Nomination Committee on 17 June 2022 with formal duties and responsibilities. The Remuneration and Nomination Committee meets formally at least once a year, is chaired by Bronwyn Curtis and comprises all members of the Board.

The function of the Remuneration and Nomination Committee is to:

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

INTERNAL CONTROLS

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

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

DIRECTORS' REPORT CONTINUED

INTERNAL CONTROLS (CONTINUED)

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

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

The Board has delegated the management of the Company and the administration, corporate secretarial and registrar functions, including the independent calculation of the Company's NAV and the production of the Annual Report and Audited Financial Statements, which are independently audited. Whilst the Board delegates these functions, it remains responsible for the functions it delegates and for the systems of internal control. Formal contractual agreements have been put in place between the Company and the providers of these services. On an ongoing basis, Board reports are provided at each quarterly Board meeting by the Manager, the Corporate Broker, the Administrator and Corporate Secretary and the Registrar. A representative from the Manager is asked to attend these meetings.

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

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

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

From 1 January 2021, the Company became subject to the UK version of Regulation (EU) No 1286/2014 on key information documents for PRIIPs, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time, including by the Packaged Retail and Insurance-based Investment Products (Amendment) (EU Exit) Regulations 2019 (the "UK PRIIPs Laws"), which superseded the EU regulation that previously applied to the Company. In accordance with the requirements of the UK PRIIPs Laws, the Manager published the latest standardised three-page Key Information Document (a "KID") for the Company's Sterling shares and another for its US Dollar shares on 27 April 2023

(based on data as at 31 December 2022). Each KID is available on the Company's website <https://www.bhmacro.com/regulatory-disclosures/> and will be updated at least every 12 months.

The Manager is the PRIIPs manufacturer for each KID and the Company is not responsible for the information contained in each KID. The process for calculating the risks, cost and potential returns is prescribed by regulation. The figures in the KID, relating to the relevant share class, may not reflect the expected returns for that share class of the Company and anticipated returns cannot be guaranteed.

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

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

- **Investment Risks:** The Company is exposed to the risk that its portfolio fails to perform in line with the Company's objectives if it is inappropriately invested or markets move adversely. The Board reviews reports from the Manager, which has total discretion over portfolio allocation, at each quarterly Board meeting, paying particular attention to this allocation and to the performance and volatility of underlying investments;
- **Operational and Cyber Security Risks:** The Company is exposed to the risks arising from any failure of systems and controls in the operations of the Manager, Northern Trust International Fund Administration Services (Guernsey) Limited (the "Administrator") or Computershare Investor Services (Guernsey) Limited (the "Registrar"), or from the unavailability of any of the Manager, the Administrator or the Registrar for whatever reason, including those arising from cyber security issues. The Board receives regular reports from each of those parties on cyber security and annual independent third-party reporting on their respective internal controls;
- **Accounting, Legal and Regulatory Risks:** The Company is exposed to risk if it fails to comply with the regulations of the UK Listing Authority or the Guernsey Financial Services Commission and/or any other applicable regulatory and legislative matters, or if it fails to maintain accurate or timely accounting records and published financial information. The Administrator provides the Board with regular internal control and compliance reports and reports on changes in regulations and accounting requirements;

DIRECTORS' REPORT CONTINUED

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES (CONTINUED)

- **Financial Risks:** The financial risks faced by the Company include market, credit and liquidity risk. These risks and the controls in place to mitigate them are reviewed at each quarterly Board meeting;
- **Geopolitical Risk:** Elevated levels of global inflation, recessionary risks and the current war in Ukraine has led to greater economic uncertainty, variability and volatility. Whilst the Master Fund has no material direct exposure to Russia, Ukraine or Belarus, the Board has also made enquiries of key service providers in respect of any impact from Russia's invasion of Ukraine and the related instability in world markets and has been assured that none of the service providers have operations in the region or are in any way impacted in terms of their ability to continue to supply their services to the Company; and
- **Climate Change and ESG Risks:** The Company has no employees and does not own any physical assets and is therefore not directly exposed to climate change risk. The Manager monitors developments in this area and industry best practice on behalf of the Board, where appropriate, and also regularly assesses the trading activity of the underlying Master Fund and sub-funds to ascertain whether environmental, social and governance ("ESG") factors are appropriate or applicable to such funds. The Board has also made enquiries of key service providers in respect of their assessment of how climate change and ESG risk impacts their own operations and has been assured that this has no impact on their ability to continue to supply their services to the Company.

BOARD DIVERSITY

When appointing new directors and reviewing the Board composition, the Board considers, amongst other factors, diversity, balance of skills, knowledge, gender and experience. At 30 June 2023, the Board noted that it believed it would be fully compliant in terms of Listing Rules LR 9.8.6R(9) and LR 14.3.33R(1) in relation to board diversity, which will be applicable to the Company for the year ending 31 December 2023. There have been no changes to board composition since that date. We have set out additional details in the table below:

NAME	GENDER IDENTITY	ETHNICITY
Richard Horlick	Male	White British
Caroline Chan	Female	White Asian British
Julia Chapman	Female	White British
Bronwyn Curtis	Female	White European
John Le Poidevin	Male	White British
Claire Whittet	Female	White British

INTERNATIONAL TAX REPORTING

For purposes of the US Foreign Account Tax Compliance Act, the Company registered with the US Internal Revenue Services ("IRS") as a Guernsey reporting Foreign Financial Institution ("FFI"), received a Global Intermediary Identification Number (5QHZVI.99999.SL.831), and can be found on the IRS FFI list.

The Common Reporting Standard ("CRS") is a global standard for the automatic exchange of financial account information developed by the Organisation for Economic Co-operation and Development ("OECD"). The Company made its latest report for CRS to the Director of Income Tax on 30 June 2023.

RELATIONS WITH SHAREHOLDERS

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

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

DIRECTORS' REPORT CONTINUED

RELATIONS WITH SHAREHOLDERS (CONTINUED)

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

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

SIGNIFICANT SHAREHOLDERS

As at 15 August 2023, the following Shareholders had significant shareholdings in the Company:

	% HOLDING IN CLASS
SIGNIFICANT SHAREHOLDERS	
STERLING SHARES	
Ferlim Nominees Limited	19.5%
Rathbone Nominees Limited	10.1%
Smith & Williamson Nominees Limited	7.1%
Cheviot Capital (Nominees) Limited	6.4%
Vidacos Nominees Limited	4.3%
Lion Nominees Limited	4.3%
Vestra Nominees Limited	4.3%
Pershing Nominees Limited	4.2%
Brewin Nominees Limited	3.4%
HSBC Global Custody Nominee (UK) Limited	3.2%

	% HOLDING IN CLASS
SIGNIFICANT SHAREHOLDERS	
US DOLLAR SHARES	
Hero Nominees Limited	15.8%
Euroclear Nominees	12.8%
Vidacos Nominees Limited	12.6%
Luna Nominees Limited	4.6%
CGWL Nominees Limited	4.2%
Rathbone Nominees Limited	3.2%
Vistra Wealth (Jersey) Nominees Limited	3.0%

Signed on behalf of the Board by:

Richard Horlick

Chair

John Le Poidevin

Director

13 September 2023

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

We confirm to the best of our knowledge that:

- these Interim Unaudited Financial Statements have been prepared in accordance with United States Generally Accepted Accounting Principles and give a true and fair view of the assets, liabilities, financial position and profit or loss; and
- these Interim Unaudited Financial Statements include information detailed in the Chair's Statement, the Directors' Report, the Manager's Report and the Notes to the Interim Unaudited Financial Statements, which provides a fair review of the information required by:

(a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on these Interim Unaudited Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the year; and

(b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related-party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period and any changes in the related-party transactions described in the last Annual Audited Financial Statements that could materially affect the financial position or performance of the Company.

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

Signed on behalf of the Board by:

Richard Horlick
Chair

John Le Poidevin
Director

13 September 2023

MANAGER'S REPORT

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

PERFORMANCE REVIEW

The NAV per share of the USD shares of the Company has depreciated by -5.65% during the first half of 2023 and the NAV per share of the GBP shares depreciated by -6.09%.

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

GBP	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2007	-	-	0.11	0.83	0.17	2.28	2.55	3.26	5.92	0.04	3.08	0.89	20.67
2008	10.18	6.85	(2.61)	(2.33)	0.95	2.91	1.33	1.21	(2.99)	2.84	4.23	(0.67)	23.25
2009	5.19	2.86	1.18	0.05	3.03	(0.90)	1.36	0.66	1.55	1.02	0.40	0.40	18.00
2010	(0.23)	(1.54)	0.06	1.45	0.36	1.39	(1.96)	1.23	1.42	(0.35)	(0.30)	(0.45)	1.03
2011	0.66	0.52	0.78	0.51	0.59	(0.56)	2.22	6.24	0.39	(0.73)	1.71	(0.46)	12.34
2012	0.90	0.27	(0.37)	(0.41)	(1.80)	(2.19)	2.38	1.01	1.95	(0.35)	0.94	1.66	3.94
2013	1.03	2.43	0.40	3.42	(0.08)	(2.95)	(0.80)	(1.51)	0.06	(0.55)	1.36	0.41	3.09
2014	(1.35)	(1.10)	(0.34)	(0.91)	(0.18)	(0.09)	0.82	0.04	4.29	(1.70)	0.96	(0.04)	0.26
2015	3.26	(0.58)	0.38	(1.20)	0.97	(0.93)	0.37	(0.74)	(0.63)	(0.49)	2.27	(3.39)	(0.86)
2016	0.60	0.70	(1.78)	(0.82)	(0.30)	3.31	(0.99)	(0.10)	(0.68)	0.80	5.05	0.05	5.79
2017	(1.54)	1.86	(2.95)	0.59	(0.68)	(1.48)	1.47	0.09	(0.79)	(0.96)	0.09	(0.06)	(4.35)
2018	2.36	(0.51)	(1.68)	1.01	8.19	(0.66)	0.82	0.79	0.04	1.17	0.26	0.31	12.43
2019	0.52	(0.88)	2.43	(0.60)	3.53	3.82	(0.78)	1.00	(1.94)	0.47	(1.22)	1.52	7.98
2020	(1.42)	5.49	18.31	0.19	(0.85)	(0.53)	1.74	0.94	(1.16)	(0.02)	0.75	3.04	28.09
2021	1.20	0.32	0.81	0.15	0.25	(1.50)	(0.49)	0.87	0.40	0.27	0.00	0.47	2.76
2022	0.94	1.79	5.39	3.86	1.66	1.05	0.15	2.84	2.12	(0.40)	(1.15)	1.88	21.91
2023	1.20	(0.28)	(4.29)	(0.93)	(1.61)	(0.25)							(6.09)

USD	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2007	-	-	0.10	0.90	0.15	2.29	2.56	3.11	5.92	0.03	2.96	0.75	20.27
2008	9.89	6.70	(2.79)	(2.48)	0.77	2.75	1.13	0.75	(3.13)	2.76	3.75	(0.68)	20.32
2009	5.06	2.78	1.17	0.13	3.14	(0.86)	1.36	0.71	1.55	1.07	0.37	0.37	18.04
2010	(0.27)	(1.50)	0.04	1.45	0.32	1.38	(2.01)	1.21	1.50	(0.33)	(0.33)	(0.49)	0.91
2011	0.65	0.53	0.75	0.49	0.55	(0.58)	2.19	6.18	0.40	(0.76)	1.68	(0.47)	12.04
2012	0.90	0.25	(0.40)	(0.43)	(1.77)	(2.23)	2.36	1.02	1.99	(0.36)	0.92	1.66	3.86
2013	1.01	2.32	0.34	3.45	(0.10)	(3.05)	(0.83)	(1.55)	0.03	(0.55)	1.35	0.40	2.70
2014	(1.36)	(1.10)	(0.40)	(0.81)	(0.08)	(0.06)	0.85	0.01	3.96	(1.73)	1.00	(0.05)	0.11
2015	3.14	(0.60)	0.36	(1.28)	0.93	(1.01)	0.32	(0.78)	(0.64)	(0.59)	2.36	(3.48)	(1.42)
2016	0.71	0.73	(1.77)	(0.82)	(0.28)	3.61	(0.99)	(0.17)	(0.37)	0.77	5.02	0.19	6.63
2017	(1.47)	1.91	(2.84)	3.84	(0.60)	(1.39)	1.54	0.19	(0.78)	(0.84)	0.20	0.11	(0.30)
2018	2.54	(0.38)	(1.54)	1.07	8.41	(0.57)	0.91	0.90	0.14	1.32	0.38	0.47	14.16
2019	0.67	(0.70)	2.45	(0.49)	3.55	3.97	(0.66)	1.12	(1.89)	0.65	(1.17)	1.68	9.38
2020	(1.25)	5.39	18.40	0.34	(0.82)	(0.54)	1.84	0.97	(1.11)	(0.01)	0.76	3.15	28.89
2021	1.21	0.31	0.85	0.16	0.26	(1.47)	(0.47)	0.86	0.31	0.14	(0.09)	0.59	2.67
2022	0.74	1.77	5.27	3.80	1.09	0.76	0.12	3.11	2.46	(0.50)	(1.09)	2.01	21.17
2023	1.26	(0.30)	(4.11)	(0.88)	(1.54)	(0.15)							(5.65)

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

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

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

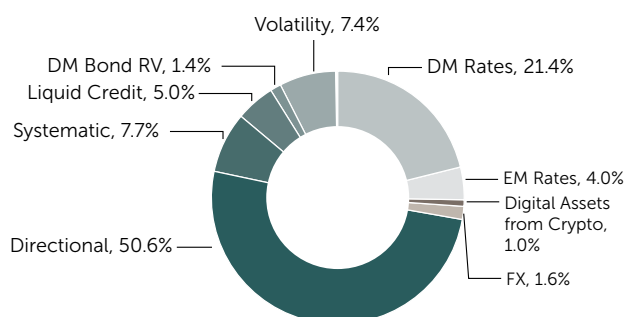
NAV performance is provided for information purposes only. Shares in the Company do not necessarily trade at a price equal to the prevailing NAV per Share.

Data as at 30 June 2023.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

MANAGER'S REPORT CONTINUED

BREAKDOWN BY INVESTMENT STYLE*



Source: BHCM, as at 30 June 2023. Data may not sum to 100% due to rounding.

* Capital allocations are subject to change.

The above strategies are categorised as follows:

"Volatility": strategies that trade volatility as an asset class in its own right across interest rates, FX, equity and credit markets.

"DM Rates": relative value trading in interest rate markets, generally using derivative instruments.

"EM Rates": predominantly bottom up, fundamental trading of the more liquid CEEMEA, LATAM and Asian interest rate and FX markets.

"Digital Assets": liquid trading strategies across the digital asset universe, including crypto relative value, volatility relative value, event driven arbitrage and systematic strategies.

"FX": global FX forwards and options.

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

"Systematic": rules-based futures trading.

"Liquid Credit": Liquid Credit trades are generally constructed using liquid cash, CDS, standard tranches, agency-backed mortgages and credit options with a focus on DM and liquid EM.

"DM Bond RV": Developed Markets Bond Relative Value: Bond RV - Relative value trading strategies in government bond markets.

QUARTERLY AND ANNUAL CONTRIBUTION (%) TO THE PERFORMANCE OF THE COMPANY'S USD SHARES (NET OF FEES AND EXPENSES) BY ASSET CLASS*

The information (below) is given in US\$ only, consistent with monthly shareholder reporting for the underlying US\$ denominated Master Fund.

	RATES	FX	COMMODITIES	CREDIT	EQUITY	DIGITAL ASSETS	DISCOUNT MANAGEMENT	TOTAL
Q1 2023	(1.37)	(0.71)	(0.22)	0.14	(1.25)	0.19	0.04	(3.19)
Q2 2023	(1.37)	(0.54)	(0.34)	(0.07)	(0.11)	(0.14)	0.00	(2.55)
YTD 2023	(2.72)	(1.24)	(0.56)	0.07	(1.35)	0.04	0.04	(5.64)

Data as at 30 June 2023.

Quarterly and YTD figures are calculated by BHCM as at 30 June 2023, based on performance data for each period provided by the Company's administrator, Northern Trust. Figures rounded to two decimal places.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

MANAGER'S REPORT CONTINUED

Methodology and Definition of Contribution to Performance:

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

*The above asset classes are categorised as follows:

"Rates": interest rates markets

"FX": FX forwards and options

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

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

"Equity": equity markets including indices and other derivatives

"Digital Assets": crypto-currencies including derivatives

"Discount Management": buyback activity or shares from treasury

PERFORMANCE AND ECONOMIC OUTLOOK COMMENTARY

Entering 2023, soft inflation readings from late 2022 had led markets to price in a lower path for the Federal Reserve ("Fed") funds rate. During this period of late 2022 and January 2023, the Fed slowed the pace of its rate increases to 25 bps per meeting from the previous 75 bps. As the economic data surged, the market's complacency over inflation was dispelled early in the year. US job growth was exceptionally strong in January and measures of inflation firmed. This led the market to adjust its expectations to include additional Fed rate hikes. Chairman Powell's testimony to Congress in early March further implied that the Fed might resume hiking at a pace of 50 bps per meeting.

In response to the surging US economic data and the increasingly hawkish Fed commentary throughout February and into early March, the Master Fund increased positioning for higher policy rates, in particular in the US. However, the sudden failure of Silicon Valley Bank in March, triggered one of the largest rallies in short dated yields over the past 50 years. As markets rapidly pivoted back to expecting fewer hikes, the Master Fund's interest rate positions incurred losses. Immediate action was taken to cut these positions, which were quickly and very substantially reduced.

Over the course of Q2 2023, these more muted expectations for Fed rate hikes slowly reverted to an anticipation of further tightening. This culminated in a surprise signal from the Fed in June that it expected to raise rates twice more in 2023, which was more than the market expected, especially as the Fed kept its own funds rate unchanged at one of its meetings for the first time since early 2022.

During this period, the Master Fund's overall risk levels remained lower. Various smaller losses were incurred across UK rates, developed market FX, inflation and commodity trading, while modest gains were generated in US interest rates and emerging market FX.

In aggregate, expectations for interest rates shifted back and forth repeatedly in the first half of 2023, creating a difficult trading environment for our core macro strategies. Overall, US inflation and economic growth slowed in the first half of 2023 but both remain above the Fed's target and what would be consistent with stable 2% inflation.

There is potential for a further slowing of both economic data and inflation in the US during the second half of this year, culminating in a US recession in early 2024 and a focus in 2024 on Fed rate cuts.

MANAGER'S REPORT CONTINUED

PERFORMANCE AND ECONOMIC OUTLOOK COMMENTARY (CONTINUED)

Moving to the rest of the world; in the Eurozone, the European Central Bank ("ECB") has raised policy rates by 400 bps in the year to June 2023 and is likely to add to that further. So far, there has not been any major fallout from that hiking cycle in terms of financial stability in the Eurozone. With headline inflation falling since late 2022, real interest rates have become less negative, further reducing the tailwind to the economy. Core inflation on the other hand, has been stubborn in Europe and remains far above target as the monetary tightening feeds only gradually into the economy.

As the energy price shock related to the Russian invasion in Ukraine has started to fade, the associated fiscal support provided may slowly disappear and, if there was to be sustained fiscal consolidation over the next few years, this could help the ECB in its attempt to bring underlying inflation lower.

In Japan, inflation has risen this year to levels not seen since the early 1980s, with the inflation picture increasingly mirroring that of other developed market countries, albeit with a lag of over a year. Under Kazuo Ueda, who in April became governor of the Bank of Japan ("BOJ") following a decade of leadership under Haruhiko Kuroda, the BOJ modified its yield curve control ("YCC") on 28 July. The new YCC scheme, while complex, could in practice allow the yield of 10y Japanese Government Bonds ("JGBs") to rise as high as 1%, double the previous limit of 0.50%, a change that is significantly reducing the impact of YCC while technically maintaining most of the framework. This can be seen as a major first step in the slow normalisation of Japanese monetary policy, with the possibility of the BOJ further paring back YCC and raising its negative policy rate. Perhaps more interesting will be whether the BOJ will have to take even stronger steps to bring inflation back down to its 2% target.

Further, in Latin America, where real interest rates are at historical highs and with inflation showing a clear downtrend, albeit with still elevated core inflation levels, there could be a gradual start to rate cuts.

Brevan Howard wishes to thank shareholders once again for their continued support.

Brevan Howard Capital Management LP,
acting by its sole general partner,
Brevan Howard Capital Management Limited.

13 September 2023

INDEPENDENT REVIEW REPORT TO BH MACRO LIMITED

CONCLUSION

We have been engaged by BH Macro Limited (the "Company") to review the financial statements in the half-yearly financial report for the six months ended 30 June 2023 of the Company, which comprises the unaudited statement of assets and liabilities, the unaudited statement of operations, the unaudited statement of changes in net assets, the unaudited statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the financial statements in the half-yearly financial report for the period ended 30 June 2023 do not give a true and fair view of the financial position of the Company as at 30 June 2023 and of its financial performance and its cash flows for the six month period then ended, in accordance with U.S. generally accepted accounting principles and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

SCOPE OF REVIEW

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

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

CONCLUSIONS RELATING TO GOING CONCERN

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

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However future events or

conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

DIRECTORS' RESPONSIBILITIES

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

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

In preparing the half-yearly financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless liquidation is imminent.

OUR RESPONSIBILITY

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

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

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Deborah Smith

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

13 September 2023

UNAUDITED STATEMENT OF ASSETS AND LIABILITIES

As at 30 June 2023

	30.06.23 (UNAUDITED) US\$'000	31.12.22 (AUDITED) US\$'000	30.06.22 (UNAUDITED) US\$'000
ASSETS			
Investment in the Master Fund (note 3)	1,968,663	1,628,766	1,523,101
Master Fund redemption proceeds receivable	4,073	70,411	–
Master Fund subscription paid in advance	–	–	32,180
Prepaid expenses	122	43	333
Cash and bank balances denominated in Sterling	15,742	7,271	4,820
Cash and bank balances denominated in US Dollars	736	639	334
TOTAL ASSETS	1,989,336	1,707,130	1,560,768
LIABILITIES			
Performance fees payable (note 4)	2	62,261	43,130
Management fees payable (note 4)	2,580	4,224	2,020
Accrued expenses and other liabilities	132	117	227
Directors' fees payable	–	14	–
Administration fees payable (note 4)	77	66	58
TOTAL LIABILITIES	2,791	66,682	45,435
NET ASSETS	1,986,545	1,640,448	1,515,333
NUMBER OF SHARES IN ISSUE (NOTE 5)			
Sterling shares	374,357,176	30,156,454*	29,300,836*
US Dollar shares	28,840,946	2,858,135*	2,583,898*
NET ASSET VALUE PER SHARE (NOTES 7 AND 9)			
Sterling shares	£3.93	£41.81*	£39.63*
US Dollar shares	US\$4.08	US\$43.28*	US\$40.76*

See accompanying Notes to the Interim Unaudited Financial Statements.

Signed on behalf of the Board by:

Richard Horlick
Chair

John Le Poidevin
Director

13 September 2023

* The Number of Shares In Issue and Net Asset Value Per Share as of 31 December 2022 and 30 June 2022 are not adjusted by a factor of 10 to reflect the 10 for 1 share sub-division on 7 February 2023.

UNAUDITED STATEMENT OF OPERATIONS

For the period from 1 January 2023 to 30 June 2023

	01.01.23 TO 30.06.23 (UNAUDITED) US\$'000	01.01.22 TO 31.12.22 (AUDITED) US\$'000	01.01.22 TO 30.06.22 (UNAUDITED) US\$'000
NET INVESTMENT GAIN/(LOSS) ALLOCATED FROM THE MASTER FUND			
Interest income	39,647	14,309	7,473
Dividend and other income (net of withholding tax: 30 June 2023: US\$16,182; 31 December 2022: US\$127,840; 30 June 2022: US\$59,896)	862	6,166	333
Expenses	(31,170)	(24,561)	(13,094)
NET INVESTMENT GAIN/(LOSS) ALLOCATED FROM THE MASTER FUND	9,339	(4,086)	(5,288)
COMPANY INCOME			
Bank interest income	496	32	3
Foreign exchange gains (note 3)	100,563	–	–
TOTAL COMPANY INCOME	101,059	32	3
COMPANY EXPENSES			
Performance fees (note 4)	2	63,844	45,802
Management fees (note 4)	14,393	23,776	11,427
Other expenses	314	1,063	389
Directors' fees	228	366	172
Administration fees (note 4)	148	241	113
Foreign exchange losses (note 3)	–	149,089	144,433
TOTAL COMPANY EXPENSES	15,085	238,379	202,336
NET INVESTMENT GAIN/(LOSS)	95,313	(242,433)	(207,621)
NET REALISED AND UNREALISED (LOSS)/GAIN ON INVESTMENTS ALLOCATED FROM THE MASTER FUND			
Net realised (loss)/gain on investments	(14,667)	118,371	46,061
Net unrealised (loss)/gain on investments	(109,132)	236,140	203,762
NET REALISED AND UNREALISED (LOSS)/GAIN ON INVESTMENTS ALLOCATED FROM THE MASTER FUND	(123,799)	354,511	249,823
NET (DECREASE)/INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	(28,486)	112,078	42,202

See accompanying Notes to the Interim Unaudited Financial Statements.

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS

For the period from 1 January 2023 to 30 June 2023

	01.01.23 TO 30.06.23 (UNAUDITED) US\$'000	01.01.22 TO 31.12.22 (AUDITED) US\$'000	01.01.22 TO 30.06.22 (UNAUDITED) US\$'000
NET (DECREASE)/INCREASE IN NET ASSETS RESULTING FROM OPERATIONS			
Net investment gain/(loss)	95,313	(242,433)	(207,621)
Net realised (loss)/gain on investments allocated from the Master Fund	(14,667)	118,371	46,061
Net unrealised (loss)/gain on investments allocated from the Master Fund	(109,132)	236,140	203,762
	(28,486)	112,078	42,202
ISSUE OF NEW SHARES			
Sterling shares	379,021	218,027	175,403
US Dollar shares	3,336	12,615	–
SHARE ISSUE COSTS			
Sterling shares	(7,707)	–	–
US Dollar shares	(67)	–	–
TOTAL SHARE CAPITAL TRANSACTIONS	374,583	230,642	175,403
NET INCREASE IN NET ASSETS	346,097	342,720	217,605
NET ASSETS AT THE BEGINNING OF THE PERIOD/YEAR	1,640,448	1,297,728	1,297,728
NET ASSETS AT THE END OF THE PERIOD/YEAR	1,986,545	1,640,448	1,515,333

See accompanying Notes to the Interim Unaudited Financial Statements.

UNAUDITED STATEMENT OF CASH FLOWS

For the period from 1 January 2023 to 30 June 2023

	01.01.23 TO 30.06.23 (UNAUDITED) US\$'000	01.01.22 TO 31.12.22 (AUDITED) US\$'000	01.01.22 TO 30.06.22 (UNAUDITED) US\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (decrease)/increase in net assets used in operations	(28,486)	112,078	42,202
Adjustments to reconcile net increase in net assets resulting from operations to net cash used in operating activities:			
Net investment (gain)/loss allocated from the Master Fund	(9,339)	4,086	5,288
Net realised loss/(gain) on investments allocated from the Master Fund	14,667	(118,371)	(46,061)
Net unrealised loss/(gain) on investments allocated from the Master Fund	109,132	(236,140)	(203,762)
Purchase of investment in the Master Fund	(365,214)	(221,798)	(142,989)
Proceeds from sale of investment in the Master Fund	77,711	11,008	7,261
Increase in Master Fund subscription paid in advance	–	–	(32,180)
Foreign exchange (gains)/losses	(100,563)	149,089	144,433
(Increase)/decrease in prepaid expenses	(79)	251	(39)
(Decrease)/increase in performance fees payable	(62,259)	56,056	36,925
(Decrease)/increase in management fees payable	(1,644)	972	(1,232)
Decrease in accrued expenses and other liabilities	(81)	(137)	(27)
(Decrease)/increase in Directors' fees payable	(14)	14	–
Decrease in combination fees receivable	–	1,749	1,749
Increase in administration fees payable	11	15	7
NET CASH USED IN OPERATING ACTIVITIES	(366,158)	(241,128)	(188,425)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	382,357	230,642	175,403
Share issue costs	(7,773)	–	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	374,584	230,642	175,403
CHANGE IN CASH	8,426	(10,486)	(13,022)
CASH, BEGINNING OF THE PERIOD/YEAR	7,910	16,430	16,430
Effect of exchange rate fluctuations	142	1,966	1,746
CASH, END OF THE PERIOD/YEAR	16,478	7,910	5,154
CASH, END OF THE PERIOD/YEAR			
Cash and bank balances denominated in Sterling ¹	15,742	7,271	4,820
Cash and bank balances denominated in US Dollars	736	639	334
	16,478	7,910	5,154
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES			
¹ Cash and bank balances in Sterling (GBP'000)	12,383	6,045	3,969

See accompanying Notes to the Interim Unaudited Financial Statements.

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

1. THE COMPANY

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

The Company's ordinary shares are issued in Sterling and US Dollars.

2. ORGANISATION

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

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

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

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

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

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

The Manager

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

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

On 23 January 2023, the Company announced the commencement of an offer of new ordinary shares (the "Initial Issue"), comprising a placing, an intermediaries offer and an offer for subscription, together with an issuance programme for subsequent issues, which remains open until 23 January 2024 (the "Issuance Programme"). The Company also announced the issue of a new prospectus and a circular to Shareholders (the "Circular"), in connection with the Issuance Programme.

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

2. ORGANISATION (CONTINUED)

In order to reflect the increased investment of the Company in the Master Fund, the Company and the Manager agreed to a number of amendments to the Management Agreement and the terms on which the Company's investment in the Master Fund could be redeemed in order to provide the Manager with more operational certainty regarding the Company's investment in the Master Fund. These changes, which did not require Shareholder approval, were as follows:

- The Company will ordinarily be required to provide 12 months' notice of the redemption of all or some of its investment in the Master Fund, except as may be required to fund the Company's specific working capital requirements and, up to a maximum amount equal to five per cent. of each class of the Company's holding of Master Fund shares every month, to finance on-market share buy backs. Any redemption of all or part of the Company's investment in the Master Fund on a winding up of the Company or to finance a tender offer or a class closure resolution will be required to be on 12 months' notice. In those cases, the Company would only receive the proceeds of redemption from the Master Fund (and, therefore, Shareholders would only receive payment from the Company) after the redemption date at the end of the 12 month notice period and the Company (and, therefore, Shareholders) would remain exposed to the investment performance of the Master Fund in the intervening period to that redemption date.
- The circumstances in which the Company can terminate the Management Agreement and redeem its investment in the Master Fund on less than 12 months' notice are limited to certain "cause" events affecting the Manager, in which case the Company would be entitled to terminate the Management Agreement and redeem its investment in the Master Fund on three months' notice.
- In addition, the annual buy back allowance arrangements introduced in 2021 will continue to apply in respect of repurchases and redemptions of shares of each class in excess of five per cent. of the relevant class in any calendar year.

3. SIGNIFICANT ACCOUNTING POLICIES

These Interim Unaudited Financial Statements, which give a true and fair view, are prepared in accordance with United States Generally Accepted Accounting Principles and comply with the Companies (Guernsey) Law, 2008. The functional and reporting currency of the Company is US Dollars.

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

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

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

Valuation of investments

The Company records its investment in the Master Fund at fair value. Fair value is determined as the Company's proportionate share of the Master Fund's capital, which approximates fair value. At 30 June 2023, the Company was the sole investor in the Master Fund's ordinary Sterling and US Dollar class B shares as disclosed in the table below. Within the table below, the Company's investment in each share class in the Master Fund is included, with the overall total investment shown in the Unaudited Statement of Assets and Liabilities.

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

	PERCENTAGE OF MASTER FUND'S CAPITAL	NAV PER SHARE (CLASS B)	SHARES HELD IN THE MASTER FUND (CLASS B)	INVESTMENT IN MASTER FUND CCY '000	INVESTMENT IN MASTER FUND US\$'000
30 JUNE 2023					
Sterling	15.70%	£6,274.95	232,123	£1,456,562	1,851,727
US Dollar	0.99%	US\$6,279.06	18,622	US\$116,936	116,936
					1,968,663
31 DECEMBER 2022					
Sterling	15.03%	£6,634.79	188,704	£1,252,014	1,506,049
US Dollar	1.22%	US\$6,606.92	18,573	US\$122,717	122,717
					1,628,766
30 JUNE 2022					
Sterling	14.41%	£6,185.20	188,158	£1,163,801	1,413,264
US Dollar	1.12%	US\$6,150.35	17,859	US\$109,837	109,837
					1,523,101

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

The valuation and classification of securities held by the Master Fund is discussed in the notes to the Master Fund's Interim Unaudited Financial Statements which are available on the Company's website, www.bhmacro.com.

Income and expenses

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

Use of estimates

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

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leverage

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

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

Foreign exchange

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

Investment securities and other assets and liabilities of the Sterling share class are translated into US Dollars, the Company's reporting currency, using exchange rates at the reporting date. The Unaudited Statement of Operations' items of the Sterling share class are converted into US Dollars using the average exchange rate. Exchange differences arising on translation are included in foreign exchange losses in the Unaudited Statement of Operations. This foreign exchange adjustment has no effect on the value of net assets allocated to the individual share classes.

Cash and bank balances

Cash and bank balances comprise demand deposits.

Allocation of results of the Master Fund

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

Treasury shares

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

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

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

4. MANAGEMENT AGREEMENT AND ADMINISTRATION AGREEMENT

Management and performance fee

The Company has entered into the Management Agreement with the Manager to manage the Company's investment portfolio. The Management Fee charged to the Company is reduced by the Company's share of management fees incurred by the Master Fund through any underlying investments of the Master Fund that share the same manager as the Company. Effective from 1 July 2021, the Management Fee charged was changed to 1/12 of 1.5% per month of the NAV. The investment in the Class B shares of the Master Fund is not subject to management fees, but is subject to an operational services fee payable to the Manager of 1/12 of 0.5% per month of the NAV. On 23 January 2023, the Management Agreement between the Company and the Manager was amended.

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

4. MANAGEMENT AGREEMENT AND ADMINISTRATION AGREEMENT (CONTINUED)

During the six-month period ended 30 June 2023, US\$14,392,938 (year ended 31 December 2022: US\$23,776,341; six-month period ended 30 June 2022: US\$11,426,798) was earned by the Manager as net Management Fees. At 30 June 2023, US\$2,579,511 (31 December 2022: US\$4,224,444; 30 June 2022: US\$2,020,089) of the Management Fee remained outstanding.

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

The Manager will be paid an estimated performance fee on the business day preceding the last business day of each calculation period. Within 5 business days of the publication of the final NAV of each class of shares as at the end of the calculation period, any difference between the actual performance fee and the estimated amount will be paid to or refunded by the Manager, as appropriate. Any accrued performance fee in respect of shares which are converted into another share class prior to the date on which the performance fee would otherwise have become payable in respect of those shares will crystallise and become payable on the date of such conversion. The performance fee is accrued on an ongoing basis and is reflected in the Company's published NAV. During the six-month period ended 30 June 2023, US\$2,322 (year ended 31 December 2022: US\$63,843,904; six-month period 30 June 2022: US\$45,801,636) was earned by the Manager as performance fees. At 30 June 2023, US\$2,339 (31 December 2022: US\$62,261,207; 30 June 2022: US\$43,130,012) of the fee remained outstanding.

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

The notice period for termination of the Management Agreement without cause by either the Company or the Manager was previously 12 months until 23 January 2023, when the Management Agreement between the Company and the Manager was amended. See note 2 for further details.

Administration fee

The Company has appointed Northern Trust International Fund Administration Services (Guernsey) Limited as its administrator and corporate secretary (the "Administrator" and "Corporate Secretary") pursuant to an administration agreement. The Administrator is paid fees based on the NAV of the Company, payable quarterly in arrears. The fee is at a rate of 0.015% of the average month-end NAV of the Company, subject to a minimum fee of £67,500 per annum. In addition to the NAV-based fee, the Administrator is also entitled to an annual fee of £6,000 (31 December 2022 and 30 June 2023: £6,000) for certain additional administration services. The Administrator is entitled to be reimbursed for out-of-pocket expenses incurred in the course of carrying out its duties as Administrator. During the six-month period ended 30 June 2023, US\$147,658 (year ended 31 December 2022: US\$240,727; six-month period ended 30 June 2022: US\$113,453) was earned by the Administrator as administration fees. The amounts outstanding are disclosed on the Unaudited Statement of Assets and Liabilities.

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

5. SHARE CAPITAL

Issued and authorised share capital

The Company has the power to issue an unlimited number of ordinary shares with no-par value and an unlimited number of shares with a par value. Shares may be divided into at least two classes denominated in Sterling and US Dollars. Further issues of shares may be made in accordance with the Articles of Incorporation (the "Articles"). Shares may be issued in differing currency classes of ordinary redeemable shares including C shares. The following tables show the movement in ordinary shares.

For the period from 1 January 2023 to 30 June 2023

	STERLING SHARES	US DOLLAR SHARES
NUMBER OF ORDINARY SHARES		
In issue at 1 January 2023	30,156,454	2,858,135
Share conversions	110,756	(131,449)
Net issue of new shares from Share Sub-Division	271,711,966	25,367,860
Issue of new shares	72,378,000	746,400
IN ISSUE AT 30 JUNE 2023	374,357,176	28,840,946

For the year ended 31 December 2022

	STERLING SHARES	US DOLLAR SHARES
NUMBER OF ORDINARY SHARES		
In issue at 1 January 2022	25,864,663	2,689,547
Share conversions	90,641	(110,772)
Issue of new shares	4,201,150	279,360
IN ISSUE AT 31 DECEMBER 2022	30,156,454	2,858,135

For the period from 1 January 2022 to 30 June 2022

	STERLING SHARES	US DOLLAR SHARES
NUMBER OF ORDINARY SHARES		
In issue at 1 January 2022	25,864,663	2,689,547
Share conversions	82,678	(105,649)
Issue of new shares	3,353,495	–
IN ISSUE AT 30 JUNE 2022	29,300,836	2,583,898

Share classes

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

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

5. SHARE CAPITAL (CONTINUED)

Voting rights of shares

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

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

Repurchase of ordinary shares

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

Further issue of shares

As approved by the Shareholders at the Annual General Meeting held on 9 September 2022, the Directors had the power to issue further shares for cash on a non-pre-emptive basis totalling 9,818,410 Sterling shares and 873,549 US Dollar shares, respectively. This power was due to expire fifteen months after the passing of the resolution or on the conclusion of the next Annual General Meeting of the Company, whichever was earlier, unless such power was varied, revoked or renewed prior to that Meeting by a resolution of the Company in general meeting.

On 23 January 2023, the Board announced the commencement of its Initial Issue, comprising a placing, an intermediaries offer and an offer for subscription of new ordinary shares of no par value in the capital of the Company, together with the Issuance Programme for subsequent issues, which remains open until 23 January 2024, which could be denominated as Sterling shares or US Dollar shares, at a price per share of the relevant class equal to the latest estimated net asset value per share of the relevant class as at the closing date of the Initial Issue, of the latest estimated NAV per share, plus a premium of two per cent.

At an EGM held on 6 February 2023, resolutions were passed to approve the grant of authority to issue new shares and dis-apply pre-emption rights in respect of shares issued pursuant to the Initial Issue and the Issuance Programme and to sub-divide the Company's shares, so that each existing share was replaced by ten shares of the same currency class, in order to assist in liquidity of the shares (the "Share Sub-Division"), together with the terms of the Company's investment in the Master Fund, in order to reflect the increased investment of the Company in the Master Fund, as a result of the Initial Issue and the Issuance Programme. These resolutions superseded the September 2022 AGM authorities to issue shares and dis-apply pre-emption rights in respect of the shares issued.

On 7 February 2023, dealings commenced in the shares arising from the Share Sub-Division. The price per share for the Initial Issue was announced, being 431.5 pence for the Sterling class shares and US\$4.47 for US Dollar class shares.

On 13 February 2023, the completion of the Initial Issue was announced. A total of 72,378,000 Sterling shares and 746,400 US Dollar shares were issued in the Initial Issue at a price per share equal, respectively, to 431.5 pence per Sterling share and US\$4.47 per US Dollar share, raising gross proceeds of approximately £315 million (based on a US Dollar/Sterling FX spot rate of 1.2113 being the prevailing rate as at 3.00 p.m. on 10 February 2023). Costs attributed to the Initial Issue and Share Sub-Division were US\$7,773,233.

Distributions

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

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

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

5. SHARE CAPITAL (CONTINUED)

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

Treasury shares are not entitled to distributions. There were no Treasury shares held by the Company throughout the period ended 30 June 2023 and year ended 31 December 2022.

Share conversion scheme

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

6. TAXATION

Overview

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

Uncertain tax positions

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

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

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

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

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

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

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

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

8. DISCOUNT MANAGEMENT PROGRAMME

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

Market purchases

Until October 2016, the Company regularly utilised its ability to make market purchases of its shares as part of the discount management programme, funded by the Company redeeming underlying shares in the Master Fund. As a condition of the April 2017 Tender Offer, this was suspended until 1 April 2017 and for much of the period since that date, the Company's shares have traded at a premium or minimal discount to NAV. However, if the Company's shares were again to trade at wide or volatile discounts to NAV in the future, it is the Board's intention to keep any resumption of market purchases of shares under review.

On 23 January 2023, the Board announced the commencement of its Initial Issue of new ordinary shares of no par value in the capital of the Company, together with the Issuance Programme for subsequent issues, which remains open until 23 January 2024. See note 5 for further details.

Annual offer of partial return of capital

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

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

The Company is entitled to redeem upon three months' notice, no more than once per year, a portion of its interest in the Master Fund representing up to 10 per cent of each class of the Company's holding of Master Fund shares as at the date of the relevant redemption request in connection with any such offer of a partial capital return of capital which is approved by the Directors.

The decision to make a partial return of capital in any particular year and the amount of the return depend, among other things, on prevailing market conditions, the ability of the Company to liquidate its investments to fund the capital return, the success of prior capital returns and applicable legal, regulatory and tax considerations.

Class closure resolutions

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

The average premiums to NAV for the Sterling shares and US Dollar Shares for the year ended 31 December 2022 were 10.61% and 11.08% respectively and consequently, no closure vote will be held in 2023.

The average premiums to NAV for the Sterling Shares and US Dollar Shares for the six-month period ended 30 June 2023 were 4.48% and 5.07% respectively.

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

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

9. FINANCIAL HIGHLIGHTS

The following tables include selected data for a single ordinary share of each of the ordinary share classes in issue at 30 June 2023 and other performance information derived from the Interim Unaudited Financial Statements.

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

	30.06.23 STERLING SHARES £	30.06.23 US DOLLAR SHARES US\$
PER SHARE OPERATING PERFORMANCE		
Net asset value at beginning of the period ¹	4.18	4.33
INCOME FROM INVESTMENT OPERATIONS		
Net investment loss ²	(0.01)	(0.01)
Net realised and unrealised loss on investment	(0.24)	(0.18)
Other capital items ³	–	(0.06)
TOTAL LOSS	(0.25)	(0.25)
NET ASSET VALUE, END OF THE PERIOD		
	3.93	4.08
Total loss before performance fees	(6.09%)	(5.65%)
Performance fees	–	–
TOTAL LOSS AFTER PERFORMANCE FEES	(6.09%)	(5.65%)

An individual Shareholder's return may vary from these returns based on the timing of their purchase or sale of shares. All figures contained herein in respect of the period ended 30 June 2023 are not annualised.

	30.06.23 STERLING SHARES £'000	30.06.23 US DOLLAR SHARES US\$'000
SUPPLEMENTAL DATA		
Net asset value, end of the period	1,469,990	117,749
Average net asset value for the period	1,468,214	121,222

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

9. FINANCIAL HIGHLIGHTS (CONTINUED)

	30.06.23 STERLING SHARES	30.06.23 US DOLLAR SHARES
RATIO TO AVERAGE NET ASSETS		
Operating expenses		
Company expenses ⁴	0.78%	0.78%
Master Fund expenses ⁵	0.41%	0.42%
Master Fund interest expenses ⁶	1.20%	1.23%
Performance fees	0.00%	0.00%
	2.39%	2.43%
Net investment (loss)/gain before performance fees²	(0.27%)	(0.23%)
Net investment (loss)/gain after performance fees²	(0.27%)	(0.23%)
	31.12.22 STERLING SHARES £	31.12.22 US DOLLAR SHARES US\$
PER SHARE OPERATING PERFORMANCE		
Net asset value at beginning of the year¹	34.30	35.71
INCOME FROM INVESTMENT OPERATIONS		
Net investment loss ²	(2.44)	(2.50)
Net realised and unrealised gain on investment	8.87	9.22
Other capital items ³	1.08	0.85
TOTAL GAIN	7.51	7.57
NET ASSET VALUE, END OF THE YEAR¹	41.81	43.28
Total gain before performance fees	26.78%	25.93%
Performance fees	(4.87%)	(4.76%)
TOTAL GAIN AFTER PERFORMANCE FEES	21.91%	21.17%

Total gain reflects the net return for an investment made at the beginning of the year and is calculated as the change in the NAV per ordinary share during the year from 1 January 2022 to 31 December 2022. An individual Shareholder's return may vary from these returns based on the timing of their purchase or sale of shares.

	31.12.22 STERLING SHARES £'000	31.12.22 US DOLLAR SHARES US\$'000
SUPPLEMENTAL DATA		
Net asset value, end of the year	1,260,923	123,686
Average net asset value for the year	1,132,773	110,421

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

9. FINANCIAL HIGHLIGHTS (CONTINUED)

	31.12.22 STERLING SHARES	31.12.22 US DOLLAR SHARES
RATIO TO AVERAGE NET ASSETS		
Operating expenses		
Company expenses ⁴	1.68%	1.74%
Master Fund expenses ⁵	0.41%	0.41%
Master Fund interest expenses ⁶	1.22%	1.18%
Performance fees	4.23%	4.20%
	7.54%	7.53%
Net investment loss before performance fees²	(1.95%)	(1.98%)
Net investment loss after performance fees²	(6.18%)	(6.18%)
	30.06.22 STERLING SHARES £	30.06.22 US DOLLAR SHARES US\$
PER SHARE OPERATING PERFORMANCE		
Net asset value at beginning of the period¹	34.30	35.71
INCOME FROM INVESTMENT OPERATIONS		
Net investment loss ²	(1.65)	(1.74)
Net realised and unrealised gain on investment	6.16	6.87
Other capital items ³	0.82	(0.08)
TOTAL GAIN	5.33	5.05
NET ASSET VALUE, END OF THE PERIOD¹	39.63	40.76
Total gain before performance fees	19.03%	17.61%
Performance fees	(3.50%)	(3.50%)
TOTAL GAIN AFTER PERFORMANCE FEES	15.53%	14.11%

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

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

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

9. FINANCIAL HIGHLIGHTS (CONTINUED)

	30.06.22 STERLING SHARES	30.06.22 US DOLLAR SHARES
RATIO TO AVERAGE NET ASSETS		
Operating expenses		
Company expenses ⁴	0.83%	0.90%
Master Fund expenses ⁵	0.29%	0.30%
Master Fund interest expenses ⁶	0.62%	0.61%
Performance fees	3.16%	3.25%
	4.90%	5.06%
Net investment loss before performance fees²	(1.20%)	(1.26%)
Net investment loss after performance fees²	(4.36%)	(4.51%)

Notes

- For illustrative purposes, the Net Asset Value at the beginning of the period is adjusted by a factor of 10 to reflect the 10 for 1 share sub-division, which took effect on 7 February 2023. The rest of Net Asset Values for 2022 are not adjusted by a factor of 10 to reflect the factual numbers audited in previous financial statements.
- The net investment loss figures disclosed above, does not include net realised and unrealised gains/losses on investments allocated from the Master Fund.
- Included in other capital items are the discounts and premiums on conversions between share classes and on the sale of treasury shares as well as any partial capital return effected in the relevant year or period as compared to the NAV per share at the beginning of the year/period.
- Company expenses are as disclosed in the Unaudited Statement of Operations excluding the performance fee and foreign exchange losses/gains.
- Master Fund expenses are the operating expenses of the Master Fund excluding the interest and dividend expenses of the Master Fund.
- Master Fund interest expenses include interest and dividend expenses on investments sold short.

10. RELATED-PARTY TRANSACTIONS

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

The management fees, performance fees and administration fees are disclosed in note 4. Details of the amended Management Agreement can be found in Note 2.

The annual Directors' fees from 1 July 2022 have been:

ROLE	FEE PER ANNUM £
Board Chair	90,000
Audit Committee Chair	65,000
Management Engagement Committee Chair	55,000
Remuneration and Nomination Committee Chair	55,000
Senior Independent Director	55,000
All other Directors	50,000

At the Annual General Meeting, held on 9 September 2022, Shareholders approved an increase in the annual aggregate limit of fees payable to Directors from £400,000 per annum to £800,000 per annum.

NOTES TO THE INTERIM UNAUDITED FINANCIAL STATEMENTS CONTINUED

For the period from 1 January 2023 to 30 June 2023

10. RELATED-PARTY TRANSACTIONS (CONTINUED)

The fees payable by the Company in respect of each of the Directors who served during the period ended 30 June 2023, the year ended 31 December 2022 and the period ended 30 June 2022, were as follows:

	PERIOD ENDED 30.06.23 £	YEAR ENDED 31.12.22 £	PERIOD ENDED 30.06.22 £
Richard Horlick	45,000	80,000	35,000
Caroline Chan*	25,000	3,562	N/A
Julia Chapman**	27,500	50,000	22,500
Bronwyn Curtis	27,500	50,000	22,500
John Le Poidevin	32,500	60,000	27,500
Claire Whittet	27,500	52,500	25,000
Total	185,000	296,062	132,500

* Caroline Chan was appointed to the Board on 6 December 2022 at a fee of £50,000 p.a.

** Julia Chapman was paid a fee of £45,000 p.a. until 30 June 2022. From 1 July 2022, she was paid £55,000 per annum as Chair of the Management Engagement Committee.

During the 10:1 share sub-division, which was completed on 7 February 2023 (as mentioned in notes 2 and 5), the following changes were made to the Directors' shareholdings in the Company:

Richard Horlick, 20,000 Sterling shares cancelled, 200,000 Sterling shares issued;
Julia Chapman, 626 Sterling shares cancelled, 6,260 Sterling shares issued;
Bronwyn Curtis, 1,000 Sterling shares cancelled, 10,000 Sterling shares issued;
John Le Poidevin, 5,482 Sterling shares cancelled, 54,820 Sterling shares issued; and
Claire Whittet, 1,500 Sterling shares cancelled, 15,000 Sterling shares issued.

On 13 February 2023, the Board participated in the Initial Issue for the following amounts:

Richard Horlick, US\$89,400 of US Dollar shares (20,000 shares);
Caroline Chan, £50,000 of Sterling shares (11,587 shares);
Bronwyn Curtis, £100,000 of Sterling shares (23,175 shares);
John Le Poidevin, £90,000 of Sterling shares (20,800 shares); and
Claire Whittet, £35,000 of Sterling shares (8,111 shares).

11. SUBSEQUENT EVENTS

On 3 August 2023, the Company completed the share conversion for the 30 June 2023 share conversion date, issuing 749,363 US Dollar Shares and cancelling 613,351 Sterling Shares.

On 4 September 2023, the Company completed the share conversion for the 31 July 2023 share conversion date, issuing 17,120 US Dollar Shares and cancelling 13,874 Sterling Shares.

The Directors have evaluated subsequent events up to 13 September 2023, which is the date that the Interim Unaudited Financial Statements were approved and available to be issued and have concluded there are no further items that require disclosure or adjustment to the Interim Unaudited Financial Statements.

HISTORIC PERFORMANCE SUMMARY

As at 30 June 2023

	30.06.23 US\$'000	31.12.22 US\$'000	31.12.21 US\$'000	31.12.20 US\$'000	31.12.19 US\$'000
Net (decrease)/increase in net assets resulting from operations	(28,486)	112,078	12,010	181,533	59,462
TOTAL ASSETS	1,989,336	1,707,130	1,307,490	802,224	570,779
TOTAL LIABILITIES	(2,791)	(66,682)	(9,762)	(41,055)	(11,014)
NET ASSETS	1,986,545	1,640,448	1,297,728	761,169	559,765
NUMBER OF SHARES IN ISSUE					
Sterling shares	374,357,176	30,156,454*	25,864,663*	15,009,868*	14,310,040*
US Dollar shares	28,840,946	2,858,135*	2,689,547*	2,191,379*	2,442,057*
NET ASSET VALUE PER SHARE					
Sterling shares	£3.93	£41.81*	£34.30*	£33.38*	£26.06*
US Dollar shares	US\$4.08	US\$43.28*	US\$35.71*	US\$34.78*	US\$26.99*

* The Number of Shares In Issue and Net Asset Value Per Share prior to 30 June 2023 are not adjusted by a factor of 10 to reflect the 10 for 1 share sub-division on 7 February 2023.

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES

ALTERNATIVE PERFORMANCE MEASURES ("APMS")

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

AVERAGE PREMIUM TO NAV

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

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

Where:

- 'A' is the average closing market price of a share of the relevant share class as derived from the trading price on the London Stock Exchange, calculated as the sum of all the closing market prices per share of that class as at each London Stock Exchange trading day during a calendar year, divided by the number of such trading days in such period; and
- 'B' is the average NAV per share of the shares of the relevant share class taken over the 6 month-end NAV Calculation Dates in the year ended 30 June 2023 calculated as the sum of the final NAV of the share class as at each month-end NAV Calculation Date during the period ended 30 June 2023, divided by 6.

(DISCOUNT)/PREMIUM

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

	STERLING SHARES		US DOLLAR SHARES	
	30.06.23	31.12.22	30.06.23	31.12.22
Share Price at Period/Year End (A)	£3.68	£44.90*	US\$3.99	US\$45.20*
NAV per Share (B)	£3.93	£41.81*	US\$4.08	US\$43.28*
(Discount)/premium to NAV (A-B)/B	(6.36%)	7.39%	(2.21%)	4.44%

* Share Prices and NAV per Share as of 31 December 2022 are not adjusted by a factor of 10 to reflect the 10 for 1 share sub-division.

GLOSSARY OF TERMS AND ALTERNATIVE PERFORMANCE MEASURES CONTINUED

ONGOING CHARGES

The Ongoing Charges are calculated using the AIC Ongoing Charges methodology, which was last updated in April 2022 and is available on the AIC website (theaic.co.uk). The Ongoing Charges represent the Company's Management Fee and all other operating expenses, excluding finance costs, performance fees, share issue or buyback costs and non-recurring legal and professional fees and are expressed as a percentage of the average of the daily net assets during the year (see page 9). The Board continues to be conscious of expenses and works hard to maintain a sensible balance between good quality service and cost. The Ongoing Charges calculation is shown below:

	STERLING SHARES		US DOLLAR SHARES	
	PERIOD ENDED 30.06.23	YEAR ENDED 31.12.22	PERIOD ENDED 30.06.23	YEAR ENDED 31.12.22
Average NAV for the year (A)	£1,468,214,020	£1,132,773,154	US\$121,221,866	US\$110,421,043
Management Fee*	£22,026,772	£17,787,437	US\$1,820,832	US\$1,792,074
Other Company expenses*	£1,049,000	£1,248,572	US\$93,635	US\$127,701
TOTAL COMPANY EXPENSES*	£23,075,772	£19,036,009	US\$1,914,467	US\$1,919,775
Expenses allocated from the Master Fund*	£8,187,679	£2,325,281	US\$697,090	US\$238,666
Performance Fee	£471	£47,900,303	US\$1,740	US\$4,641,933
TOTAL EXPENSES (B)	£31,263,922	£69,261,593	US\$2,613,297	US\$6,800,374
ONGOING CHARGES (B/A)	2.13%	6.11%	2.16%	6.16%

* For comparative purposes, the expenses for the period ended 30 June 2023 have been annualised.

The NAV

The NAV is the net assets of the Company attributable to Shareholders, that is, total assets less total liabilities, expressed as an amount per individual share of the relevant class of shares.

COMPANY INFORMATION

Directors

Richard Horlick (Chair)
Caroline Chan
Julia Chapman
Bronwyn Curtis
John Le Poidevin
Claire Whittet

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

Registered Office

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

Manager

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

Administrator and Corporate Secretary

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

Independent Auditor

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

Registrar and CREST Service Provider

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

Legal Advisor (Guernsey Law)

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

Legal Advisor (UK Law)

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

Corporate Broker

JPMorgan Cazenove
25 Bank Street
Canary Wharf
London E14 5JP

Tax Adviser

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

