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BH Global Limited  
Prospectus





THIS DOCUMENT is a prospectus (the "Prospectus") relating to BH Global Limited (the "Company") prepared in accordance with the Prospectus Rules of the Financial Services Authority ("FSA") made under section 73A of the Financial Services and Markets Act 2000 ("FSMA") and approved by the FSA under section 87A of FSMA. The Prospectus has been filed with the FSA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

The Shares are only suitable for investors (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, (ii) for whom an investment in the Shares is part of a diversified investment programme and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. The attention of potential investors is drawn to the Risk Factors set out on pages 8 to 27 of this document.

The Company is a limited liability closed-ended investment company registered and incorporated in Guernsey. The Company is not an authorised person under FSMA and, accordingly, is not registered with the FSA. Application has been made for consent under the Control of Borrowing (Bailiwick of Guernsey) Ordinances 1959 to 2003 for the issue of the Prospectus and the associated raising of funds by the issue of Shares and is expected to be received on or around 30 April 2008. In giving consent, neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council accepts any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Application will be made to the FSA for the Shares issued and to be issued in connection with the Placing and the Offer for Subscription described in this Prospectus (together the "Offer"), to be admitted to the Official List of the UK Listing Authority ("Official List") and for the Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. The Company is also considering an application for a listing of the Company's US Dollar Shares on the Dubai International Financial Exchange ("DIFX"). Nothing in this document should be construed as an obligation on the Company to apply for a listing of its US Dollar Shares on the DIFX by any particular date or at all. It is not intended that any class of Shares be admitted to listing in any other jurisdiction. Conditional dealings in the Shares are expected to commence on a "when issued" basis at 8.00 am (London time) on or about 23 May 2008. It is expected that admission will become effective and that unconditional dealings in the Shares will commence at 8.00 am (London time) on or around 29 May 2008 ("Admission"). Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. **All dealings before the date of Admission will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned.**

The Company and the Directors, whose names appear on page 5 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

## BH Global Limited

*(a closed-ended investment company incorporated with limited liability under the laws of Guernsey with registered number 48555)*

Dated 28 April 2008

**Global Placing of Euro Shares, US Dollar Shares and Sterling Shares (at €10 per Euro Share, US\$10 per US Dollar Share and £10 per Sterling Share) and UK Offer for Subscription of Sterling Shares and admission to the Official List and to trading on the London Stock Exchange's main market.**

*Sponsor*

Morgan Stanley

*Joint Bookrunners*

Dexion Capital plc      Morgan Stanley

*Co-Lead Manager*

Dresdner Kleinwort

*Manager of the Company*

Brevan Howard Offshore Management Limited

The Joint Bookrunners and the Co-Lead Manager (together, the "Banks") and the Sponsor, each of which is authorised and regulated in the UK by the FSA, are acting for the Company and with the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to the respective customers of the Banks or the Sponsor, or for affording advice in relation to the Offer, the contents of the Prospectus or any matters referred to herein.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act") or any state securities laws in the United States or under the applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Shares may not be offered or sold within Australia, Canada, Japan or the United States.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "Investment Company Act") and investors will not be entitled to the benefits of that Act. Furthermore, the Manager is not registered under the US Investment Advisers Act of 1940, as amended (the "Advisers Act"), and as a result, the Company and its investors will not be entitled to the benefits of the requirements applicable to investment advisers that are registered under the Advisers Act.

Prospective Shareholders should familiarise themselves with the selling and transfer restrictions in Part VIII "Restrictions on Sales" in this document.

The Company is targeting raising US\$500 million (subject to increase) through the Offer (excluding the Over-allotment Option described below). The quantum of the amount to be raised is indicative only. The actual number of Shares of each class issued pursuant to the Offer will be determined by the Company, the Manager and the Joint Bookrunners after taking into account the demand for the Shares and prevailing economic market conditions. The Company does not envisage making an announcement regarding the amount to be raised in the Offer or the number of Shares of each class to be issued until determination of the number of Shares of each class to be issued and allotted, unless required to do so by law. It is expected that the Offer Size Statement containing the number of Euro Shares, US Dollar Shares and Sterling Shares which are the subject of the Offer will be published on or about 23 May 2008. Further details of the Offer and how the number of such Shares of each class is to be determined are contained in Part VI of this document.

No person has been authorised to give any information or make any representations other than those contained in this Prospectus, and, if given or made, such information or representations must not be relied upon as having been authorised. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information in this document is correct as of any time subsequent to the date of this document, save for such statements as are required by law or regulation to refer to one or more future dates.

Apart from the liabilities and responsibilities, if any, which may be imposed on the Sponsor or the Banks by the FSMA or the regulatory regime established thereunder, each of the Sponsor and the Banks accept no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by them or on their behalf in connection with the Company, the Manager, the Shares or the Offer. Each of the Sponsor and the Banks accordingly disclaim any and all liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this document or any such statement.

The content of this document is not to be construed as legal, business or tax advice. Each prospective investor should consult his, her or its legal adviser, independent financial adviser or tax adviser for legal, financial or tax advice.

In connection with the Offer, Morgan Stanley as stabilisation manager, on behalf of the Banks or any other person acting for them, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot or effect other transactions which are intended to stabilise or maintain the market price of the Shares at a level higher than that which might otherwise prevail in the open market. Morgan Stanley is not required to enter into such transactions and such transactions may be effected on the London Stock Exchange and any other securities market, over-the-counter market or otherwise. Such stabilising measures, if commenced, may be discontinued at any time and must be brought to an end within 30 days following the date on which conditional dealings in the Shares commence. Save as required by law, Morgan Stanley does not intend to disclose the extent of any over-allotment and/or stabilisation transactions under the Offer or the amount of any long or short positions.

In connection with the Offer, Morgan Stanley as stabilising manager may, for stabilisation purposes, over-allot Shares of each class up to a maximum of 10 per cent. of the total number of Shares of each class issued pursuant to the Offer. The Company has granted to Morgan Stanley, as stabilising manager, an option (the "Over-allotment Option") pursuant to which Morgan Stanley may require the Company to issue additional Shares at the Offer Price to cover over-allotments, if any, made in connection with the Offer and to cover any short positions resulting from such over-allotments and/or from sales of Shares effected by it during the stabilising period. The number of Shares of each class subject to the Over-allotment Option will be equal to 10 per cent. of the total number of Shares of each class to be issued pursuant to the Offer (before any exercise of the Over-allotment Option). The Over-allotment Option may be exercised from the date of commencement of conditional dealings for a period of 30 calendar days thereafter.

This document should be read in its entirety before making any application for Shares.

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# Summary

This summary should be read as an introduction to the full text of this document and any decision to invest in the Shares should be based on consideration of this document as a whole, including the risk factors on pages 8 to 27 of this document. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”) in each member state of the European Economic Area (“EEA”), civil liability attaches to those persons responsible for the summary including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document. Where a claim relating to the information contained in this document is brought before a court, a claimant investor may, under the national legislation of an EEA state, have to bear the costs of translating this document before the legal proceedings are initiated. Civil liability attaches to the Company and its Directors, who are responsible for this summary, including any translation of this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document.

## **The Company**

BH Global Limited is a closed-ended, limited liability investment company, registered and incorporated in Guernsey on 25 February 2008 with an unlimited life. The Company’s ordinary shares are in three currency classes: Euro, Sterling and US Dollar. Shareholders will be permitted to switch among currency classes on a quarterly basis.

## **Investment Policy**

The Company’s investment objective is to seek to generate consistent long-term capital appreciation through an investment policy of investing all of its assets (net of those expenses of the Offer borne by the Company and funds required for its short-term working capital requirements) in the Brevan Howard Global Opportunities Master Fund.

The Brevan Howard Global Opportunities Master Fund will spread investment risk by investing in a variety of other investment funds of which one or more of the Brevan Howard group of affiliated entities is the manager or investment manager (the “**Brevan Howard Underlying Funds**”) in order to provide exposure to a range of strategies, asset classes and geographies that fall within Brevan Howard’s investment activities from time to time. These investment funds may invest in a wide range of geographical regions, sectors and instruments. Such instruments may include, but are not limited to, debt securities and obligations (which may be below investment grade or unrated), bank loans, listed and unlisted equities, other collective investment schemes (which may be open-ended or closed-ended, listed or unlisted, and which may employ leverage), currencies, commodities, futures, options, warrants, swaps, other derivative instruments and any other type of instrument or security. These funds have the ability to take short positions across the majority of these instruments.

Subject to the investment restrictions described below, the allocation of the assets of the Brevan Howard Global Opportunities Master Fund among the Brevan Howard Underlying Funds in which it is permitted to invest will be at the discretion of the Manager.

## ***Investment and borrowing restrictions***

The Company may not invest its assets in any entity other than the Brevan Howard Global Opportunities Master Fund.

The Brevan Howard Global Opportunities Master Fund is subject to the following investment restrictions:

- it is permitted only to invest in investment funds of which one or more of the Brevan Howard group of affiliated entities is the manager or investment manager; and
- except in respect of the Brevan Howard Strategic Opportunities Fund Limited, any investment by it in an entity that has been in existence for less than 12 months will be limited to no more than 10 per cent. of its gross assets at the time of investment.

Other than as described above, there is no upper limit on the amount of the gross assets of the Brevan Howard Global Opportunities Master Fund that may be invested in any one Brevan Howard Underlying Fund or other entity. However, in allocating the assets of the Brevan Howard Global Opportunities Master Fund, the Manager will have regard to the overall diversification of the Brevan Howard Global Opportunities Master Fund’s portfolio, which may be assessed by reference to the number of Brevan Howard Underlying Funds in which it invests and the relative size of those investments or by reference to the diversification of the portfolios of some or all of those Brevan Howard Underlying Funds (which diversification may be measured, among other factors, by the number and type of investments made by the relevant Brevan Howard Underlying Funds).

The Brevan Howard Global Opportunities Master Fund may hold certain of its assets in cash for the purposes of efficient portfolio management.

The Company may not incur leverage other than for the purpose of financing share repurchases or satisfying working capital requirements, and subject to outstanding borrowings being in compliance with the borrowing limit in the Articles of 20 per cent. of the NAV of the Company, calculated as at the time of borrowing. The Brevan Howard Global Opportunities Master Fund will not be subject to any leverage restrictions.

### **Foreign currency exposure**

The operating and accounting currency of the Brevan Howard Global Opportunities Master Fund is the US Dollar. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the shares of the Brevan Howard Global Opportunities Master Fund denominated in Euros and Sterling from the US Dollar will be allocated solely to the relevant class of shares of the Brevan Howard Global Opportunities Master Fund.

### **Investment Highlights**

Key investment highlights of the Offer include:

- access to investment management expertise and risk management skills of Brevan Howard;
- portfolio diversification benefits;
- Brevan Howard's track record of strong performance;
- robust Shareholder protection including discount control provisions;
- alignment of interests, with senior Brevan Howard personnel proposing to invest in the Company;
- no layering of performance fees and limited management fees at Company level; and
- costs of offer to be partially borne by the Manager.

### **The Brevan Howard Global Opportunities Master Fund**

The Brevan Howard Global Opportunities Master Fund is a newly incorporated fund which has as its investment purpose the making of investments in other Brevan Howard-managed investment entities. The Company is currently the only feeder fund into the Brevan Howard Global Opportunities Master Fund.

It is anticipated that the assets of the Brevan Howard Global Opportunities Master Fund will be initially allocated to five Brevan Howard-managed funds listed (together the "**Initial Funds**"), and in the indicative ranges set out, below:

Brevan Howard Master Fund Limited	30 to 40 per cent.
Brevan Howard Equity Strategies Master Fund Limited	10 to 20 per cent.
Brevan Howard Asia Master Fund Limited	10 to 20 per cent.
Brevan Howard Emerging Markets Strategies Master Fund Limited	10 to 20 per cent.
Brevan Howard Strategic Opportunities Fund Limited	10 to 20 per cent.

Certain of the Brevan Howard Underlying Funds invest in other Brevan Howard Underlying Funds therefore the aggregate exposure of the Brevan Howard Global Opportunities Master Fund to any particular Brevan Howard Underlying Fund may from time to time be higher than the ranges indicated above, although such ranges will not be exceeded as a result of such cross-holdings at the time of the initial allocation of the proceeds of the Offer.

Subject to the waiver of an undertaking, the Manager will reduce the allocation of the Brevan Howard Global Opportunities Master Fund to the Brevan Howard Master Fund to no more than 33 per cent. of the Brevan Howard Global Opportunities Master Fund's gross assets within 18 months following the date of Admission.

## **Management of the Company and the Brevan Howard Global Opportunities Master Fund**

### ***The Directors***

The Directors have overall responsibility for the Company's activities and are responsible for determining the investment policy of the Company. Three of the five Directors are independent of the Manager for the purposes of Chapter 15 of the Listing Rules. The directors of the Company are Lord Turnbull (chairman, independent), John Hallam (independent), Stephen Stonberg (non-independent), Nicholas Moss (independent) and Talmat Morgan (non-independent).

### ***The Manager***

Brevan Howard Offshore Management Limited ("BHOML" or the "Manager") is the manager of the Company and the Brevan Howard Global Opportunities Master Fund.

## **Management and Performance Fees**

No performance fees will be charged at the level of the Company and no management or performance fees will be charged at the level of the Brevan Howard Global Opportunities Master Fund. The Manager is entitled to receive a Management Fee equal to  $\frac{1}{2}$  of 0.5 per cent. per month of the Net Asset Value of each class of Shares under the Management Agreement. In addition, management and performance fees will be levied at the level of the underlying investments of the Brevan Howard Global Opportunities Master Fund. The Company and the Brevan Howard Global Opportunities Master Fund will also incur ongoing annual expenses such as fees paid to directors and administrators of the Company and the Brevan Howard Global Opportunities Master Fund.

## **Trail Commission**

Qualifying Investors (or the financial intermediary itself where such investors subscribe Shares through that financial intermediary) are entitled to receive from the Manager, for so long as the Manager remains the manager of the Company, a trail commission of 0.5 per cent. per annum of the Net Asset Value per Share of the relevant class of Shares held by such person or entity.

## **Dividend Policy**

The Directors do not currently intend to declare any dividends.

## **Discount Control**

The Directors have authority to re-purchase in the market up to 14.99 per cent. of each class of Shares in issue following Admission and have the ability to close a particular class of Shares if Shareholders so resolve if and when the relevant class of Shares trades at more than a 10 per cent. discount to NAV per Share for a rolling 12 month period.

## **The Offer**

The Company is targeting raising proceeds of US\$500 million (subject to increase) through the Offer (excluding the Over-allotment Option) although the actual size of the Offer may differ and the quantum of the amount to be raised is indicative only. The Offer comprises a global Placing to investors procured by the Banks and an Offer for Subscription for Sterling Shares to the public in the United Kingdom. The actual number of Shares of each class issued pursuant to the Offer will be determined by the Directors, the Manager and the Joint Bookrunners after taking into account the demand for Shares and prevailing economic and market conditions. Upon announcement of the basis of the allocation, the Company will publish an Offer Size Statement which will contain details of the number of the Shares of each currency class to be issued under the Offer.

Application will be made to the UK Listing Authority and the London Stock Exchange for all of the Shares to be admitted to the Official List and admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective, and that unconditional dealings in the Shares will commence, on or around 29 May 2008. The Company is also considering an application for a listing of the Company's US Dollar Shares on the Dubai International Financial Exchange ("DIFX"). Nothing in this document should be construed as an obligation on the Company to apply for a listing of its US Dollar Shares on the

DIFX by any particular date or at all. No application is being made nor has any application been considered for any class of Shares to be listed or dealt with in or on any exchange other than the London Stock Exchange and the DIFX.

The Directors reserve the right not to proceed with the Offer if gross proceeds of the Offer are less than US\$250 million, or such lesser amount as the Directors and the Manager in their absolute discretion may decide. In addition, the Company reserves the right to decline to issue any class of Shares for any reason.

Certain Directors and senior Brevan Howard personnel intend to subscribe for Shares in the Offer with an aggregate value of approximately £100,000 and up to approximately US\$5 million respectively.

### **Use of Proceeds**

The Company will invest the proceeds of the Offer (net of those expenses of the Offer borne by the Company and funds required for its short-term working capital requirements), expected to be equal to an amount of approximately US\$493 million (assuming gross proceeds of US\$500 million) in Euro-, US Dollar- and Sterling- denominated class A shares of the Brevan Howard Global Opportunities Master Fund.

Shares in the Brevan Howard Global Opportunities Master Fund are expected to be issued to the Company on the Master Fund Launch Date. Until such time, the proceeds of the Offer will be invested by the Manager in cash deposits and short-term money market instruments.

### **Profile of Typical Investor**

Investment in the Company is only suitable for sophisticated or institutional investors seeking long-term capital appreciation who understand the risks involved in investing in the Company, including the risk of loss of all capital invested.

### **Risk Factors**

Before investing in the Shares, prospective Shareholders should consider carefully the risks associated therewith including:

#### ***Risks Relating to the Company and the Brevan Howard Global Opportunities Master Fund***

- the Company is a newly established investment company and its performance depends upon the performance of the Brevan Howard Global Opportunities Master Fund and the Manager;
- the Company, through the Brevan Howard Global Opportunities Master Fund, may not achieve or maintain an optimal level of diversification in its portfolio;
- the use of leverage may increase the Company's investment risks and other risks;
- the Company, through the Brevan Howard Underlying Funds, will be exposed to significantly higher levels of leverage than traditional long-only investment funds;
- the investment policies and strategies of Brevan Howard Underlying Funds may change over time; and
- the Brevan Howard Global Opportunities Master Fund's ability to redeem its investments may be restricted.

#### ***Risks Relating to the Manager and the Brevan Howard group***

- the Company is highly dependent on the Manager and the Brevan Howard group, who are dependent upon the expertise of key personnel in providing management and investment management services to the Company, the Brevan Howard Global Opportunities Master Fund and its underlying investments;
- Brevan Howard could be the subject of a successful acquisition or change of control by a third party who, as a consequence, might be able to exercise significant control over the investment activities of Brevan Howard, which could impact the way that Brevan Howard carries on its business and investment activities and could have an effect on how its investment professionals act;

- the Manager, other members of the Brevan Howard group and their affiliates may provide services to other clients which conflict directly or indirectly with the activities of the Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds and could prejudice investment opportunities available to, and investment returns achieved by, the Brevan Howard Global Opportunities Master Fund and, therefore, the Company;
- the ability of the Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds to achieve their investment objectives is dependent upon the investment manager of each of them carrying out its role with due care and skill; and
- the Manager may allocate assets to the Brevan Howard Underlying Funds with higher fee levels than the Initial Funds which result in a higher aggregate indirect fee burden on the Company than may otherwise have been the case.

***Risks Relating to the Brevan Howard Underlying Funds***

- certain Brevan Howard Underlying Funds may have investments in common with, or hold positions in, other Brevan Howard Underlying Funds;
- limited regulatory supervision of Brevan Howard Underlying Funds may not be adequate to protect investors;
- concentration of investments could cause significant losses to the Brevan Howard Underlying Funds;
- Brevan Howard Underlying Funds may be exposed to foreign exchange risk, which may have an adverse impact on the value of the assets of these funds and on their respective results of operations; and
- speculative position limits could adversely affect the performance of Brevan Howard Underlying Funds.

# Risk Factors

An investment in the Shares is subject to a number of risks and uncertainties which may prevent the Company from increasing its Net Asset Value and which may cause the value of the Shares to decline significantly.

Consequently, investors contemplating an investment in the Shares should recognise that the market value of the Shares can fluctuate and may not always reflect their underlying Net Asset Value. No express or implied guarantee is given that Shareholders will receive back any of their original investment or that the Shares will not trade at a discount to their Net Asset Value. The Shares are only suitable for investors (i) who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, (ii) for whom an investment in the Shares is part of a diversified investment programme and (iii) who fully understand and are willing to assume the risks involved in such an investment programme.

An investment in the Shares involves a high degree of risk. Investors are referred to the risks set out below. The Directors believe that the risks described below are the material risks relating to the Shares at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem to be immaterial at the date of this document, may also have an adverse effect on the Company's business. Potential investors should review this document carefully and in its entirety and consult with their professional advisers before making an application to invest in the Shares.

Shareholders holding a single class of Shares may not be exposed to the same risk profile as Shareholders holding a different class of Shares, as events, particularly those relating to changes in exchange rates and interest rates, may cause the inherent risks of the Brevan Howard Underlying Funds' investment strategy to affect the calculation of the Brevan Howard Global Opportunities Master Fund NAV (and consequently, the Company) differently among the classes of Shares. As a result, prospective Shareholders should be aware that while the classes of Shares are subject to the same risks, their magnitude and impact of any one occurrence may differ by class.

Capitalised terms used but not defined in this section shall have the meaning set out in Part XI of this document.

## **Risks relating to the Company and the Brevan Howard Global Opportunities Master Fund**

***The Company is a newly established investment company and its performance depends upon the performance of the Brevan Howard Global Opportunities Master Fund and the Manager***

The Company is newly established, has not yet commenced operations and does not have any historical financial statements or other meaningful operating or financial data. Following Admission, substantially all of the assets of the Company will be invested in the Brevan Howard Global Opportunities Master Fund, which is also newly established and does not have any historical financial statements or other meaningful operating or financial data. It is therefore difficult to evaluate the probable performance of the Company, the effectiveness of the Company's investment strategy or the Company's prospects. It is proposed that, initially, up to 40 per cent. of the assets of the Brevan Howard Global Opportunities Master Fund will be invested in the Brevan Howard Master Fund. As a result of this concentration of assets in the Brevan Howard Master Fund, the Company's performance and returns to Shareholders will depend, at least initially, in significant part on the performance of the Brevan Howard Master Fund and the other Initial Funds. The Company is therefore subject to all of the material risks affecting the operations of the Brevan Howard Underlying Funds which are listed below under the heading "Risks Relating to the Brevan Howard Underlying Funds".

***The Company will be dependent on the management performance of Brevan Howard across a range of investment themes and styles***

The Company will be a feeder fund for the Brevan Howard Global Opportunities Master Fund, which will be a fund of funds invested in various Brevan Howard-managed investment entities. The Manager will have significant discretion as to the investments that the Brevan Howard Global Opportunities Master Fund will make. As all of the investments to be made by the Brevan Howard Global Opportunities Master Fund will be in entities managed by Brevan Howard, the Brevan Howard Global Opportunities Master Fund and, therefore, the Company, will be dependent on the successful management performance of Brevan Howard. Further, the Brevan Howard Global Opportunities Master Fund will invest in a variety of Brevan Howard-managed investment entities, and it may be that certain of these entities pursue investment objectives, themes or styles that are not within the core competencies of Brevan Howard or in respect of which the investment management skills of Brevan Howard have not been proven over a significant period. Failure by Brevan Howard to perform could have a material adverse effect on the Company's performance and returns to Shareholders.

***The Company, through the Brevan Howard Global Opportunities Master Fund, may not achieve or maintain an optimal level of diversification in its portfolio***

The ability of the Company, through the Brevan Howard Global Opportunities Master Fund, to achieve an optimal level of diversification in its portfolio is dependent on the ability of the Manager to identify and develop a sufficiently diversified portfolio and the ability of the Brevan Howard group to develop and maintain a sufficiently broad range of investment vehicles with appropriately differing investment policies, objectives and strategies. Failure to achieve or maintain such an optimal level of diversification could adversely affect the performance of the Brevan Howard Global Opportunities Master Fund, and therefore the Company.

***The use of leverage may increase the Company's investment risks and other risks***

The Company has no leverage calculated at the date of this document, but is able, pursuant to its Articles, to borrow up to 20 per cent. of its Net Asset Value, calculated as at the time of borrowing for the purposes of financing share repurchases or to satisfy working capital requirements only. The Company may put a credit facility in place subsequent to the date of Admission. The use of leverage creates special risks and will increase the Company's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated with such investments may cause the Net Asset Value and the NAV per Share to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the NAV per Share may decrease more rapidly than would otherwise be the case.

Lenders may require security to be taken over the Company's assets, being the Brevan Howard Global Opportunities Master Fund Shares. In addition, while the Directors may request redemption of the Brevan Howard Global Opportunities Master Fund Shares to meet the Company's payment obligations under its credit agreements without triggering a termination of the Management Agreement, such requests for redemption are subject to deferral in certain circumstances. Failure by the Company to meet its payment obligations under credit agreements could result in enforcement by lenders of their security interest over the Company's assets, which could have a material adverse effect on the Company's Net Asset Value and returns to Shareholders.

***The Company, through the Brevan Howard Underlying Funds, will be exposed to significantly higher levels of leverage than traditional long-only investment funds***

The Brevan Howard Global Opportunities Master Fund is not, and many (if not all) of the Brevan Howard Underlying Funds will not be restricted in their use of leverage.

As a consequence, in addition to traditional borrowings, the Company will have indirect exposure to leverage through the use of leverage by the Brevan Howard Underlying Funds and Brevan Howard Global Opportunities Master Fund. The Brevan Howard Underlying Funds make investments in derivatives which involve significantly higher levels of leverage than traditional long-only investment funds. The use of securities leverage will often in nominal terms be greater than 100 per cent. of the net asset value of the Brevan Howard Underlying Funds and in many cases several times the net asset value of the relevant Brevan Howard Underlying Funds which may increase the Company's and the Brevan Howard Global Opportunities Master Fund's exposure to capital risk and interest costs.

***The Brevan Howard Underlying Funds in which the Brevan Howard Global Opportunities Master Fund may invest and the investment policies and strategies of those Brevan Howard Underlying Funds may change over time***

The Company has a broad investment objective of seeking to generate consistent long-term capital appreciation through investing substantially all of its assets in the Brevan Howard Global Opportunities Master Fund, which in turn intends to invest in other Brevan Howard-managed funds.

It is possible that the investment policies and strategies of the Brevan Howard Underlying Funds may change from time to time without requiring the consent of the Company, or the Brevan Howard Global Opportunities Master Fund and without triggering a specific right for the Brevan Howard Global Opportunities Master Fund to withdraw or redeem its investment. Equally, the Manager will be entitled to reallocate the assets of the Brevan Howard Global Opportunities Master Fund to different Brevan Howard Underlying Funds in its discretion. Accordingly, while the Brevan Howard Global Opportunities Master Fund will continue to be invested in funds which are managed or investment managed by one or more of the Brevan Howard group of affiliated entities, the precise nature of each of the investment policies and strategies to which the Brevan Howard Global Opportunities Master Fund, and

therefore the Company, is exposed may change from time to time and there can be no assurance that the Company will continue to be exposed to each of the investment policies and strategies adopted and followed by the Brevan Howard Underlying Funds that make up the Initial Funds.

***Additional feeder funds may be introduced into the Brevan Howard Global Opportunities Master Fund in the future***

Additional feeder funds may be introduced into the Brevan Howard Global Opportunities Master Fund in the future which, depending on their size and form relative to the Company, may further limit the Company's ability to influence the Brevan Howard Global Opportunities Master Fund. The Brevan Howard Global Opportunities Master Fund may redeem its investments to finance any such withdrawal of capital by another such feeder fund. The decision as to the identity and the proportion of the investments to be redeemed in such circumstances would be at the discretion of the Brevan Howard Global Opportunities Master Fund. Therefore, redemptions following any such withdrawal of capital could materially alter the profile of the Brevan Howard Global Opportunities Master Fund's portfolio. Further, the Brevan Howard Global Opportunities Master Fund could borrow to fund any such withdrawal of capital. The incurrence of such borrowing would expose the Company to the risks associated with the use of leverage to finance investments, as described above. Therefore, the withdrawal of capital by any such other feeder fund may adversely affect the performance of the Brevan Howard Global Opportunities Master Fund and, therefore, the performance of the Company.

***The Brevan Howard Global Opportunities Master Fund's ability to redeem its investments may be restricted***

The ability of the Brevan Howard Global Opportunities Master Fund to redeem its investments may be restricted, either if a material adverse event occurs in relation to the investment or markets generally or otherwise due to the redemption terms applicable to the investment. For instance, there may be restrictions on the number of investors entitled to redeem their investments at any particular time and the Brevan Howard Global Opportunities Master Fund may not have preferential redemption rights. These restrictions could materially extend the period required for the Brevan Howard Global Opportunities Master Fund to realise its investments.

***Changes in law or regulations may adversely affect the Company's ability to carry on its business***

*Home Regulator Considerations:* The Company, the Brevan Howard Global Opportunities Master Fund, the Manager and entities in which the Brevan Howard Global Opportunities Master Fund will invest are each subject to laws and regulations of national and local governments. In particular, the Company is subject to and will be required to comply with certain regulatory requirements that are applicable to listed closed-ended investment companies which are domiciled in Guernsey. These include compliance with any decision of the Guernsey Financial Services Commission and with applicable UK legal requirements. In addition, the Company is subject to certain continuing obligations imposed by the FSA and, if listed on the DIFX, the DFSA on companies whose shares are listed on the London Stock Exchange and the DIFX respectively. Changes in law or regulations, or a failure to comply with any such laws or regulations, may adversely affect the Company's performance and returns to Shareholders.

*Hedge Fund Regulation Considerations:* The regulatory environment for hedge funds and the managers of hedge funds is evolving. Any change in the laws and regulations affecting the Company or the Brevan Howard Global Opportunities Master Fund or any change in the regulations affecting hedge funds, funds of hedge funds or hedge fund managers generally may have a material adverse effect on the Company's ability to carry on its business of investing in the Brevan Howard Global Opportunities Master Fund, which in turn could have a material adverse effect on the Company's performance and returns to Shareholders.

*Investment Product Considerations:* The regulatory or tax environment for derivative and related instruments is evolving and may be subject to government or judicial action, which may adversely affect the value or liquidity of investments held by the Brevan Howard Underlying Funds or the Company's ability to obtain the leverage they or the Company might otherwise obtain. In such event, the investment returns of the Brevan Howard Underlying Funds and/or the Company may be materially adversely affected. The effect of any future regulatory or tax change on the Company or the Brevan Howard Global Opportunities Master Fund or any of the Brevan Howard Underlying Funds is impossible to predict.

***The Company may be subject to changes in tax laws or regulation, or their interpretation***

Changes to the tax laws of, or practice in, Guernsey, the United Kingdom or any other tax jurisdiction affecting the Company or the Brevan Howard Global Opportunities Master Fund including, for example, the imposition of withholding or other taxes on the Company's investment in any of the Brevan Howard Underlying Funds, could adversely affect the value of the investments held by the Company in the Brevan Howard Underlying Funds and decrease returns to Shareholders.

***The Company may be subject to changes in its tax residence and changes in the tax treatment of arrangements relating to its business or investment in the Brevan Howard Global Opportunities Master Fund***

If the Company were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which its investments are managed, all of its income or gains, or the part of such gain or income that is attributable to, or effectively connected with, such permanent establishment or trade or business, may be subject to tax in that country, which could have a material adverse effect on the Company's performance and returns to Shareholders.

To maintain its non-UK tax resident status, the Company must be managed and controlled outside the United Kingdom. The composition of the Board, the place of residence of the Board's individual members and the location(s) in which the Board makes its decisions will be important factors in determining and maintaining the non-UK tax resident status of the Company. While the Company is incorporated in Guernsey and a majority of the Directors reside outside the United Kingdom, the Company must pay continued attention to ensure that its decisions are not made in the United Kingdom or the Company may lose its non-UK tax resident status.

***For German Resident Investors: No benefit for German Individual and Corporate Investors from tax exemptions on capital gains and dividend payments under the German Legislation on Controlled Foreign Companies (Aussensteuergesetz)***

For German investors holding Shares representing 1 per cent. or more of the capital (or if more than 50 per cent. is held by German investors in total) there is a risk that such investor (or investors, as the case may be) would be subject to the German CFC rules ("German CFC Rules") pursuant to the German Foreign Tax Act (*Aussensteuergesetz*), provided that the Company does not qualify as a foreign investment fund for purposes of the German Investment Act (*Investmentgesetz*) and the German Investment Tax Act (*Investmentsteuergesetz*) as discussed under Part VII "Tax Considerations – Germany".

Under the German CFC rules the income of a German controlled foreign corporation (a "German CFC") or its subsidiaries may be allocated to the German resident investor (or investors, as the case may be) as a deemed dividend payment, regardless of whether or not any dividend has actually been paid by the German CFC and regardless of whether or not any shares held in the German CFC have actually been sold. In this situation, the deemed dividends will be fully taxable and neither the part exemption for individual investors from German income tax, the special 25 per cent. tax rate (plus 5.5 per cent. solidarity surcharge thereon) available from 1 January 2009 onwards nor the 95 per cent. exemption for corporate investors from German corporate income tax will apply.

Furthermore, to the extent any passive income has been retained at the level of the German CFC for a period of at least seven years, the dividends distributed thereafter (if any, given the dividend policy of the Company) and capital gains realised thereafter may again be subject to income taxation in Germany in the hands of the German resident investor (or investors, as the case may be) (see Part VII "Tax Considerations – Germany").

***Failure by the Manager or other third-party service providers to the Company, the Brevan Howard Global Opportunities Master Fund or any of the entities in which the Brevan Howard Global Opportunities Master Fund invests to carry out its or their obligations could materially disrupt the business of the Company***

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely upon the performance of third-party service providers to perform its executive functions. In particular, the Manager, Northern Trust International Fund Administration Services (Guernsey) Limited, in its capacity as the administrator of the Company and as the registrar of the Company, and their respective delegates, if any, will perform services that are integral to the Company's operations and financial performance. The Brevan Howard Global Opportunities Master Fund will equally be reliant on such third party service providers, as will be the entities in which the Brevan Howard Global Opportunities Master Fund invests.

Failure by any service provider to carry out its obligations to the Company, the Brevan Howard Global Opportunities Master Fund or any entity in which the Brevan Howard Global Opportunities Master Fund invests in accordance with the terms of its appointment, without exercising due care and skill, or to perform its obligations to the Company, the Brevan Howard Global Opportunities Master Fund or any such other entity for whatever reason could have a materially adverse effect on the Company's performance and returns to Shareholders. The termination of the Company's, the Brevan Howard Global Opportunities Master Fund's or any such other entity's relationship with any third-party service provider, or any delay in appointing a replacement for such service provider, could materially disrupt the business of the Company, the Brevan Howard Global Opportunities Master Fund or such other entities and could have a material adverse effect on the Company's performance and returns to Shareholders.

***The Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds are dependent on third party custodians and prime brokers***

In relying on third party custodians and prime brokers, the Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds are exposed to the risk that those custodians fail to comply with their legal and contractual obligations as a result of insolvency or otherwise. The Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds are also reliant on the third party custodians and prime brokers having sufficient capacity and the technical ability to perform their duties. Any failure of a custodian and prime broker to do so could have an adverse effect on the relevant fund, the Brevan Howard Global Opportunities Master Fund or the Company.

***The service providers to the Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds are dependent on information technology systems and back-office functions***

The Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds are dependent on the Manager and other members of the Brevan Howard group for management, operational and financial advisory services, as well as other back-office functions. The Manager and the other members of the Brevan Howard group depend on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the investment entities that they manage. Information technology systems are also used to trade in underlying investments.

A failure of some kind which causes disruptions to these information technology systems could materially limit the Manager's and the other members of the Brevan Howard group's ability to assess and adjust adequately the investments of the relevant investment entities, formulate strategies or provide adequate risk control, any of which could harm the performance of the relevant investment entities, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

Further, failure of the back-office functions of the Manager, other members of the Brevan Howard group or relevant administrators and counterparties to process trades by the relevant investment entities in a timely fashion could prejudice the investment performance of the relevant investment entities which could also have a material adverse effect on the performance of the Company and returns to Shareholders.

**Risks relating to the Manager and the Brevan Howard group**

***The Company is highly dependent on the Manager and the Brevan Howard group. The Manager and the Brevan Howard group are dependent upon the expertise of key personnel in providing management and investment management services to the Company, the Brevan Howard Global Opportunities Master Fund and its underlying investments***

Neither the Company nor the Brevan Howard Global Opportunities Master Fund has any employees and will depend on the Manager for the provision of investment management services. The ability of the Company to achieve its investment objective is significantly dependent upon the expertise of the Manager and other members of the Brevan Howard group, their partners and employees and its and their affiliates' ability to attract and retain suitable staff.

The impact of the departure for any reason of a key individual (or individuals) on the ability of the Manager to achieve the investment objective of the Company cannot be determined and may depend on, amongst other things, the ability of the Manager to recruit other individuals of similar experience and credibility. In particular, the investment performance of the funds managed by the Brevan Howard group relies materially on the services of the senior partners of entities in the Brevan Howard group, including Alan Howard. In the event of the death, incapacity, departure, insolvency or withdrawal of such persons, the performance of the Manager and the funds managed by the Brevan Howard group may be adversely affected, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

Furthermore, some of the contractual arrangements in place with counterparties of some of the Brevan Howard Underlying Funds, including in respect of the Initial Funds, provide the relevant counterparties with rights of termination, and with certain of their investors that entitle them to redemption without penalty, if certain key personnel and officers cease to have responsibility for managing the investments of such funds or similar provisions. The assertion of such rights to terminate contracts could result in the relevant contractual positions being closed out on unsatisfactory terms and in a fewer number of potential counterparties in the future. The assertion of such rights may have a material adverse impact on the business and/or financial condition of the relevant fund, which could have a material adverse effect on the performance of the Company and returns to Shareholders. There can be no assurance that the Manager or any other member of the Brevan Howard group would be able to mitigate the effects of the loss of any such key individual.

***Brevan Howard could be the subject of a successful acquisition or change of control by a third party who, as a consequence, might be able to exercise significant control over the investment activities of Brevan Howard, which could result in a change in the way that Brevan Howard carries on its business and investment activities and could have an effect on how its investment professionals act***

The Company has no ability to prevent stakeholders of Brevan Howard from transferring their control over Brevan Howard's business to a third party and change of control of Brevan Howard does not of itself entitle the Company to terminate the Management Agreement. A new owner or new significant shareholder could have a different investment philosophy to the current investment philosophy of Brevan Howard, which it could use to influence the investment objectives of the Company, the Brevan Howard Global Opportunities Master Fund or any of the Brevan Howard Underlying Funds, and it may employ investment professionals who are less experienced or who may be unsuccessful in identifying investment opportunities. If any of the foregoing were to occur, the Company's business, its results of operations and/or financial condition could be materially adversely affected.

***The Manager, other members of the Brevan Howard group and their affiliates may provide services to other clients which conflict directly or indirectly with the activities of the Company, the Brevan Howard Global Opportunities Master Fund and the entities in which the Brevan Howard Global Opportunities Master Fund invests and could prejudice investment opportunities available to, and investment returns achieved by the Brevan Howard Global Opportunities Master Fund and, therefore, the Company***

Currently, the Manager and the other members of the Brevan Howard group act as manager or investment manager of a number of investment entities and they and their affiliates may serve as managers, investment managers or advisers to other funds in the future, not all of which may be included in the Brevan Howard Global Opportunities Master Fund's portfolio. As a result, the Manager, the other members of the Brevan Howard group and their respective affiliates may have conflicts of interest in allocating investments among clients and in effecting transactions between the clients, including transactions in which the Manager or another member of the Brevan Howard group or their respective affiliates may have a greater financial interest. Depending on the circumstances, the Manager or another member of the Brevan Howard group or their respective affiliates may give advice or take action with respect to such other clients that differs from the advice given or action taken with respect to the Company, the Brevan Howard Global Opportunities Master Fund or any entity in which the Brevan Howard Global Opportunities Master Fund invests.

The investment managers of the Brevan Howard Underlying Funds and their affiliates may carry on investment activities for their own accounts, for the accounts of their employees (and their families) and for other accounts in which neither the Company nor the Brevan Howard Global Opportunities Master Fund has an interest. The investment managers of the Brevan Howard Underlying Funds may vary the investment strategies employed on behalf of the Brevan Howard Underlying Funds from those used for their other clients. No assurance can be given that the results of the trading by the investment managers of the Brevan Howard Underlying Funds on behalf of the Brevan Howard Underlying Funds will be similar to that of other accounts concurrently managed by the investment managers or their affiliates. It is possible that such accounts and any additional accounts managed by the investment managers of the Brevan Howard Underlying Funds in the future may compete with the Brevan Howard Underlying Funds for the same or similar positions in the markets. The investment managers of the Brevan Howard Underlying Funds and their affiliates also provide management services to other clients, including other collective investment vehicles. The investment managers of the Brevan Howard Underlying Funds and their affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or securities recommended or bought for, the Brevan Howard Underlying Funds, even though their investment policies may be the same or similar.

***The ability of the Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard underlying Funds to achieve their investment objectives is dependent upon the investment manager of each of them carrying out their role with due care and skill***

The success of the investment activities of the Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds will depend on the ability of the Manager and the investment manager of the relevant entities ability to identify suitable investments. Implementation of investment strategies involves a high degree of uncertainty. No assurance can be given that suitable investment opportunities will be capable of being located. A reduction in market liquidity or the pricing inefficiency of the markets in which the funds seek to invest, as well as other market factors, could reduce the scope for the relevant investment strategies, which, in turn, could materially impair the Brevan Howard Global Opportunities Master Fund's performance, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

The Brevan Howard Global Opportunities Master Fund, and indirectly, the Company, will rely on the skills and capabilities of the investment managers of the Brevan Howard Underlying Funds in selecting, evaluating, structuring, negotiating, executing, monitoring and exiting trading positions and investments in accordance with applicable investment policies. Accordingly, the ability of any such entity to achieve its investment objective will be outside the control of the Company and the Brevan Howard Global Opportunities Master Fund and failure by any such entity to achieve its investment objective or to otherwise produce adequate returns may have a material adverse effect on the Company's performance.

The Brevan Howard Global Opportunities Master Fund and the entities in which it invests may be required to hold their investments for a substantial period of time before realising their anticipated value. During this period, a portion of the relevant entity's capital would be committed to the securities purchased, thus possibly preventing the entity from investing in other opportunities. In addition, the entity may finance such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

The performance of investments will depend to a great extent on the accuracy of the investment managers' assessments of the future course of market price movements. There can be no assurance that the investment managers will be able to anticipate these price movements. All markets can be characterised by adverse volatility conditions and great unpredictability and the investment strategies implemented by the investment entities will always have some, or in certain cases a significant degree of, market risk and can be negatively affected by movements in such market(s).

These factors may lead to losses being sustained or periods of underperformance by the investments of the Brevan Howard Global Opportunities Master Fund which could have a material adverse effect on the performance of the Company and returns to Shareholders.

***Termination of management agreements could require the Company to make a significant termination payment, seriously harm the Company's ability to carry on its business and result in its winding up***

The continued services of the Manager to the Company and the Brevan Howard Global Opportunities Master Fund are dependent on the continuation of their respective management agreements, which can be terminated by the Manager with notice.

If the Manager were to terminate its respective management agreements with the Company or the Brevan Howard Global Opportunities Master Fund, no assurance could be given that the Company or the Brevan Howard Global Opportunities Master Fund would be able to find and recruit a replacement manager or investment manager (as applicable) of similar experience and competence or as to the length of time the search for a replacement will take.

Further, as the Brevan Howard Global Opportunities Master Fund will invest only in other Brevan Howard-managed investment entities, it may be unlikely that another person could, or would be prepared to take over as manager of the Company or the Brevan Howard Global Opportunities Master Fund, and it is likely that in such circumstances that the Brevan Howard Global Opportunities Master Fund and the Company would have to be wound up.

Termination by the Company or the Brevan Howard Global Opportunities Master Fund of their respective management agreements without cause could result in a requirement to make significant payments to the Manager including in the case of the Company, an obligation to repay to the Manager the cost and expense relating to the Offer borne by it. The Company is required to serve 24 months' notice on the Manager or make payment of fees that would otherwise accrue during that period.

***The Manager may allocate assets to the Brevan Howard Underlying Funds with higher fee levels than the Initial Funds which result in a higher aggregate fee burden on the Company than may otherwise have been the case***

The Brevan Howard Underlying Funds will have differing fee arrangements and certain funds, including certain of the Initial Funds such as the Brevan Howard Strategy Opportunities Master Fund Limited, may have higher management and incentive fees than other funds. There are no specific limits on the level of fees that may be charged by Brevan Howard in respect of funds in which the Brevan Howard Global Opportunities Master Fund may invest although there must be a minimum level of third-party participation in each such fund. The fact that Brevan Howard may receive higher fees in respect of one fund rather than another may result in a higher aggregate fee burden on the Company than would otherwise have been the case.

***Performance fee arrangements with the manager or the investment managers of the entities in which the Brevan Howard Global Opportunities Master Fund invests could encourage riskier investment choices that could cause significant losses***

Part of the compensation of the manager and investment managers of the Brevan Howard Underlying Funds will invest will or most likely will be calculated by reference to the performance of investments made by the relevant entity. Such compensation arrangements may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, because performance-based compensation will usually be calculated on a basis that includes unrealised appreciation of the relevant fund's assets, such performance-based compensation may be greater than if such compensation were based solely on realised gains.

***Negative publicity regarding hedge funds or the collapse of other hedge funds may have an adverse effect on the reputation of the Company and/or the Brevan Howard Global Opportunities Master Fund or the entities in which it invests***

Negative publicity regarding the operating and investing practices of hedge funds or the collapse of a sizeable hedge fund could have a consequential adverse effect on the reputation of the Company and/or the Brevan Howard Global Opportunities Master Fund or the entities in which it invests and could discourage counterparties from entering into transactions with those entities or have an unfavourable effect on the transaction terms which those entities are able to negotiate. Either of these occurrences could seriously impair the ability of the relevant entities to conduct their business, which could have a material adverse effect on the performance of the Company and returns to Shareholders. In addition, it could have an adverse impact on the market price of the Shares.

***The Company may incur additional costs of the Offer in certain circumstances***

While the costs and expenses in excess of 1 per cent. of the gross proceeds of the Offer, are initially borne by the Manager, the Manager is entitled to be reimbursed for these costs by the Company if the Management Agreement is terminated by the Company in the period ending on the seventh anniversary of Admission: (a) without cause; (b) on the basis of a resolution being passed to wind-up the Company; or (c) because the Brevan Howard Global Opportunities Master Fund NAV on any Brevan Howard Global Opportunities Master Fund NAV Calculation Date is more than 25 per cent. lower than the average Brevan Howard Global Opportunities Master Fund NAV over the previous 12 Brevan Howard Global Opportunities Master Fund NAV Calculation Dates.

**Risks relating to the Brevan Howard Underlying Funds**

The following risks relate to the Brevan Howard Underlying Funds.

**General Risks relating to the Brevan Howard Underlying Funds**

***Past performance of the Brevan Howard Underlying Funds should not be taken as an indication of future performance***

There can be no assurance that any of the Brevan Howard Underlying Funds will achieve their investment objective. Each such entity may be adversely affected by unforeseen events including, without limitation, changes in interest rates or the credit status of an issuer or counterparty, adverse fluctuations in exchange rates and the value of securities and commodities, the insolvency or bankruptcy of counterparties, forced redemptions of securities, acquisition proposals, break-up of planned mergers, unexpected changes in relative value, short squeezes, inability to short sell securities or changes in tax treatment. This document contains certain historical financial and other information in relation to the past performance of certain of the Brevan Howard Underlying Funds. Past performance of those funds should not be taken as an indication of the future performance of the funds or, by extension, of the Company.

***There can be no assurance that the values of the Brevan Howard Underlying Funds that are reported from time to time may be accurate or realised***

Market quotations may not be available for certain of the Brevan Howard Underlying Funds and good faith determinations may have to be made of the value of the investment of the Brevan Howard Global Opportunities Master Fund in those entities. There is no single standard for determining such values and in many cases fair value is best explained as a range of values from which a single estimate can be obtained. Accordingly, such valuations are inherently uncertain. Further, even where market quotations are available, there can be no guarantee that an investment could be realised at that price. Accordingly, there can be no assurance that the investment values that the Brevan Howard Global Opportunities Master Fund records from time to time will be ultimately realised.

***Certain of the Brevan Howard Underlying Funds may have investments in common with, or hold positions in, other Brevan Howard Underlying Funds***

Certain of the Brevan Howard Underlying Funds may have investments in common with, or hold positions in, other Brevan Howard Underlying Funds, meaning that poor performance by any such investment or entity may affect more than one of the entities included in the Brevan Howard Global Opportunities Master Fund's portfolio and may therefore have a disproportionate and adverse impact on the Company's performance and returns to Shareholders.

***The use of leverage may significantly increase the investment risk of certain of the Brevan Howard Underlying Funds***

The use of leverage creates special risks and may significantly increase investment risk of certain of the Brevan Howard Underlying Funds. Certain of the Brevan Howard Underlying Funds, including the Brevan Howard Master Fund, currently effect significant leverage through the use of options, futures, options on futures, swaps, repurchase agreements, forward sales and other synthetic or derivative financial instruments which entail margin trading. In addition, such Brevan Howard Underlying Funds are able to use borrowings to fund their investment activity without limit. The use of leverage increases the exposure of such Brevan Howard Underlying Funds to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the net asset value to increase more rapidly than would otherwise be the case (see "- The use of leverage may increase the Company's investment risks and other risks"). Conversely, where the associated interest costs are greater than such income and gains, the net asset value of such Brevan Howard Underlying Funds may decrease more rapidly than would otherwise be the case. Certain of the Brevan Howard Underlying Funds, including the Brevan Howard Master Fund, also use significantly higher levels of leverage than traditional long-only investment funds, which may increase the Company's exposure to capital risk and interest costs as described above (see "- The Company, through the Brevan Howard Underlying Funds will be exposed to significantly higher levels of leverage than traditional long-only investments funds").

***Substantial redemptions by investors in a Brevan Howard Underlying Fund on another investment entity could require rapid liquidation of that entity's positions***

Substantial redemptions by one or more investors in an investment entity in which the Brevan Howard Global Opportunities Master Fund or another Brevan Howard Underlying Fund invests could require the entity to liquidate securities or derivative positions more rapidly than might otherwise be desirable, possibly reducing the value of the Brevan Howard Global Opportunities Master Fund's investment. A reduction in the size of the entity could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the entity's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses. Such a substantial redemption by several holders or one large holder, and the potential disruptions caused by such redemptions, may also impair the ability of the entity to carry on its business.

***Limited regulatory supervision of the Brevan Howard Underlying Funds may not be adequate to protect investors***

The Brevan Howard Underlying Funds may be established in jurisdictions where there is limited regulatory supervision compared, for instance, to the United Kingdom. The protection afforded by such limited supervision may not be adequate to protect investors.

***Investments in emerging markets are subject to greater risks than developed markets***

Certain of the Brevan Howard Underlying Funds, such as the Brevan Howard Emerging Markets Strategies Master Fund Limited, will invest in emerging market sovereign debt, foreign exchange transactions and derivative transactions, and equities or other securities of companies incorporated in or, whose principal operations are in, emerging markets, or issued by the governments or their agencies in emerging markets, meaning that additional risks may be encountered potentially resulting in losses to the relevant entities. These risks include:

*Country Risk:* Emerging markets are subject to greater legal, economic, political and fiscal uncertainty and instability than developed markets.

*Monetary and Fiscal Risk:* The currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible or may be subject to the imposition of other monetary or fiscal controls and restrictions. In addition, governmental assents or notification may be required for investment or divestment of assets.

*Market Characteristics:* Emerging markets are still in relatively early stages of their development and accordingly may not be highly or efficiently regulated. In addition, emerging markets are shallower and less liquid than more established markets which may adversely affect the ability of the relevant entities to realise their investments when they desire to do so or receive what they perceive to be their fair value in the event of a realisation. Settlement of transactions may be subject to greater delay and administrative uncertainties than in developed markets.

*Volatility:* Securities markets of certain emerging markets may be more fragmented, smaller, less liquid and more volatile than the securities markets of more developed countries. Some securities markets in certain emerging markets have in the past experienced substantial price volatility and no assurance can be given that such volatility may not occur in the future. Liquidity and volatility limitations in these markets may adversely affect the ability of the relevant entity to dispose of securities at the best price available or in a timely manner.

*Custody Risk:* Custodians in these markets are not able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the relevant entity will not be recognised as the owner of securities held on its behalf by a sub-custodian.

*Disclosure:* Less complete and reliable fiscal and other information may be available to investors in emerging markets than in developed markets.

*Enforcement:* Legislation and administrative practice in emerging markets often differ in many respects from and may be less certain than the legal environment of more established markets. In addition, some countries may provide inadequate legal remedies, enforcement procedures or mechanisms for recovery of assets in the event of a counterparty default.

***The illiquidity of investments may have an adverse impact on their price and the ability to trade in them***

In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them at the prices quoted on the relevant exchanges. The size of positions may magnify the effect of a decrease in market liquidity for such instruments. Settlement of transactions may be subject to delay and uncertainty. In addition, the sale of restricted and illiquid securities may result in higher brokerage charges or dealer discounts and other selling expenses than the sale of securities eligible for trading on national securities exchanges or in the over-the-counter markets. Such restricted securities may sell at a price lower than similar securities that are not subject to restrictions on resale.

***The Brevan Howard Underlying Funds may engage in merger arbitrage transactions, which are subject to substantial transaction failure risk and may result in significant losses***

Brevan Howard Underlying Funds may engage in merger arbitrage transactions. Substantial transaction failure risks exist with respect to companies that are the subject of publicly disclosed mergers, takeover bids, exchange offers, tender offers, spin-offs, liquidations, corporate restructuring and other similar transactions. There can be no assurance that any expected transaction will take place. Certain transactions are dependent on one or more factors to become effective, such as market conditions which may lead to unexpected positive or negative changes in a company profile, investor approval, regulatory and various other third party constraints, changes in earnings or business lines or investor activism as well as many other factors.

***Securities and other obligations of financially distressed companies and sovereign issuers cash involve a substantial degree of inherent risk***

Brevan Howard Underlying Funds may purchase securities and other obligations of companies that are experiencing significant financial or business distress, including companies involved in bankruptcy or other reorganisation and liquidation proceedings. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time. In fact, many of these instruments ordinarily remain unpaid unless and until the company reorganises and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in companies or sovereign issuers experiencing significant business and financial distress is unusually high. There is no assurance that the manager or investment manager of the relevant investment entities would correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganisation or similar action. In addition, the administrative costs in connection with a bankruptcy or restructuring proceeding are frequently high and will be paid out of the debtor's assets prior to any return to creditors (other than

out of assets or proceeds thereof, which may be subject to valid and enforceable liens and other security interests) and equity holders. Furthermore, certain claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may reduce any entitlement of the relevant entity.

Additionally, it is frequently difficult to obtain accurate information as to the condition of financially distressed issuers. Such investments also may be adversely affected by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and offer prices of such securities may be greater than those prevailing in other securities markets. It may take a number of years for the market price of such securities to reflect their intrinsic value. Securities issued by distressed companies or sovereign issuers may have a limited trading market, resulting in limited liquidity. As a result, there may be difficulties in valuing or liquidating positions, which could have a material adverse effect on the Company's performance and returns to Shareholders.

#### **Specific Risks relating to the Brevan Howard Underlying Funds**

##### ***Certain of the Brevan Howard Underlying Funds may be subject to risk in connection with off-exchange trading***

Certain of the Brevan Howard Underlying Funds, including the Brevan Howard Master Fund, may enter into off-exchange transactions, including spot, forward and option contracts, some of which may have terms in excess of ten years in duration. Certain of the Brevan Howard Underlying Funds, including the Brevan Howard Master Fund, may also engage in swap transactions, consisting primarily of an exchange of a fixed price for an average floating price of a set quantity of a particular security or commodity or fixed income instrument over an agreed period of time. Over the counter contracts are not regulated by trading exchanges, and such contracts are not guaranteed by an exchange or clearing house. Consequently, trading in these contracts is subject to more risks than futures or options which are traded on regulated exchanges, including, but not limited to, the risk that a counterparty will default on an obligation. The counterparties may not be required to post collateral. Off-exchange transactions are also subject to legal risks, such as the legal incapacity of a counterparty to enter into a particular contract or the declaration of a class of contracts as being illegal or unenforceable. The Brevan Howard Underlying Funds could experience delays in liquidating their positions and suffer significant losses, including declines in the value of their transactions during the period in which they seek to enforce their rights, or an inability to realise any gains on their transactions during such period and may incur fees and expenses in enforcing its rights.

Certain of the other Brevan Howard Underlying Funds, including the Brevan Howard Master Fund, are also dependent on the willingness of counterparties to enter into off-exchange contracts with them. Failure to identify or delay in identifying such counterparties could limit the ability of the Brevan Howard Underlying Funds to carry on their business and could adversely impact the performance of the Brevan Howard Underlying Funds.

##### ***Deterioration of credit markets may affect ability to finance and consummate investment activity***

The recent deterioration of global credit markets, the tightening of credit spreads, coupled with the deterioration of the sub-prime and global debt markets and a rise in interest rates, has dramatically reduced investor demand for high yield debt and senior bank debt and has made it generally more difficult to obtain favourable financing to finance investment activity. The ability of the Brevan Howard Underlying Funds to generate attractive investment returns for their investors may be adversely affected to the extent that they are unable to obtain favourable financing terms for their investment activity. Moreover, to the extent that such marketplace events are not temporary and continue, they may have an adverse impact on the availability of credit to the Brevan Howard Underlying Funds generally and could lead to an overall weakening of global economies. Such an economic downturn could adversely affect the entities in which the Brevan Howard Underlying Funds have invested and could result in the Brevan Howard Underlying Funds suffering significant losses, which could, in turn, have an adverse effect on the returns of the Brevan Howard Underlying Funds. Such losses could therefore have a material adverse effect on the Company's performance and the returns to Shareholders.

##### ***The contractual arrangements of a Brevan Howard Underlying Fund with its trading counterparties could terminate in the event of a serious decline in the net asset value of the relevant Brevan Howard Underlying Funds***

The contractual arrangements of a Brevan Howard Underlying Fund, including the Brevan Howard Master Fund, with its respective trading counterparties typically contain termination provisions and/or additional collateralisation requirements in the event of, among other things, a significant decline in the net asset value of such Brevan Howard Underlying Funds, calculated with reference to both

relative periodic testing and to an absolute monetary floor. Termination of any such contractual arrangements and/or the requirement to provide additional collateral could seriously impair the ability of the relevant Brevan Howard Underlying Fund to carry on its business, which would have a material adverse effect on the performance of the Company and returns to Shareholders.

***Prime brokers and custodians of the Brevan Howard Underlying Funds may hold legal and beneficial title to assets of those funds which will subject them to the risks of insolvency or fraud on the part of the prime brokers or custodians***

Under the arrangements between the Brevan Howard Underlying Funds and their prime brokers and custodians, the prime brokers and custodians may be entitled to identify as collateral, to rehypothecate or otherwise to use for their own purposes, assets held by them for the Brevan Howard Underlying Funds. Legal and beneficial title to such assets may therefore be transferred to the relevant prime broker or custodian. The Brevan Howard Underlying Funds only have a contractual right to the return of assets equivalent to those of the relevant assets and would rank in respect of such contractual right as an unsecured creditor on an insolvent winding up of the relevant prime broker or custodian. In the event of the insolvency of any of the prime brokers or custodians of the Brevan Howard Underlying Funds, the Brevan Howard Underlying Funds might not be able to recover equivalent assets in full or at all. In addition, any cash of the Brevan Howard Underlying Funds held or received by or on behalf of a prime broker or custodian may not be treated as client money and may not be subject to the client money protections conferred by the client rules of the FSA or equivalent rules of other regulators to which such prime broker or custodian may be subject. Accordingly, the cash of the Brevan Howard Underlying Funds may also constitute collateral and may not be segregated from the cash of the prime brokers and custodians. The Brevan Howard Underlying Funds may rank as an unsecured creditor in respect of such cash on an insolvency of a prime broker or custodian. The inability of the Brevan Howard Underlying Funds to recover such cash could have a material adverse effect on the Company's performance and returns to Shareholders.

Any securities of the Brevan Howard Underlying Funds held by a prime broker or custodian may be held in a general client or "omnibus" account together with the securities of other clients. The use of omnibus accounts could result in the Brevan Howard Underlying Funds bearing losses as a result of shortfalls in the omnibus accounts that would not have ensued had its securities been held in a designated client accounts. In addition, under contractual arrangements relating to the operation of the omnibus account, the Brevan Howard Underlying Funds may be restricted from voting their securities as they wish.

The Brevan Howard Underlying Funds will be subject to the risk that a prime broker or custodian may be unable to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. In addition, the nature of commercial arrangements made in the normal course of business between many prime brokers and custodians means that in the case of any one prime broker or custodian defaulting on its obligations to the Brevan Howard Underlying Funds, the effects of such a default may have consequential negative effects on other prime brokers and custodians with whom the Brevan Howard Underlying Funds deal. The Brevan Howard Underlying Funds and, by extension, the Company may, therefore, be exposed to systemic risk when the Brevan Howard Underlying Funds deal with prime brokers and custodians whose creditworthiness may be interlinked.

***Speculative position limits could adversely affect the performance of the Brevan Howard Underlying Funds***

In the United States, the CFTC and certain exchanges have established speculative position limits on the maximum net long or short futures and options positions which any person or group of persons acting in concert may hold or control in particular futures contracts. The CFTC has adopted a rule requiring each domestic exchange to set speculative position limits, subject to CFTC approval, for all futures contracts and options traded on such exchanges which are not already subject to speculative position limits established by the CFTC or such exchange. The CFTC has jurisdiction to establish speculative position limits with respect to all futures contracts and options traded on exchanges located in the United States, and any domestic exchange may impose additional limits on positions on that exchange. Generally, no speculative position limits are in effect with respect to the trading of forward contracts or trading on non-US exchanges. All trading accounts managed by the investment managers acting on behalf of the Brevan Howard Underlying Funds will be combined for speculative position limit purposes. With respect to trading in futures which are subject to such limits, the investment managers may therefore be obliged to reduce the size of the positions which would otherwise be taken in such futures and not trade certain futures in order to avoid exceeding such limits. This may limit the investment managers' ability to capitalise on profitable trading opportunities. In addition, such actions, if required, could require the Brevan Howard Underlying Funds to liquidate certain positions more rapidly than might otherwise be desirable, and could adversely affect the performance of the Brevan Howard Underlying Funds, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

***Failure by the holders of nil-paid and partly-paid shares of certain of the Brevan Howard Underlying Funds to pay up the full amount of outstanding capital would result in losses for such Brevan Howard Underlying Funds***

Certain classes of shares and interests of some of the Brevan Howard Underlying Funds are held by or for the benefit of partners, officers and employees of the Brevan Howard group and their connected persons and may be issued nil-paid or partly-paid. Failure by holders or guarantors of nil-paid or partly-paid shares to make payment for such shares on a capital call would result in losses for the relevant Brevan Howard Underlying Fund or Funds, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

***The increasing size and maturity of other hedge funds and other market participants may reduce the opportunities available to the Brevan Howard Underlying Funds for investment***

The Brevan Howard Underlying Funds compete with other hedge funds and market participants (such as public or private investment funds and the proprietary desks of investment banks) for investment opportunities. The number of such hedge funds and market participants and the scale of the assets managed by such entities is increasing. Such competitors may be substantially larger and have considerably greater financial, technical and marketing resources than are available to the Brevan Howard Underlying Funds or they may also have a lower cost of capital and access to funding sources that are not available to the Brevan Howard Underlying Funds, which may create competitive disadvantages with respect to investment opportunities. The net effect of these developments may be to reduce the opportunities available for the Manager and the investment managers to generate returns and/or reduce the quantum of these returns. Historic opportunities for some or all hedge fund strategies may be eroded over time whilst structural and/or cyclical factors may reduce investment opportunities for the Manager and the investment managers temporarily or permanently reducing the potential returns of the Brevan Howard Underlying Funds, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

***Portfolio turnover rate may be very high, which will result in significant transaction costs and reduced investment performance of the Brevan Howard Underlying Funds and the Company***

The Brevan Howard Underlying Funds are not constrained in effecting transactions by any limitation with regard to their respective portfolio turnover rates. It is possible that the portfolio turnover rate may be very high, which could result in significant transaction costs for the Brevan Howard Underlying Funds, thereby materially reducing the investment returns of the Brevan Howard Underlying Funds, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

***Short selling could result in losses for the Brevan Howard Underlying Funds***

The Brevan Howard Underlying Funds may engage in short selling. Short selling involves selling securities which are not owned by these funds and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short selling allows the investor to profit from declines in the value of securities. A short sale creates the risk of significant losses for the Brevan Howard Underlying Funds because the price of the underlying security could increase without limit, thus increasing the cost of buying those securities to cover the short position. There can be no assurance that the security necessary to cover a short position will be available for purchase. Purchasing securities to close out a short position can itself cause the price of the relevant securities to rise further, thereby exacerbating the loss. Such losses could have a material adverse effect on the returns of the Brevan Howard Underlying Funds, thereby affecting the Company's performance and returns to Shareholders.

There is also a risk that the securities borrowed in connection with a short sale must be returned to the lender of such securities at short notice. If a request for the return of borrowed securities occurs at a time when other short sellers of the securities are receiving similar requests, a short squeeze can occur, and it may be necessary to replace borrowed securities previously sold short with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received from originally selling the securities short.

***Concentration of investments could cause significant losses to the Brevan Howard Underlying Funds***

The Brevan Howard Underlying Funds may at certain times hold a relatively concentrated investment portfolios. The Brevan Howard Underlying Funds could be subject to significant losses if, for example, a large position in a particular investment is held that declines in value or is otherwise adversely affected, including default of the issuer of such securities. Such losses could have a material adverse effect on the performance of the Company and returns to Shareholders.

***Interest rate fluctuations could expose the Brevan Howard Underlying Funds to additional costs and losses***

The prices of investments that may be held by the Brevan Howard Underlying Funds tend to be sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs to the Brevan Howard Underlying Funds of borrowed securities and leveraged investments.

Furthermore, to the extent that interest rate assumptions underlie the hedging of a particular position, fluctuations in interest rates could invalidate those underlying assumptions and expose the Brevan Howard Underlying Funds to additional costs and losses, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

***The Brevan Howard Underlying Funds may be exposed to foreign exchange risk, which may have an adverse impact on the value of the assets of these funds and on their respective results of operations***

The base currency of the Brevan Howard Master Fund and of certain other Brevan Howard Underlying Funds is the US Dollar. Certain of the assets of one or more Brevan Howard Underlying Funds may be invested in securities and other investments which are denominated in other currencies. Accordingly, such funds will be subject to foreign exchange risks and the value of their assets may be affected unfavourably by fluctuations in currency rates. Although the investment managers may utilise financial instruments to hedge against declines in the value of the assets of the Brevan Howard Underlying Funds as a result of changes in currency exchange rates, they are not obliged to do so. It may not be possible for the investment managers to hedge against a particular change or event at an acceptable price or at all. In addition, there can be no assurance that any attempt to hedge against a particular change or event would be successful, in which event the performance of one or more Brevan Howard Underlying Funds may be adversely affected, which could have a material adverse effect on the performance of the Company and returns to Shareholders. Prospective Shareholders should note that there can be no assurance that any hedges which are put in place by any Brevan Howard Underlying Fund will be effective.

***Investment in derivatives involves specific risks and could expose the Brevan Howard Underlying Funds to substantial losses***

Derivatives are, in general, relatively new and often unregulated products and uncertainties exist as to how these instruments will perform during periods of unusual price volatility or instability, market illiquidity or credit distress.

The Brevan Howard Underlying Funds utilise both exchange-traded and over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its investment strategy. These instruments can be highly volatile and expose investors to a high risk of loss. Accordingly, the Brevan Howard Underlying Funds could suffer substantial losses from derivatives holdings, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

The general risks of dealing in derivatives include:

*Leverage risk:* Investing in derivatives generally involves placing an initial deposit or “initial margin” with a broker, who in the case of exchange-traded derivatives will handle subsequent payments such as margin calls. A relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and could result in significant margin calls on the Brevan Howard Underlying Funds. One or more Brevan Howard Underlying Funds may be required to liquidate investment positions prematurely or incur borrowings to meet margin calls potentially resulting in losses to such funds, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

*Inability to close out a position on favourable terms or at all:* Daily limits on price fluctuations and speculative position limits on exchange-traded derivatives may prevent prompt liquidation of positions resulting in potentially greater losses to the Brevan Howard Underlying Funds, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

*Risk on the price of underlying securities:* Investing in derivatives involving underlying securities or indices, such as options, may expose the Brevan Howard Underlying Funds to the risk of change in the market price of the underlying securities, and may limit the potential gain that might be obtained from trading directly in the underlying securities.

*Over-the-counter contracts:* Off-exchange or “over-the-counter” contracts, such as forward financial exchange contracts, are subject to greater price volatility and greater illiquidity than those traded on an exchange as: (i) they are traded through an informal network of banks and other dealers which have no obligation to make markets in these instruments; (ii) there are fewer market

makers, wider spreads between their bid and asked prices and lower trading volumes; and (iii) positions are not marked-to-market on a daily basis. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Counterparties to a transaction may be unable or unwilling to perform their side of the contract and as the contracts are not guaranteed by an exchange or clearing house any such default would eliminate any profit potential and compel one or more Brevan Howard Underlying Funds to cover their commitments for resale or repurchase, if any, at the then-prevailing price, which may be difficult to determine. Any of these events could result in significant losses for Brevan Howard Underlying Funds, which could have a material adverse effect on the performance of the Company and returns to Shareholders. See also “— The Brevan Howard Master Fund and certain Brevan Howard Underlying Funds is subject to risk in connection with off-exchange trading”.

*Contractual asymmetries and inefficiencies:* Any Brevan Howard Underlying Fund may enter into certain contracts that contain provisions that place it in an “asymmetrical” position relative to its counterparty, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a specified reduction in the net asset value of such fund, incorrect collateral calls or delays in collateral recovery. Where a Brevan Howard Underlying Fund does not have similar rights against the counterparty, the exposure of the relevant Brevan Howard Underlying Fund is increased as regards that counterparty potentially resulting in losses to the Brevan Howard Underlying Funds which could have a material adverse effect on the performance of the Company and returns to Shareholders.

*Imperfect hedging:* The investment managers of the Brevan Howard Underlying Funds may utilise derivatives to seek to hedge against declines in the values of their portfolio positions (measured in terms of their base currencies) as a result of changes in currency exchange rates, certain changes in the equity markets and market interest rates and other events. Hedging techniques involve risks different to those of the underlying investments. In particular, the variable degree of correlation between price movements of instruments used for hedging and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of the hedged instrument. In addition, certain hedging instruments and markets may not be liquid in all circumstances. As a result, in volatile markets, transactions in certain of these instruments may not be able to be closed out without incurring losses which are substantially greater than the initial deposit. Although the contemplated use of these instruments should tend to minimise the risk of loss due to a decline in the value of the hedged position, at the same time such usage tend to limit any potential gain that might result from an increase in the value of such position. The investment managers are not required to hedge and there can be no assurance that hedging of transactions will be available or, even if undertaken, will be effective. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in currencies other than the US Dollar because the value of those securities is likely to fluctuate as a result of unrelated independent factors. Finally, the daily variation margin deposit requirements applicable to futures contracts create greater ongoing potential financial risk than would options transactions, where the exposure is limited to the cost of the initial premium and transaction costs paid.

It may not be possible for the investment managers to hedge against a change or event at attractive prices or at a price sufficient to protect the assets of the Brevan Howard Underlying Funds from the decline in value of the portfolio positions anticipated as a result of such change. In addition, it may not be possible to hedge against certain risks at all. The Brevan Howard Underlying Funds are therefore likely to take substantial unhedged positions potentially resulting in losses to the relevant Brevan Howard Underlying Fund, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

Specific risks related to certain common types of derivative transactions are described below.

*Forward Contracts:* The Brevan Howard Underlying Funds may enter into forward contracts, which are the purchase or sale of a specific quantity of a commodity, government security, foreign currency, or other financial instrument at the current or spot price, with delivery and settlement at a specified future date. A purchase forward contract can be a cover for the sale of a futures contract. The Brevan Howard Underlying Fund may enter into forward contracts for hedging purposes and non-hedging speculative purposes. Forward contracts are transactions obliging Brevan Howard Underlying Fund to purchase or sell a specific instrument at a future date at a specified price. Forward contracts may be used by a Brevan Howard Underlying Fund for hedging purposes to protect against uncertainty in the level of future foreign currency exchange rates, such as when it anticipates purchasing or selling a non-US Dollar security. For example, this technique would allow a Brevan Howard Underlying Fund to “lock in” the US Dollar price of the security. Forward contracts may also be used to attempt to protect the value of the Brevan Howard Underlying Funds’ existing holdings of non-US Dollar securities. There may be, however, an imperfect correlation between the foreign securities holdings of the Brevan Howard Underlying Funds and the forward contracts entered into with respect to those holdings. Forward contracts may also be used for non-hedging purposes to pursue the investment objectives of the relevant Brevan Howard Underlying Funds, such as when investment manager anticipates that particular foreign currencies will appreciate or depreciate in value, even though securities denominated in those currencies are not then held in the individual portfolio of the Brevan Howard Underlying Funds. There is no general requirement that a Brevan Howard Underlying Fund hedges all or any portion of its exposure to non-US Dollar currency risks.

*Swap Agreements:* The Brevan Howard Underlying Funds may enter into equity, interest rate, index, currency rate, total return and other types of swap transactions. The transactions are entered into in an attempt to obtain a particular return without the need to actually purchase the reference asset. Swap agreements can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swap agreements may increase or decrease the exposure of the Brevan Howard Underlying Funds to long-term or short-term interest rates, foreign exchange rates, mortgage securities, corporate borrowing rates, commodities or other factors such as security prices, baskets of securities, or inflation rates.

Swap agreements are bi-lateral contracts entered into primarily by institutional investors for periods ranging from a few weeks to more than ten years. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular predetermined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or “swapped” between the parties are generally calculated with respect to a “notional amount” (i.e., the return on or change in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency, in a particular index, or in a “basket” of such instruments).

Swap agreements will tend to shift investment exposure from one type of investment to another. For example, if a Brevan Howard Underlying Fund agrees to exchange payments in US Dollars for payments in another currency, the swap agreement would tend to decrease its exposure to US interest rates and increase its exposure to such other currency and interest rates. Depending on how they are used, swap agreements may increase or decrease the overall volatility of the investment portfolio of the Brevan Howard Underlying Funds.

Most swap transactions require the calculation of the obligations of the parties to the agreements on a “net basis”. Consequently, the obligations or rights of a Brevan Howard Underlying Fund under a swap agreement generally will be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the “**net amount**”). The risk of loss with respect to swaps is limited to the net amount of payments that such a fund is contractually obliged to make. If the other party to a swap defaults, the risk of loss to the Brevan Howard Underlying Fund consists of the net amount of payments that the Brevan Howard Underlying Fund is contractually entitled to receive. If a swap agreement calls for payments by a Brevan Howard Underlying Fund, it must be prepared to make such payments when due. In addition, if the counterparty’s creditworthiness declines, the value of a swap agreement would be likely to decline, potentially resulting in losses to such Brevan Howard Underlying Fund, which could have a material adverse effect on the performance of the Company and returns to Shareholders.

***The Brevan Howard Master Fund and certain other Brevan Howard Underlying Funds may invest in forward contracts and related swaps and options, which may expose them to sudden losses***

Forward contracts, swaps and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward, swaps and “cash” trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain participants in these markets have refused to quote prices for certain currencies or commodities or have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any market due to unusually high trading volume, political intervention or other factors. Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. Market illiquidity or disruption could result in major losses to one or more Brevan Howard Underlying Funds. In addition, a Brevan Howard Underlying Fund may be exposed to credit risks with regard to counterparties as well as risks relating to settlement default. Such risks could result in substantial losses to one or more of the Brevan Howard Underlying Funds.

*Call Options:* Certain of the Brevan Howard Underlying Funds may engage in the purchase and sale of call options. The seller (writer) of a call option which is covered (e.g., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option and the premium received. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The buyer of a call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.

*Put Options:* Certain of the Brevan Howard Underlying Funds may engage in the purchase and sale of put options. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security, the loss on the put will be offset in whole or in part by any gain on the underlying security.

*Repurchase Agreements:* Certain of the Brevan Howard Underlying Funds may enter into repurchase agreements. In entering into repurchase agreements, such a fund takes counterparty risk. A repurchase agreement typically involves the sale of a security by that fund to a counterparty with the simultaneous agreement to repurchase that security for a fixed price (incorporating a rate of interest) on a specific date, and may be considered a form of borrowing for some purposes. These transactions involve risks that the value of portfolio securities being relinquished may decline below the price that must be paid when the transaction closes or that the other party to a repurchase agreement will be unable or unwilling to complete the transaction as scheduled, which may result in losses to the relevant Brevan Howard Underlying Funds. Repurchase agreements are a form of leverage that may also increase the volatility of the investment portfolio of the Brevan Howard Underlying Funds.

*Reverse repurchase agreements:* A Brevan Howard Underlying Fund may enter into reverse repurchase agreements, under which it purchases from a counterparty securities to be resold at a higher fixed price on a future date. In entering into reverse repurchase agreements, the Brevan Howard Underlying Fund takes counterparty risk. The value of the securities purchased may be less than the repurchase amount. Failure by the counterparty to repurchase the securities could result in significant losses for one or more of the Brevan Howard Underlying Funds.

***Investment in non-investment grade and unrated debt securities is subject to greater risk than investing in highly rated debt and could result in significant losses for one or more Brevan Howard Underlying Funds***

Certain Brevan Howard Underlying Funds invest in, amongst other things, high-yield bonds and preferred securities, which are rated in the non-investment grade categories by the various credit rating agencies (or in comparable non-rated securities categories). Securities in the non-investment grade categories are subject to greater risk of loss of principal and interest than higher-rated securities and may be considered to be predominantly speculative with respect to the issuer's capacity to pay interest and repay principal. They may also be considered to be subject to greater risk than securities with higher ratings in the case of deterioration of general economic conditions. Because investors generally perceive that there are greater risks associated with non-investment grade securities, the yields and prices of such securities may fluctuate more than those for higher-rated securities. The market for non-investment grade securities may be smaller and less active than that for higher-rated securities, which may adversely affect the prices at which these securities can be sold and result in losses to the relevant Brevan Howard Underlying Fund, which, in turn, could have a material adverse effect on the performance of the Company and returns to Shareholders.

In addition, certain of the Brevan Howard Underlying Funds may invest in debt securities which may be unrated by a recognised credit rating agency, which are subject to greater risk of loss of principal and interest than higher-rated debt securities. Debt securities which rank behind other outstanding securities and obligations of the issuer, all or a significant portion of which, may be secured on substantially all of that issuer's assets. The Brevan Howard Underlying Funds may also invest in debt securities which are not protected by financial covenants or limitations on additional indebtedness. The Brevan Howard Underlying Funds may therefore be subject to credit, liquidity and interest rate risks that could result in losses to the relevant Brevan Howard Underlying Funds, which, in turn, could have a material adverse effect on the performance of the Company and returns to Shareholders. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to hedge such risk or to calculate accurately discounting spreads for valuing financial instruments.

***Equity securities are subject to greater volatility than fixed income securities and trading in them may adversely affect the performance of one or more Brevan Howard Underlying Funds***

Certain Brevan Howard Underlying Funds invest in equity securities and their derivatives. Market prices of equity securities generally, and of certain companies' equity securities more particularly, are frequently subject to greater volatility than prices of fixed-income securities. Market prices of equity securities as a group have dropped dramatically in a short period of time on occasion in the past and they may do so again in the future. In addition, actual and perceived accounting irregularities may cause dramatic price declines

in the equity securities of companies reporting such irregularities or which are the subject of rumours of accounting or other irregularities. These factors may adversely affect the Brevan Howard Underlying Funds, and therefore the Company's performance and returns to Shareholders.

***Shares and other equity securities may rank behind all other claims and the Brevan Howard Underlying Funds could fail to recover all or part of their investment in equity securities which could in turn adversely affect the performance of the Company and returns to Shareholders***

Equity securities generally represent the most junior securities in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common shares generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available, after making interest, dividend and any other required payments on more senior securities of the issuer. Moreover, in the event of an insolvency or winding-up a company in which a Brevan Howard Underlying Fund is invested, the claims of ordinary shareholders rank behind all other claims.

***Commodity and energy trading could result in significant losses for Brevan Howard Underlying Funds, which could in turn harm the performance of the Company and returns to Shareholders***

The Brevan Howard Underlying Funds may engage in commodity trading strategies. A principal risk in commodity trading strategies is the volatility of the market prices of commodities. Because of the low margin deposits typically required in commodity contract trading, a relatively small movement in the market price of a commodity contract may result in a disproportionately large profit or loss to the relevant Brevan Howard Underlying Fund. Inherent risks are involved in the trading of energy derivatives, including options and futures. Market movements can be volatile and are difficult to predict. Activities by the major power producers of commodities can have a profound effect on spot prices which, in turn, substantially affect derivative prices, as well as the liquidity of such markets. Weather, politics, recession, inflation, trade policies, international events and other unforeseen events can also have a significant impact upon these prices. A variety of possible actions by various government agencies also can inhibit profitability or can result in losses. Such events could result in large market movements and volatile market conditions and create the risk of significant losses for one or more of the Brevan Howard Underlying Funds.

**Risks relating to an investment in the Shares**

***Voting rights in the Shares will be established by reference to the prevailing exchange rates among the US Dollar, Euro and Sterling as of the date of allotment of the Shares***

Since the US Dollar, Euro and Sterling exchange rates are not fixed any changes in the relative values of the US Dollar, Euro and Sterling from the date of allotment of the Shares against one another will result in disparities between the Share classes as to the relative cost of voting rights attached to the different Share classes.

***Shareholders will have no rights of redemption and must rely on the existence of a liquid market in order to realise their investment. In addition, there may be circumstances where the Company closes a class of Shares.***

The Company has been established as a listed closed-ended investment company. Accordingly, Shareholders will not be entitled to have their Shares redeemed by the Company. While the Directors retain the right to effect repurchase of Shares in the manner described in this document, they are under no obligation to use such powers at any time and the Shareholders should not place any reliance on the willingness of the Directors to do so. Shareholders wishing to realise their investment in the Company will therefore be required to dispose of their Shares through trades on the London Stock Exchange or negotiate transactions with potential purchasers. Accordingly, Shareholders' ability to realise their investment is in part dependent on the existence of a liquid market in the Shares and on the extent of its liquidity.

More generally, shares in comparable investment vehicles have historically been subject to lower liquidity than equity investments in other types of entities. In addition, the existence of up to three classes of Shares in the Company will further limit the liquidity of the Shares, which may have an adverse effect on Shareholders' ability to sell their Shares. More particularly, the number of Euro Shares, US Dollar Shares and Sterling Shares to be issued is not yet known, and there may be a limited number of holders of one or more classes of such Shares. Limited numbers and/or holders of such Shares may mean that there is limited liquidity in such Shares which

may affect (i) an investor's ability to realise some or all of its investment and/or (ii) the price at which such investor can effect such realisation and/or (iii) the price at which such Shares trade in the secondary market. There can be no guarantee that each class of Share will be equally liquid, and one class of Share may be materially less liquid than another.

The Company is required by the Listing Rules of the UKLA to ensure that 25 per cent. of each class of Shares is publicly-held (as defined by the UKLA) at all times. If, for any reason, the number of Shares of a particular class in public hands falls below 25 per cent., the UKLA may suspend or cancel the listing of that class of Shares or of the Company's Shares generally. This may mean that limited liquidity in such Shares may affect (i) an investor's ability to realise some or all of his investment and/or (ii) the price at which such investor can effect such realisation. The Directors may also decide, in their absolute discretion, to convert the Shares of such class into Shares of another class.

In addition, there may be circumstances where the Company closes a class of Shares where that class is, in the opinion of the Directors, no longer viable as a result of investors switching from that class into other classes of Shares.

Investors should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

#### ***The Shares may trade at a discount to Net Asset Value***

The Shares may trade at a discount to NAV per Share for a variety of reasons, including due to market conditions, liquidity concerns or the actual or expected performance of the underlying investments of the Company. There can be no guarantee that attempts by the Company to mitigate any such discount will be successful or that the use of discount control mechanisms will be possible or advisable.

#### ***Non-US Dollar-denominated Shares will be exposed to US Dollar exchange rate fluctuations***

The Shares are denominated in Euro, US Dollars and Sterling and the Company's financial statements will be prepared in US Dollars. The operational and accounting currency of the Company is the US Dollar, and therefore non-US Dollar subscription monies are converted to US Dollars for operating purposes. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the Shares will be allocated solely to the relevant class of Shares. This may result in variations in the price at which the three classes of Shares trade.

#### ***Local laws or regulations may mean that the status of the Company or the Shares is uncertain or subject to change, which could adversely affect investors' ability to hold the Shares***

For regulatory, tax and other purposes, the Company and the Shares may be treated differently in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the Shares may be treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the status of the Company and/or the Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or disclosures by the Company. Changes in the status or treatment of the Company or the Shares may have unforeseen effects on the ability of investors to hold the Shares or the consequences of so doing.

#### ***Issuance of additional Shares could have a detrimental effect on the Net Asset Value and the market price of the Shares***

Under the current laws of Guernsey, to which the Company is subject, there are no rules restricting the ability of the Directors to issue additional Shares on a non pre-emptive basis at any time. The Company's Articles include provisions entitling holders of a class of Shares to pre-emptive rights on the issue of new Shares of that class for cash, however such pre-emptive rights do not apply in respect of the issue of other classes of Shares and may be disapplied by general resolution of the Shareholders. If the Directors were to issue further Shares in the future, this could have a detrimental dilutive effect on the Net Asset Value of issued Shares as well as the market price of the Shares.

***Before the Company's purchase of shares in the Brevan Howard Global Opportunities Master Fund the proceeds of the Offer will be held on deposit and could expose the Company to losses***

The Company will invest the proceeds of the Offer in the Brevan Howard Global Opportunities Master Fund on the Master Fund Launch Date. Between Admission and this date, the Company will deposit the proceeds in cash deposits and short term money market instruments. There can be no assurance that the institution or institutions with which the Company deposits the proceeds of the Offer will not experience insolvency or bankruptcy or that there shall not occur a declaration of a general moratorium on commercial banking activities or exchange controls in the relevant jurisdiction or jurisdictions as a result of adverse national or international financial, political, economic or market conditions. In such event, the Company's ability to invest in the Brevan Howard Global Opportunities Master Fund may be inhibited or delayed which would have a material adverse effect on the performance of the Company and returns to Shareholders.

***The ability of certain persons to hold Shares may be restricted as a result of ERISA or other considerations***

Each purchaser and subsequent transferee of Shares will be required to represent and warrant or will be deemed to represent and warrant that it is not a "benefit plan investor" (as defined in Section 3(42) of ERISA), and that it is not, and is not using assets of, a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code. In addition, under the Articles of Association, the Directors have the power to refuse to register a transfer of Shares or to require the sale or transfer of Shares in certain circumstances, including any purported acquisition or holding of Shares.

***The imposition of withholding tax on distributions or other payments on the Shares could materially reduce the value of the Shares***

In general, no withholding tax currently is imposed in respect of distributions or other payments on the Shares. There can be no assurance, however, that no withholding tax will be imposed on such payments in the future as a result of any change in any applicable law, treaty or regulation, or the official application or interpretation thereof by the relevant tax authorities, or other causes. The imposition of any such unanticipated withholding tax could materially reduce the value of Shares.

**Prospective Shareholders should therefore consider carefully whether investment in the Company is suitable for them, in light of the risk factors outlined above, their personal circumstances and the financial resources available to them.**

# Important Information

This document should be read in its entirety before making any application for Shares. Prospective Shareholders should rely only on the information contained in this document. No person has been authorised to give any information or make any representations other than as contained in the Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Manager or the Banks. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules neither the delivery of the Prospectus nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time subsequent to its date.

Prospective Shareholders must not treat the contents of the document or any subsequent communications from the Company, the Manager, the Sponsor or any of the Banks or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

None of the Sponsor or the Banks makes any representations, express or implied, or accepts any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or by any of them or on its or their behalf in connection with the Company, the Shares or the Offer. Each of the Sponsor and the Banks accordingly disclaims all and any liability (save for any statutory liability) whether arising in tort or contract or otherwise which it might otherwise have in respect of this document or any such statement.

## Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for Shares or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("**personal data**") will be held and processed by the Company (and any third party in Guernsey to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of Guernsey. Each prospective investor acknowledges and consents that such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- contacting the prospective investor with information about other products and services provided by the Manager, or its affiliates, which may be of interest to the prospective investor;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in Guernsey or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges and consents that where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as Guernsey.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

## **Regulatory information**

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of the Prospectus may be prohibited in some countries.

Prospective investors should consider (to the extent relevant to them) the notices to residents of various countries set out in Part VIII of this document.

## **Investment considerations**

The contents of this document are not to be construed as advice relating to legal, financial, taxation, accounting, regulatory, investment decisions or any other matter. Prospective investors must inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Shares which they might encounter; and
- the income and other tax consequences which may apply to them as a result of the purchase, holding, transfer, redemption or other disposal of the Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objectives will be achieved.

It should be remembered that the price of the Shares, and the income from such Shares if any, can go down as well as up.

This document should be read in its entirety before making any investment in the Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and Articles of Association which investors should review.

## **Forward-Looking Statements**

This document contains forward-looking statements, including, without limitation, statements containing the words "believes", "estimates", "anticipates", "expects", "intends", "may", "will", or "should" or, in each case, their negative or other variations or similar expressions. Such forward-looking statements involve unknown risk, uncertainties and other factors, which may cause the actual results of operations, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given these uncertainties, prospective Shareholders are cautioned not to place any undue reliance on such forward looking statements. These forward-looking statements speak only as at the date of this document. Subject to its compliance with its legal and regulatory obligations (including under the Listing Rules, Disclosure and Transparency Rules and Prospectus Rules), the Company undertakes no obligation to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

In addition, this document includes information relating to the Company's share capital following Admission which assumes that the Company will raise proceeds of US\$500 million in connection with the Offer (excluding exercise of the Over-allotment Option). The actual number of Shares of each class to be issued will be determined by the Directors, the Manager and the Joint Bookrunners. In such event, the information in this document should be read in light of the actual number of Shares of each class to be issued in the Offer.

## **Currency Presentation**

Unless otherwise indicated, all references in this document to "€" or "Euro" are to the lawful currency of the euro area countries, to "US\$" or "US Dollars" are to the lawful currency of the US and to "Sterling" or "£" are to the lawful currency of the UK.

## Definitions

A glossary and a list of defined terms used in this document is set out in Part XI of this document.

This document should be read in its entirety before making any application for Shares.

## Performance Data

Investors should not consider the information regarding the track record of other funds managed by Brevan Howard or the simulated returns contained in this document to be indicative of the Company's future performance. Past performance is not a reliable indicator of future results. Investors may be at risk of losing all or some of their investment.

The Company and the Brevan Howard Global Opportunities Master Fund have no investment history. For a variety of reasons, the comparability of the track record of other funds managed by Brevan Howard or the simulated returns to the Company and the Brevan Howard Global Opportunities Master Fund are by their nature very limited.

Potential investors should consider the following factors which, among others, may cause the Company's results to differ materially from the historical results achieved by other funds managed by Brevan Howard and from the simulated return:

- Differences between the Company and the other mandates to which the track record information relates, including (but not limited to) investment strategies, management and incentive fee arrangements, structure, term, leverage, performance targets, investment horizons and actual investments, can affect returns and impact the usefulness of performance comparisons. Because of these differences, none of the other mandates are directly comparable to the Company.
- Brevan Howard has a limited track record of managing numerous funds with differing investment strategies and its track record is based predominantly on a narrow range of fixed income based funds.
- Results can be positively or negatively affected by market conditions beyond the control of Brevan Howard.
- Market conditions at the times covered by the track record and simulated return may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past.
- Simulated performance figures have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Further, since the investments represented in the simulated figures do not represent actual investments, the results may under- or over-compensate for the impact, if any, of certain market factors, such as lack of liquidity or market disruptions. Simulated performance figures are also subject to the fact that they are designed with the benefit of hindsight and therefore should be treated with caution.

The inclusion of the comparative performance of the Company's simulated returns in Part II of this document with the MSCI World Total Return index and the S&P 500 index has been included to demonstrate the historic lack of correlation between the Company and the broader equities indices. The indices included are the MSCI World Total Return index (which tracks the performance of equity securities on a worldwide basis) and the S&P 500 index (which tracks the performance of 500 of the most widely held shares traded on the New York Stock Exchange). Investors should note that the securities included in these indices bear no relation whatsoever to the investments of the Company, and as such are not intended to be a performance benchmark, either on an historic or a forward-looking basis.

It should be noted that the actual investments of the Company will generally be more diversified than the basis on which the simulated past performance information has been prepared, meaning that the Company will be less likely to benefit from any out-performance of a specific fund relative to its other investments (while also having greater protection against the underperformance of a specific fund), which may lead to lower returns than shown in Part II of this document. In addition, it should be noted that the Company may not, or may not continue to have, exposure to each of the funds listed in Part II of this document, whether in the proportions shown or at all. The assumptions regarding asset allocation on which the simulated past performance information is based are not, and should not be taken to be, indicative of the initial allocation of the Company's assets.

# Offer Statistics

Expected size of the Offer (subject to increase and excluding any proceeds received pursuant to the Over-allotment Option)\*† US\$500 million

Offer Price €10 per Euro Share  
US\$10 per US Dollar Share  
£10 per Sterling Share

Expected opening NAV per Share† €9.90 per Euro Share  
US\$9.90 per US Dollar Share  
£9.90 per Sterling Share

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\* The actual number of Shares, and the number of Shares in each class, in issue upon Admission will be determined by the Directors, the Manager and the Joint Bookrunners after taking into account demand for the Shares of each class and prevailing economic and market conditions. It is expected that the Offer Size Statement containing the number of Euro Shares, US Dollar Shares and Sterling Shares will be published on or about 23 May 2008.

† Assuming gross proceeds of the Offer of US\$500 million (subject to increase), additional proceeds of up to US\$50 million may be received pursuant to the exercise of the Over-allotment Option.

# Directors, Manager and Advisers

<b>Directors (all non-executive)</b>	Lord Turnbull, John Hallam, Nicholas Moss, Stephen Stonberg and Talmai Morgan, all of:  Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL
<b>Manager of Company and manager of the Brevan Howard Global Opportunities Master Fund</b>	Brevan Howard Offshore Management Limited P O Box 309 GT George Town Grand Cayman Cayman Islands
<b>Sponsor</b>	Morgan Stanley & Co. International plc 25 Cabot Square London E14 4QA
<b>Joint Bookrunners</b>	Dexion Capital plc 9 Bridewell Place London EC4V 6AW  Morgan Stanley & Co. International plc 25 Cabot Square London E14 4QA
<b>Co-Lead Manager</b>	Dresdner Bank AG London Branch 30 Gresham Street London EC2V 7PG
<b>Administrator, Secretary and Registrar</b>	Northern Trust International Fund Administration Services (Guernsey) Limited Trafalgar Court Les Banques St. Peter Port Guernsey GY1 3QL (tel: +44 14 8174 5001)
<b>Receiving Agent</b>	Computershare Investor Services PLC Corporate Actions Projects The Pavilions Bridgwater Road Bristol BS99 6AH (tel: +44 (0) 870 702 0338)
<b>Reporting Accountants</b>	KPMG Chartered Accountants, Ireland 1 Stokes Place St Stephen's Green Dublin 2 Ireland
<b>Auditors of the Company</b>	KPMG Channel Islands Limited 20 New Street St Peter Port Guernsey GY1 4AN

**Legal Advisers to the Company  
as to English law**

Freshfields Bruckhaus Deringer  
65 Fleet Street  
London EC4Y 1HS

**Legal Advisers to the Company  
as to Guernsey Law**

Carey Olsen  
7 New Street  
St Peter Port  
Guernsey GY1 4BZ

**Legal Advisers to the Manager  
as to English law**

Simmons & Simmons  
CityPoint  
One Ropemaker Street  
London EC2Y 9SS

**Legal Advisers to the Sponsor  
and Joint Bookrunners  
as to English law**

Linklaters LLP  
One Silk Street  
London EC2Y 8HQ

**CREST Service Provider**

Computershare Investor Services (Channel Islands) Limited  
Ordnance House  
31 Pier Road  
St. Helier  
Jersey JE4 8PW  
(tel: +44 15 3482 5230)

# Expected Timetable

Latest date for receipt of Public Application Forms and payment in full under the Offer for Subscription at 11.00 a.m. on	21 May 2008
Latest date for receipt of applications for Shares under the Placing Allocation at 4.00 p.m. on	22 May 2008
Announcement of the results of the Offer through a Regulatory Information Service	23 May 2008
Conditional dealings to commence on the London Stock Exchange at 8.00 a.m. on	23 May 2008
Admission and commencement of unconditional dealings on the London Stock Exchange at 8.00 a.m. on	29 May 2008
CREST stock accounts credited	29 May 2008
Despatch of definitive share certificates (where applicable)	Week commencing 9 June 2008

Each of the times and dates in the above timetable is subject to change and may be extended or brought forward without further notice. References to times are to London time unless otherwise stated. **It should be noted that if Admission does not occur, all conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.**

# Part I

## The Company

### **The Company**

BH Global Limited is a newly established limited liability, closed-ended investment company, registered and incorporated in Guernsey on 25 February 2008 with an unlimited life. The Company is organised as a feeder fund that will invest all of the proceeds of the Offer (net of those expenses of the Offer borne by the Company and funds required for its short-term working capital requirements), expected to be equal to an amount of approximately US\$493 million (assuming gross proceeds of US\$500 million) directly in the Brevan Howard Global Opportunities Master Fund on the Master Fund Launch Date. Initially, the Company will be the sole feeder fund investing in the Brevan Howard Global Opportunities Master Fund. Additional open-ended feeder funds may be added to the Brevan Howard Global Opportunities Master Fund in the future.

### **Investment Policy**

The Company's investment objective is to seek to generate consistent long-term capital appreciation through an investment policy of investing all of its assets (net of those expenses of the Offer borne by the Company and funds required for its short-term working capital requirements) in the Brevan Howard Global Opportunities Master Fund.

The Brevan Howard Global Opportunities Master Fund will spread investment risk by investing in a variety of other investment funds of which one or more of the Brevan Howard group of affiliated entities is the manager or investment manager (the "**Brevan Howard Underlying Funds**") in order to provide exposure to a range of strategies, asset classes and geographies that fall within Brevan Howard's investment activities from time to time. These investment funds may invest in a wide range of geographical regions, sectors and instruments. Such instruments may include, but are not limited to, debt securities and obligations (which may be below investment grade or unrated), bank loans, listed and unlisted equities, other collective investment schemes (which may be open ended or closed ended, listed or unlisted, and which may employ leverage), currencies, commodities, futures, options, warrants, swaps, other derivative instruments and any other type of instrument or security. These funds have the ability to take short positions across the majority of these instruments.

Subject to the investment restrictions described below, the allocation of the assets of the Brevan Howard Global Opportunities Master Fund among the Brevan Howard Underlying Funds in which it is permitted to invest will be at the discretion of the Manager.

### ***Investment and borrowing restrictions***

The Company may not invest its assets in any entity other than the Brevan Howard Global Opportunities Master Fund.

The Brevan Howard Global Opportunities Master Fund is subject to the following investment restrictions:

- it is permitted only to invest in investment funds of which one or more of the Brevan Howard group of affiliated entities is the manager or investment manager; and
- except in respect of the Brevan Howard Strategic Opportunities Fund Limited, any investment by it in an entity that has been in existence for less than 12 months will be limited to no more than 10 per cent. of its gross assets at the time of investment.

Other than as described above, there is no upper limit on the amount of the gross assets of the Brevan Howard Global Opportunities Master Fund that may be invested in any one Brevan Howard Underlying Fund or other entity. However, in allocating the assets of the Brevan Howard Global Opportunities Master Fund, the Manager will have regard to the overall diversification of the Brevan Howard Global Opportunities Master Fund's portfolio, which may be assessed by reference to the number of Brevan Howard Underlying Funds in which it invests and the relative size of those investments or by reference to the diversification of the portfolios of some or all of those Brevan Howard Underlying Funds (which diversification may be measured, among other factors, by the number and type of investments made by the relevant Brevan Howard Underlying Funds). The Manager will have discretion to have the Brevan Howard Global Opportunities Master Fund hold certain of its assets in cash for the purposes of efficient portfolio management.

The Company may not incur leverage other than for the purpose of financing share repurchases or satisfying working capital requirements, and subject to outstanding borrowings being in compliance with the borrowing limit in the Articles of 20 per cent. of the NAV of the Company, calculated as at the time of borrowing. The Brevan Howard Global Opportunities Master Fund will not be subject to any limitation on its ability to incur leverage.

### **Foreign currency exposure**

The operating and accounting currency of the Brevan Howard Global Opportunities Master Fund is the US Dollar. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the shares of the Brevan Howard Global Opportunities Master Fund denominated in Euros and Sterling from the US Dollar will be allocated solely to the relevant class of shares of the Brevan Howard Global Opportunities Master Fund.

### **Material Changes to the Investment Policy**

The Company will at all times comply with its investment policy and will seek to ensure that the Brevan Howard Global Opportunities Master Fund will do the same. Any material change to the Company's investment policy will only be made with the approval of Shareholders by ordinary resolution.

### **Withdrawal Rights from the Brevan Howard Global Opportunities Master Fund**

The Company shall be entitled to redeem its Brevan Howard Global Opportunities Master Fund Shares if at any time the manner in which the Brevan Howard Global Opportunities Master Fund invests its assets results in a material breach of the Company's published investment policy and such breach, if capable of being remedied, is not remedied within 30 days of receipt by the Brevan Howard Global Opportunities Master Fund of written notice from the Company requiring such remedy.

### **Initial Portfolio**

It is anticipated that the assets of the Brevan Howard Global Opportunities Master Fund will initially be allocated to the five Initial Funds listed below and in the indicative ranges specified below. The stated percentages refer to the Brevan Howard Global Opportunities Master Fund's gross assets, on the basis that the Brevan Howard Global Opportunities Master Fund will not have any borrowings at the time that the initial allocations are made.

Brevan Howard Master Fund Limited	30 to 40 per cent.
Brevan Howard Equity Strategies Master Fund Limited	10 to 20 per cent.
Brevan Howard Asia Master Fund Limited	10 to 20 per cent.
Brevan Howard Emerging Markets Strategies Master Fund Limited	10 to 20 per cent.
Brevan Howard Strategic Opportunities Fund Limited	10 to 20 per cent.

Save as provided below in respect of Brevan Howard Master Fund Limited, the actual percentage of the Brevan Howard Global Opportunities Master Fund's gross assets allocated to any particular fund following the initial allocation may from time to time be increased or decreased, including outside of these ranges or so that the Brevan Howard Global Opportunities Master Fund ceases to invest in any particular Initial Fund. The Brevan Howard Global Opportunities Master Fund may also invest in any new investment funds of which one or more of the Brevan Howard group from time to time is the manager or investment manager. It should also be noted that certain Brevan Howard Underlying Funds invest in other Brevan Howard Underlying Funds, so the aggregate direct and indirect exposure of the Brevan Howard Global Opportunities Master Fund to any particular Brevan Howard Underlying Fund may from time to time be higher than the ranges indicated above, although such ranges will not be exceeded as a result of such cross-holdings at the time of initial allocation.

In connection with the launch of BH Macro Limited, a London-listed investment entity which is also managed by the Manager and which is a feeder fund into the Brevan Howard Master Fund, the Manager has provided an undertaking that it would not establish any closed-ended, listed or publicly traded funds whose purpose in each case is to invest more than 33 per cent. of its net assets in the Brevan Howard Master Fund. Therefore, to the extent that more than 33 per cent. of the net assets of the Brevan Howard Global Opportunities Master Fund are initially invested in the Brevan Howard Master Fund, the Manager will reduce the allocation of the Brevan Howard Global Opportunities Master Fund to the Brevan Howard Master Fund to no more than 33 per cent. of the Brevan Howard Global Opportunities Master Fund's net assets within 18 months following the date of Admission, and other than in relation to the initial allocation of the Brevan Howard Global Opportunities Master Fund's assets, the Manager may not otherwise allocate more than 33 per cent. of the net assets of the Brevan Howard Global Opportunities Master Fund to the Brevan Howard Master Fund from time to time. However, in the event that the Manager were to be released from its undertaking in relation to BH Macro Limited, the Manager may thereafter decide to allocate in excess of 33 per cent. of the net assets of the Brevan Howard Global Opportunities Master Fund to the Brevan Howard Master Fund and shall not be constrained by the Company's investment policy from so doing.

### ***Current investment objectives and policies of the five Initial Funds***

The following is a summary of the current investment objectives and policies of the five Initial Funds referred to above. For further details, please refer to Parts III and IV of this document.

#### ***Brevan Howard Master Fund Limited***

The investment objective of the Brevan Howard Master Fund is to generate consistent long-term appreciation through active leveraged trading and investment on a global basis.

The Brevan Howard Master Fund employs an investment process which primarily uses a combination of macro (economic change and monetary policy) and relative value (market inefficiencies) strategies primarily in fixed income and foreign exchange markets. 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.

The Brevan Howard 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 or unrated), bank loans, listed and unlisted equities, other collective investment schemes (which may be open-ended or closed-ended, listed or unlisted, may employ leverage and of which the manager or the investment manager may be an affiliate of the Manager), currencies, commodities, futures, options, warrants, swaps and other derivative instruments. Derivative instruments may be exchange-traded or traded over-the-counter. The Brevan Howard Master Fund may engage in short sales. The Brevan Howard Master Fund may retain amounts in cash or cash equivalents (including money market funds) pending re-investment, for use as collateral or as otherwise considered appropriate to the investment objective.

The Brevan Howard Master Fund's assets largely comprise cash or cash equivalents, including US treasury bills, some of which is pledged as margin in respect of forwards, options and other derivatives positions.

#### ***Brevan Howard Equity Strategies Master Fund Limited ("BHESMF")***

The investment objective of BHESMF is to seek to generate superior risk adjusted returns by trading and investing primarily in European equity markets.

BHESMF's investment strategy is based on the identification of sources of alpha in European equities through tactical trading, fundamental analysis, extraction of cross-sectional return factors and volatility and capital structure. European equity markets provide the depth, breadth and dispersion of returns necessary to run diverse hedged strategies. Furthermore, M&A activity, the integration of Eastern Europe into the global economy, and ongoing corporate restructuring all provide investment opportunities for BHESMF.

BHESMF's assets largely comprise equities, mainly in developed European markets, and cash or cash equivalents (including US treasury bills) some of which is pledged as margin in respect of forwards, options and other derivative positions.

#### ***Brevan Howard Asia Master Fund Limited ("BHAMF")***

BHAMF's investment strategy is to pursue relative value macro trading strategies in the fixed income and foreign exchange markets through investment in a wide range of instruments including, but not limited to, debt securities and obligations (which may be below investment grade or unrated), bank loans, listed and unlisted equities, other collective investment schemes (which may be open-ended or closed-ended, listed or unlisted, may employ leverage and of which the manager or investment manager may be an affiliate of the Manager), currencies, commodities, futures, options, warrants, swaps and other derivative instruments. Trades and trading decisions through which the investment strategy is implemented are backed by in-depth fundamental research. The underlying philosophy of BHAMF 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.

BHAMF employs both relative value and macro trading strategies. Global macro trading strategies seek to take advantage of economic change, and have a natural focus on the formation of monetary policy as determined by the central banks of each country or region, as well as on events related to macro-economic changes, policy changes, regulatory changes and capital flows. Relative value strategies seek to identify related sets of securities and derivatives, which differently discount a given set of expectations on the dynamics of the global economy (for example yield curve trades, cross-currency spread positions, and trades opposing currencies versus fixed income, or equities versus bonds).

BHAMF's assets largely comprise cash or cash equivalents, including US treasury bills, some of which are pledged as margin in respect of forwards, options and other derivative positions.

#### ***Brevan Howard Emerging Markets Strategies Master Fund Limited ("BHEMSMF")***

The investment policy objective of BHEMSMF is to seek to generate superior risk adjusted returns by trading and investing primarily in emerging markets.

BHEMSMF's investment strategy is to pursue macro directional and relative value trading strategies by identifying thematic opportunities within global emerging markets credit and equity markets with a dynamic capital allocation whereby capital is allocated to specific asset classes and countries according to market outlook and applying a top down, macro-economic fundamentals-based analysis as well as 'bottom-up' analysis, and fundamentals-driven expression of themes.

BHEMSMF's assets largely comprise emerging market equities and cash or cash equivalents, including US treasury bills, some of which are pledged as margin in respect of forwards, options and other derivative positions.

#### ***Brevan Howard Strategic Opportunities Fund Limited ("BHSOF")***

The investment objective of BHSOF is to generate consistent long-term appreciation through the application of longer-dated trading strategies and investments on a global basis.

The investment strategy of BHSOF is to secure exposure to longer-dated, less actively traded positions, employing relative value or market neutral strategies and seeking returns which are assessed against correlation targets. The fund has a similarly broad universe of assets in which it can invest, including cash and government bonds, interest rates, foreign exchange rates and inflation products, in all markets globally, including emerging markets (subject to emerging market concentration limits and risk control measures). BHSOF's investment strategy uses a combination of relative value and global macro strategies.

BHSOF's assets largely comprise cash or cash equivalents, including US treasury bills, some of which are pledged as margin in respect of forwards, options and other derivative positions.

#### **Investment highlights**

##### ***Access to the Brevan Howard Global Opportunities Master Fund and therefore to the investment management expertise of Brevan Howard***

The Offer gives Shareholders access to the Brevan Howard Global Opportunities Master Fund, a fund of Brevan Howard-managed funds. The Company is currently the only means by which investors can invest in the Brevan Howard Global Opportunities Master Fund. This fund allows Shareholders to gain access through a publicly traded vehicle to a broad range of the underlying funds managed by Brevan Howard, and (through this exposure) to the skills and experience of Brevan Howard as manager or investment manager of the underlying funds.

The Brevan Howard Global Opportunities Master Fund is designed to take advantage of Brevan Howard's strength in managing risk capital in a range of market conditions by capitalising on Brevan Howard's core competencies in global macro strategies as well as offering exposure to a broad range of investment strategies with differing themes and investment objectives. Brevan Howard's investment strategy for the Brevan Howard Global Opportunities Master Fund will offer exposure to a range of asset classes, themes and strategies, with the goal of generating returns in a range of market environments and opportunistically capitalise on the inherent cyclicity within certain market sectors and asset classes. On the Master Fund Launch Date, a large proportion of the assets of the Brevan Howard Global Opportunities Master Fund will be invested in fixed income, foreign exchange and other uncorrelated assets. However over time the investment profile of the Brevan Howard Global Opportunities Master Fund is expected to change with a greater exposure to a wider range of asset classes including credit, equity, illiquid assets and commodities and exposure to geographic areas such as Asia and the emerging markets.

##### ***Portfolio diversification benefits***

The Brevan Howard Global Opportunities Master Fund will be invested in a number of different funds of which Brevan Howard is the manager or investment manager. Brevan Howard uses its proprietary trading and risk management infrastructure to capture value in various sectors, countries and non-traditional investments to develop a broad range of investment vehicles with appropriately different investment policies and styles. Brevan Howard has more than 65 individual traders, each with specialist skills and expertise in complex trade construction, to provide broad internal portfolio diversification within the investment objectives of the Brevan Howard Underlying Funds in which the Brevan Howard Global Opportunities Master Fund will invest. BHOML, as manager, will direct the allocation and

reallocation of capital in a manner which seeks to achieve superior diversification and risk management with particular focus on correlation risks so that there should be limited correlation to traditional asset classes and other hedge fund strategies.

### ***Brevan Howard's track record of strong investment performance***

Brevan Howard has a track record of strong investment performance, in particular through the Brevan Howard Master Fund, in which up to 40 per cent. of the assets of the Brevan Howard Global Opportunities Master Fund will be initially invested.

Brevan Howard believes that its success is primarily due to an investment process focused on returns which combines in-depth fundamental research with its core competence of quantitative risk management through careful trade and portfolio construction. Brevan Howard also has a team of well-qualified and experienced global strategists and economists providing macro-economic research, opinions and trading strategies. The Brevan Howard group of affiliated entities employs over 339 personnel across its offices in London, New York, Washington, Hong Kong, Singapore, Dublin, Tokyo, Tel Aviv, Bermuda, Jersey and Mumbai. As at 31 March 2008, the Brevan Howard group managed funds with net assets of approximately US\$23.8 billion.

### ***Robust shareholder protection***

The Company offers what it considers robust Shareholder protection, with share repurchase authority and discount management arrangements. In addition, the Company has an independent Board with three of the five Directors being independent of the Company and the Brevan Howard group for the purposes of Chapter 15 of Listing Rules.

**Notwithstanding the share repurchase authority and discount management arrangements, potential Shareholders should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.**

### ***Initial investment by directors and senior Brevan Howard personnel***

Certain Directors and senior Brevan Howard personnel intend to subscribe for Shares in the Offer with an aggregate value of approximately £100,000 and up to approximately US\$5 million respectively. See "Part IX – Additional Information – Related party interests in the Company" for further details.

### ***Advanced risk management practices***

Brevan Howard's investment managers normally attempt to structure trades with an asymmetrical profit and loss outcome from the universe of potential scenarios. The investment managers seek to reduce portfolio risk by, where possible and cost-effective, choosing trades with limited potential loss and by investing in liquid instruments in order to allow losses to be cut rapidly if necessary. The effect is a diversified portfolio of a series of option-like expressions of market views. Furthermore, risk management is enhanced by the use of "stop loss" methods in order to set a floor on the downside exposure associated with a particular trade.

The Brevan Howard risk management process combines bottom-up risk management with top-down oversight. Each individual trader, with a specified performance-based risk capital allocation, is responsible for complying with his or her own value-at-risk parameters through trade and portfolio structuring. BHAM, in performing its risk oversight role and by reference to capital limits set by the Manager, undertakes top-down risk management through strategy capital allocation, group meetings, and a review of individual trader positions and risks at trader and investment entity levels.

The Brevan Howard risk team is made up of 15 risk specialists, including Chief Risk Officer and Partner Aron Landy (who reports to Nagi Kawkabani, Joint-CEO and Partner of BHAM). Trading activity is monitored at the individual trade level, and trades that are abnormal in size or nature can be quickly identified. The risk team monitors market, liquidity, counterparty, correlation, wing, gap, shock and default risk. The principal risk monitoring methods are scenario risk (using "Riskmetrics™") and analysis of standard variables ("Greeks") which capture different dimensions to risk in an individual trade (using Murex and in-house proprietary models).

Risk reporting information produced by the risk team in addition to the risk officers' detailed knowledge of individual trader portfolios (and if required, information from the weekly trader parameter reports) is used as the stimulus for discussion of the quantitative and qualitative aspects of risks for Brevan Howard-managed investment entities.

Four of the five Initial Funds have received external recognition for operational quality, having been rated “OQ1” by Moody’s Investor Services and the other fund, Brevan Howard Strategic Opportunities Fund Limited, is yet to be rated.

### ***No layering of performance fees***

The Company’s investment in the Brevan Howard Global Opportunities Master Fund will not be subject to performance fees at the Company level or to management or performance fees at the Brevan Howard Global Opportunities Master Fund level. The Manager is entitled to receive a limited Management Fee from the Company. Therefore the Company’s investment in the Brevan Howard Global Opportunities Master Fund will benefit from exposure to the strategies offered by the investment entities in which the Brevan Howard Global Opportunities Master Fund invests without multiple layering of performance fees and with only limited exposure to the layering of management fees. The Company and the Brevan Howard Global Opportunities Master Fund will incur ongoing annual expenses such as fees paid to its directors, administrator and prime brokers, further details of which are set out in “Fees and Expenses” in this Part I of this document.

### ***Offer and set-up costs to be borne partially by the Manager***

Other than audit, tax, reporting and other ongoing expenses, the costs and expenses of, and incidental to, the Offer (including all costs related to the establishment of the Company) which are in excess of 1 per cent. of the gross proceeds of the Offer will be borne by the Manager, therefore reducing the impact of the Offer expenses on the total funds available to the Company for investment immediately following Admission. However, if the Management Agreement is terminated for certain grounds either in whole or with respect to a class of Shares on or before the seventh anniversary of Admission, a certain proportion of costs and expenses of the Offer borne by the Manager (or, in the case of termination in respect of a class of Shares, the proportion of costs and expenses attributable to such class), will be repaid to the Manager by the Company subject to a maximum amount equal to 4 per cent. of the gross proceeds of the Offer. For further details please see “Part IX — Additional Information – Section 5.2 – Management Agreement” of this document.

### ***Dividend policy***

The Directors do not currently intend to declare any dividends. This does not prevent the Directors 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.

## **Net Asset Value Publication and Calculation**

### ***Publication***

The Company intends to publish the NAV per Share for each class of Shares as calculated by the Administrator based in part on information provided by the Brevan Howard Global Opportunities Master Fund Administrator, as at each month-end. Weekly estimates of the NAV per Share, as calculated by the Administrator based in part on information provided by BHAM, will be published, from the date of Admission. In normal circumstances, the NAV per Share for a given month will be published within 25 Business Days after the month end through a Regulatory Information Services provider authorised by the London Stock Exchange. Weekly estimates will in normal circumstances, also be published through a Regulatory Information Services provider within seven Business Days after the end of the relevant week.

### ***Calculation***

The NAV of the Company is equal to the value of its total assets less its total liabilities.

In respect of each class of Shares (which are expected to be Euro Shares, US Dollar Shares and Sterling Shares) a separate class account will be established in the books of the Company. An amount equal to the aggregate proceeds of issue of each class of Shares will be credited to the relevant class account. Any increase or decrease in the net asset value of the relevant class of Brevan Howard Global Opportunities Master Fund Euro Shares, Brevan Howard Global Opportunities Master Fund US Dollar Shares and Brevan Howard Global Opportunities Master Fund Sterling Shares as calculated by the Brevan Howard Global Opportunities Master Fund Administrator (details of which are described in Part II of this document) will be allocated to the relevant class account in the Company. There will then be allocated to each class account the “designated adjustments” being those costs, pre-paid expenses,

profits, gains and income which the Directors determine in their sole discretion relate to a particular class. Expenses which relate to the Company as a whole rather than specific classes will be allocated to each class in the proportion that the NAV of such class bears to the NAV of the Company as a whole.

The NAV per Share of each class will be calculated as at the last Business Day of each month by dividing the NAV of the relevant class account by the number of Shares of the relevant class in issue as at the close of business on that day.

The Brevan Howard Global Opportunities Master Fund Administrator will provide the Administrator with the valuations of the Brevan Howard Global Opportunities Master Fund NAV per share on a timely basis.

The Directors may temporarily suspend the calculation and publication of NAV per Share of any or all classes in circumstances, *inter alia*, where the Brevan Howard Global Opportunities Master Fund has suspended the calculation and publication of the Brevan Howard Global Opportunities Master Fund NAV per share. These circumstances are described in Part II – “Brevan Howard Global Opportunities Master Fund – Net Asset Value – Temporary Suspension of Brevan Howard Global Opportunities Master Fund NAV”.

## **Discount management**

### ***Share repurchases***

The Board has been granted authority to purchase in the market up to 14.99 per cent. of each class of Shares in issue immediately following Admission, and the Board intends to seek annual renewal of this authority from Shareholders. The Company may purchase Shares in the market on an ongoing basis with a view to addressing any imbalance between the supply of and demand for Shares, increasing (by cancelling such purchased shares or holding such shares in treasury) the NAV per Share (or of any class) and assisting in controlling the discount to NAV per Share of any class in relation to the price at which Shares of that class may be trading, subject to the limit on the authority of the Directors described above, as renewed from time to time.

In accordance with the current Companies Laws, market purchases of Shares may be made out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or out of distributable profits. However, the Company may borrow funds to finance such share repurchases provided that borrowing is credited to the distributable reserve account of the Company. The Company proposes (subject to approval from the Royal Court of Guernsey) to reduce the share premium account arising on the issue of Shares pursuant to the Offer, thereby creating a special reserve which, following compliance with any undertaking required by the Royal Court of Guernsey, may be treated as distributable profits for all purposes, including making purchases of Shares in the market by the Company. Court approval will only be granted once it is clear that the interests of the creditors of the Company are not adversely affected. The Company will put in place any creditor protection arrangements that it is advised are appropriate. The reduction of the share premium account will become effective upon registration of the order of the Royal Court approving such cancellation with the Registrar of Companies in Guernsey. When the Companies (Guernsey) Law, 2008 comes into force market purchases of Shares may be made by the Company provided that the Company satisfies the solvency test immediately after the purchase.

Purchases will only be made in the market at prices below the estimated prevailing NAV per Share where the Directors believe such purchases will result in an increase in the NAV per Share of the remaining Shares (or of a particular class) or as a means of addressing any imbalance between the supply of, and demand for, the Shares. Such purchases will only be made in accordance with the Companies Laws, the Listing Rules and the Disclosure and Transparency Rules.

Shares purchased by the Company may be cancelled by the Company or held in treasury. Under the Companies Laws, up to 10 per cent. of each class of Shares in issue may be held in treasury.

### ***Discount control***

The Company intends to utilise the following discount management provisions.

Outside any stabilisation period in respect of the Offer or subsequent offers of shares of the Company, the Directors may, in their discretion, seek to utilise the share repurchase authority described above to address any imbalance between the supply and demand for Shares and may do so actively if the closing price of any class of Shares on any day on which such class of Shares is traded is 5 per cent. or more below the most recently published NAV per Share of that class.

Furthermore, if in any rolling 12 month period (a “**Discount Management Period**”), the average daily closing market price of any class of Shares (the “**Affected Class**”) during such Discount Management Period is 10 per cent. or more below the average NAV per Share of the Affected Class taken over the 12 NAV Calculation Dates in that Discount Management Period (and calculated on the basis of the latest published NAV of the Affected Class as at each NAV Calculation Date during that period), the Directors shall convene an extraordinary general meeting of the Affected Class (a “**Class Closure Meeting**”). At that meeting the Directors shall propose a special resolution (which must be passed by at least three quarters of those holders of Shares of the Affected Class voting at such meeting) approving the terms of a tender offer by the Company to repurchase all the Shares of the Affected Class (a “**Class Closure Resolution**”) or if, during the period of such tender offer, such a Class Closure Resolution is passed in relation to each class of Shares then in issue, such resolutions will constitute a resolution to wind up the Company in accordance with the Companies Law. If a Class Closure Resolution is passed, the Company shall repurchase such number of Shares of the Affected Class as Shareholders agree to sell to the Company pursuant to the tender offer. In addition, the Articles provide that the Company shall be entitled to compulsorily repurchase the Shares of any holders of such Affected Class who fail to tender their Shares for repurchase within the time limit stated in the terms of the relevant tender offer. All Shares so repurchased shall be cancelled.

The methodology for calculation of the price of repurchase of the Shares of the Affected Class will be specified in the relevant tender offer document. In general terms, the price will be calculated by the Administrator having regard to the net proceeds of redemption payable to the Company of the relevant ordinary shares of the Brevan Howard Global Opportunities Master Fund and after further deductions for (i) any further costs or expenses incurred by the Company in relation to or arising from convening the relevant extraordinary general meeting or implementing the Class Closure Resolution or other outstanding costs and expenses of the Company attributable to the Affected Class; and (ii) in the case of a Class Closure Resolution passed prior to the seventh anniversary of Admission, an amount equal to that proportion of the total costs and expenses incurred by the Manager in connection with the Offer which is attributable to the Affected Class, calculated on a pro rata basis across all Share classes of the Company then in issue, but disregarding for these purposes the issue or repurchase of any Shares after Admission. The Company will notify the Shareholders of the Affected Class in the manner and the time frame contemplated by the tender offer document of the repurchase price resulting from the specified methodology.

Any tender offer will be made in accordance with the Companies (Purchase of Own Shares) Ordinance 1998, the Listing Rules from time to time and the UK Disclosure and Transparency Rules. Current Listing Rule 12.4.1 provides that, unless a tender offer is made to all the holders of the relevant class of Shares, the maximum price per Share which may be paid pursuant to a general authority granted by Shareholders must not be more than the higher of: (i) 5 per cent. above the average market value of the Shares for the five Business Days before the purchase is made; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the regulated market where the purchase is carried out. Current Listing Rule 12.4.2 requires any repurchase by the Company of 15 per cent. or more of any class of its Shares (excluding Shares of that class held in treasury) to be effected by way of a tender offer to all Shareholders of that class. The minimum price (exclusive of expenses) which may be paid for a Share shall be £0.01 for a Sterling Share, US\$0.01 for a US Dollar Share and €0.01 for a Euro Share.

The Company intends to finance the repurchase of the Shares of the Affected Class by using leverage or requesting redemptions of the Brevan Howard Global Opportunities Master Fund Shares of the same currency held by the Company. Investors should note that any such redemption will be subject to the ability of the Brevan Howard Global Opportunities Master Fund to make a corresponding withdrawal from the underlying investment funds in which the Brevan Howard Global Opportunities Master Fund invests and should refer to the section below headed “Withdrawal rights from the Brevan Howard Global Opportunities Master Fund”.

Class Closure Resolutions will be proposed to Shareholders in separate class meetings. The Directors may present additional proposals to Shareholders whenever a Class Closure Resolution is being proposed.

If the Directors convene a Class Closure Meeting in respect of the only class of Shares then in issue in relation to which a Class Closure Resolution has not been approved, the act of convening such meeting will have the effect of suspending all outstanding with immediate effect all tender offers or compulsory purchase procedures that are then outstanding, pending the outcome of such meeting.

If such Class Closure Resolution is not approved by the Shareholders of the outstanding class of Shares, the Company shall not take any further action in respect of that class, shall not be wound-up and shall complete all tender offers or compulsory purchase procedures that are then outstanding.

The utilisation of the discount control measures described above by the Company is subject to all applicable laws, rules and regulations (including, without limitation as to the availability of distributable profits) prevailing at the time of utilisation and the Articles.

The utilisation of the discount control measures described above by the Company is subject to all applicable laws, rules and regulations (including, without limitation as to the availability of distributable profits) prevailing at the time of utilisation, the Articles in force from time to time.

**Notwithstanding the above discount management provisions, there cannot be any assurance that any such purchases of Shares may be made and investors should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.**

### Conversion between Share classes

The Articles incorporate provisions to enable Shareholders of any one class of Shares to convert all or part of their holding into another class of Shares (in issue at the relevant date) on a quarterly basis in accordance with the provisions of the Articles which are summarised below.

A Shareholder shall have the right, as at the NAV Calculation Dates in March, June, September and December in each year (with the first NAV Calculation Date for such purposes being 30 September 2008) and such other date or dates in each year as the Directors may determine for this purpose (each a “**Conversion Calculation Date**”) to elect to convert some or all of the Shares of any class then held by that Shareholder into a different class or classes of Shares (the “**New Class**”) by giving at least 5 Business Days’ notice to the Company before the relevant Conversion Calculation Date (a “**Conversion Notice**”), specifying the number of Shares to be converted and the class or classes into which they are to be converted, either through submission of the relevant instruction in the case of Shares held in uncertificated form or in the case of Shares held in certificated form through the submission of a notice in writing to the Registrar and the return of the relevant share certificates. Save with the consent of the Directors, the Shares specified in any Conversion Notice must either (a) represent the entire holding of the relevant Shareholder or (b) have an aggregate Net Asset Value, as at the Conversion Calculation Date, which is equal to or more than €50,000 (or the equivalent US dollar or Sterling amount, as the case may be). The date on which conversion of the Shares shall take place (the “**Conversion Date**”) shall be a date determined by the Board being not more than 25 Business Days after the relevant Conversion Calculation Date.

The number of Shares to which the applicant shall be entitled on conversion shall be determined by the Directors in accordance with the following formula:

$$NS = \{OS \times (A \times B)\} \text{ divided by } C$$

where:

- NS is the number of Shares to which the applicant shall be entitled following conversion (“**New Shares**”);
- OS is the aggregate number of Shares to be converted comprised in the notice (“**Original Shares**”);
- A is, subject as provided below, the last reported Net Asset Value per Share of the Original Shares on the relevant Conversion Calculation Date;
- B is the prevailing rate of exchange for exchanging the currency in which the relevant Original Shares are denominated into the currency in which any relevant New Shares are denominated as at the relevant Conversion Calculation Date with the result of the A x B calculation being denominated in the currency of the relevant New Shares; and
- C is, subject as provided below, the last reported Net Asset Value per Share of the New Shares on the relevant Conversion Calculation Date,

provided that the Directors may make any adjustments to the Net Asset Value per Share of the New Shares and/or the Original Shares for the purposes of the above calculation as they deem appropriate (i) to reflect any fees accrued at the relevant time but not yet taken into account in the calculation of the relevant Net Asset Value per Share as at such time; and (ii) to reflect such amount as they may reasonably determine should be charged to the holder of the Shares to be converted to meet the costs of conversion of the relevant Shares.

Fractions of Shares shall not be issued on conversion and entitlements thereto shall be rounded down.

Conversion of the Original Shares shall be effected by the re-designation of the Original Shares as Shares of the New Class. If, as a result of the conversion, the Shareholder concerned is entitled to either (i) more Shares of the New Class than the number of Original Shares or (ii) fewer Shares of the New Class than the number of Original Shares, then the appropriate number of New Shares will be issued or cancelled as the case may be.

Under the Articles, the Directors may, in their absolute discretion, amend the process for conversion, decline to convert the Shares if they believe such conversion is not in the best interests of the Company or withdraw the right to elect to convert Shares at any time.

### **Further issues of Shares**

The Articles require further issues of Shares for cash to be made on a pre-emptive basis to holders of Shares of the same class, except to the extent that such pre-emption rights have been disapplied by Shareholders in general meeting. In addition, the Directors may allot in respect of each class A Shares up to 10 per cent. of the number of Shares of that class in issue at the time of admission during the period of five years from the date of incorporation (such authority to be renewed annually). The Articles also permit the issue of C Shares (see Part IX – “Additional Information – Memorandum and Articles of Association of the Company – C Shares”).

The Manager will seek to invest the proceeds (net of working capital requirements) of any further issues of shares in the Brevan Howard Global Opportunities Master Fund.

Pursuant to the Placing Agreement dated 28 April 2008 among the Company, the Directors, the Manager, the Sponsor and the Banks (the “**Placing Agreement**”), the Company has agreed with the Banks not to issue any further shares in the Company from the date of the Placing Agreement up to and including 6 months after the date of Admission (excluding any Shares issued pursuant to the Over-allotment Option or as a result of a conversion between share classes) without the prior written consent of the Joint Bookrunners on behalf of the Banks acting in good faith.

### **Purchases of Shares by the Brevan Howard Underlying Funds or other funds managed by the Manager or its Affiliates**

Subject to compliance with applicable laws and regulations, the Listing Rules, the Disclosure and Transparency Rules, the Brevan Howard Underlying Funds or other funds managed by the Manager or its Affiliates may purchase Shares in the Company from time to time. Currently, however, there are no plans to make such purchases. The Manager and the Directors have agreed to ensure that any such purchases would be made in accordance with the provisions of the share dealing code adopted by the Directors and immediately disclosed to the market. Certain Directors and senior Brevan Howard personnel intend to subscribe for Shares in the Offer with an aggregate value of approximately £100,000 and up to approximately US\$5 million respectively.

### **Reasons for the Offer and use of proceeds**

The Company has been established to make an equity investment in the Brevan Howard Global Opportunities Master Fund. It therefore intends to invest the proceeds of the Offer (as described below) in Euro-, US Dollar- and Sterling-denominated class A shares of the Brevan Howard Global Opportunities Master Fund. The Manager will bear the costs and expenses of, and incidental to, the Offer in excess of 1 per cent. of the gross proceeds of the Offer such that the gross proceeds of the Offer, net of funds required for short-term working capital purposes of the Company and any expenses not borne by the Manager will be available to the Company for investment in the Brevan Howard Global Opportunities Master Fund following Admission.

The Company will invest the proceeds of the Offer (net of those expenses of the Offer borne by the Company and funds required for its short term working capital requirements), expected to equal an amount of approximately US\$493 million (assuming gross proceeds of US\$500 million) directly in class A shares of the Brevan Howard Global Opportunities Master Fund (which are denominated in three currencies) such that proceeds of the Offer that are:

- received in Euro will be invested in Brevan Howard Global Opportunities Master Fund Euro Shares;
- received in US Dollars will be invested in Brevan Howard Global Opportunities Master Fund US Dollar Shares; and
- received in Sterling will be invested in Brevan Howard Global Opportunities Master Fund Sterling Shares,

(collectively the “**Brevan Howard Global Opportunities Master Fund Shares**”).

The Brevan Howard Global Opportunities Master Fund Shares are expected to be issued to the Company on the Master Fund Launch Date. Until such time, the proceeds of the Offer will be invested by the Manager in cash deposits and/or short-term money market instruments. It is currently expected that the investment of the assets of the Brevan Howard Global Opportunities Master Fund into the Initial Funds will be made on the Initial Funds Investment Date. Any proceeds from execution of the Over-allotment Option are expected to be invested in the Brevan Howard Global Opportunities Master Fund as soon as practicable following the Master Fund Launch Date and if the date of the investment of the proceeds of the Over-allotment Option is later than the Initial Funds Investment Date, such additional assets of the Brevan Howard Global Opportunities Master Fund will be invested in the Initial Funds

on the first Business Day of the month following such investment and at the net asset values prevailing at such time for each of the relevant funds, which may be different from the net asset values existing on the Initial Funds Investment Date.

#### **Withdrawal rights from the Brevan Howard Global Opportunities Master Fund**

The Company has the right to request redemption of all or part of the Company's holding in Brevan Howard Global Opportunities Master Fund Shares (subject to the terms contained in the constitutional documents of the Brevan Howard Global Opportunities Master Fund). However, if the Company requests such redemption other than in the circumstances set out below, the Manager shall be entitled, at its discretion to treat the Company as having served notice of termination of the Management Agreement on less than 24 month's notice, and require the Company to compensate the Manager appropriately. The Company may request such redemption without such consequences:

- if the Management Agreement is terminated by the Company;
- to the extent required to enable the Company to satisfy the costs of its share repurchases and discount management policy or to give effect to any resolutions passed by the Shareholders in connection with the Company's discount management provisions;
- to the extent required to enable the Company to meet its operating expenses or interest, principal or other payment obligations under any credit facility taken for the purpose of funding share repurchases or satisfying working capital requirements;
- if there is introduced by the Company or the Brevan Howard Global Opportunities Master Fund any new material fee payable to the Manager, which is payable directly by the Company or indirectly by the Company through its shareholding in the Brevan Howard Global Opportunities Master Fund but is not payable at the date of the Management Agreement;
- if the Brevan Howard Global Opportunities Master Fund NAV per share on any Brevan Howard Global Opportunities Master Fund NAV Calculation Date is more than 25 per cent. lower than the average Brevan Howard Global Opportunities Master Fund NAV per share on any of the previous 12 Brevan Howard Global Opportunities Master Fund NAV Calculation Dates;
- following a Class Closure Resolution;
- to the extent required to enable the Company to fund any liabilities it may incur, including any costs incurred in respect of such liabilities, in connection with any claim that is made against it pursuant to the Placing Agreement; and
- if at any time the manner in which the Brevan Howard Global Opportunities Master Fund invests its assets results in a material breach of the Company's published investment policy and such breach, if capable of being remedied, has not been remedied within 30 days of receipt by the Brevan Howard Global Opportunities Master Fund of written notice from the Company requiring such remedy.

Notwithstanding the foregoing, all redemptions made by the Company will be subject to the ability of the Brevan Howard Global Opportunities Master Fund to make a corresponding withdrawal from the underlying investment funds in which it is invested. Where the Brevan Howard Global Opportunities Master Fund is unable to make a corresponding withdrawal for the full amount requested by the Company, the Company may only secure a part redemption to the extent that the Brevan Howard Global Opportunities Master Fund is able to satisfy such a request immediately and the balance of such request shall be fulfilled as soon as practicable thereafter (subject to the terms contained in the constitutional documents of the Brevan Howard Global Opportunities Master Fund). The investment entities in which the Brevan Howard Global Opportunities Master Fund may invest will often impose limitations on withdrawal rights which will limit the Brevan Howard Global Opportunities Master Fund's ability to liquidate its investment in those entities. The majority of funds in the initial portfolio of the Brevan Howard Global Opportunities Master Fund require a minimum of 3 months' notice of any redemption request. This period may be significantly longer if the Brevan Howard Global Opportunities Master Fund invests in more illiquid investment funds. For example the redemption notice period for the Brevan Howard Global Opportunities Master Fund's investment in the Brevan Howard Strategic Opportunities Fund Limited is 6 months and may be subject to a withdrawal redemption fee.

#### **Impact of the Offer on the Company's balance sheet**

Immediately following Admission, the Company will have cash on its balance sheet equal to the gross proceeds of the Offer less an amount representing those expenses of the Offer borne by the Company, which amount shall not exceed 1 per cent. of the gross proceeds of the Offer.

## **Taxation**

Information concerning the tax status of the Company is set out in Part VII of this document entitled "Tax Considerations". If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of Shares, he should seek advice from his own independent professional adviser.

## **Management of the Company**

### ***Directors of the Company***

The Directors are responsible for the determination of the investment policy of the Company and have overall responsibility for the Company's activities. The Directors, all of whom are non-executive, are listed below:

#### *Lord Turnbull*

Lord Turnbull is Chairman and non-executive director of the Company. He retired in July 2005 as Secretary of the Cabinet and Head of the Home Civil Service (2002-2005). He was Permanent Secretary of HM Treasury (1998-2004) and before that Permanent Secretary at the Department of the Environment (1994-1998). He entered the House of Lords in 2005. He is also a non-executive director of The British Land Company plc, Prudential plc and Frontier Economics Ltd. He is a part-time adviser to the London partners of Booz Allen Hamilton.

#### *John Hallam*

John Hallam, resident in Guernsey, is a Fellow of the Institute of Chartered Accountants in England and Wales and qualified as an accountant in 1971. He is a former partner of PricewaterhouseCoopers having retired in 1999 after 27 years with the firm both in Guernsey and in other countries. He is currently chairman of Cazenove Absolute Equity Ltd, EFG Private Bank (Channel Islands) Ltd, M&G Recovery Investment Co Ltd, Partners Group Global Opportunities Ltd and Prodesse Investment Ltd as well as being a director of a number of other financial services companies, some of which are listed on the London Stock Exchange. He served for many years as a member of the Guernsey Financial Services Commission from which he retired in 2006 having been its Chairman for the previous three years.

#### *Nicholas Moss*

Nicholas Moss is a founding member of Virtus Trust, a Guernsey-based international fiduciary, corporate services and investment consulting business. His specific responsibilities include investment manager selection and the ongoing monitoring of their performance for his client base. Prior to establishing Virtus, Mr Moss was a managing director within the Rothschild Trust Group where he spent 16 years structuring and administering on and offshore trusts for corporates and ultra high net worth families. He holds several London listed non-executive Board appointments including as a non-executive director of Absolute Return Trust Limited, Bramdean Alternatives Limited and Rutley European Property Limited. In addition, he is a director of a number of other listed and unlisted single and multi-strategy hedge funds and is a member of the investment committee of a significant international family group. Mr Moss is a Chartered Accountant with a joint honours degree in Law & Economics and is a resident of Guernsey.

#### *Stephen Stonberg*

Stephen Stonberg joined BHAM in September 2006 as Head of Business Development and subsequently became a Partner in April 2007. Prior to joining BHAM, Mr. Stonberg had worked for JPMorgan (2001-2006) as Managing Director and Global Head of Strategy and Business Development for the Investment Banking Division (2003-2006) and as Managing Director and Head of Credit Derivative Marketing EMEA (2001-2003). Previously, Mr. Stonberg had worked at Deutsche Bank (1996-2001) as Managing Director of Global Credit Derivatives. Mr. Stonberg holds an M.B.A. from Harvard Business School (1994) and a Bachelor's Degree in Economics from Columbia University (1989). He is currently a non-executive director of BH Macro Limited, Brevan Howard P&C Partners Limited, BHI Holdings Limited and Coalition Development Limited and a partner of Brevan Howard Asset Management L.P. He is also a Trustee of the Freeplay Foundation (a charitable organisation).

#### *Talmai Morgan*

Talmai Morgan, resident in Guernsey, qualified as a barrister in 1976. He moved to Guernsey in 1988 where he worked for Barings and then for the Bank of Bermuda as Managing Director of Bermuda Trust (Guernsey) Limited. From January 1999 to June 2004, he was Director of Fiduciary Services and Enforcement at the Guernsey Financial Services Commission (Guernsey's financial

regulatory agency) where he was responsible for the design and subsequent implementation of Guernsey's law relating to the regulation of fiduciaries, administration businesses and company directors. He was also involved in the working groups of the Financial Action Task Force and the Offshore Group of Banking Supervisors. From July 2004 to May 2005, he was Chief Executive of Guernsey Finance which is the official body for the promotion of the Guernsey finance industry. Mr Morgan holds a MA in Economics and Law from Cambridge University. In addition to being a director of the Company, Mr Morgan is a director of a number of listed investment funds including, among others, Goldman Sachs Dynamic Opportunities Limited, BH Macro Limited and Queen's Walk Investment Limited.

All the Directors, other than Stephen Stonberg and Talmay Morgan, are independent for the purposes of Chapter 15 of the Listing Rules. Mr Stonberg is not considered independent because he is a partner of Brevan Howard and a director of BH Macro Limited, which is managed by the Manager. Mr Morgan is not considered independent for the purposes of Chapter 15 of the Listing Rules because he is a director of BH Macro Limited which is managed by the same Manager.

### **Corporate Governance of the Company**

The Directors recognise the importance of sound corporate governance, particularly the requirements of the Combined Code on Corporate Governance published by the Financial Reporting Council (the "**Combined Code**").

The Company will comply with the Combined Code to the extent that they consider it appropriate having regard to the Company's size, stage of development and resources. There is no published corporate governance regime equivalent to the Combined Code in Guernsey.

The Directors have adopted a code of directors' dealings in the Shares, which is based on the Model Code for directors' dealings contained in the Listing Rules. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with this share dealing code by the Directors.

### **Board committees**

The Company will establish an audit committee with formally delegated duties and responsibilities.

The Company's audit committee will meet formally at least twice a year for the purpose, amongst others, of considering the appointment, independence and remuneration of the auditors and to review the annual statutory accounts and interim report. Where non-audit services are to be provided to the Company by the auditors, full consideration of the financial and other implications on the independence of the auditors arising from any such engagement will be considered before proceeding. The audit committee is chaired by John Hallam and its other members are Nicholas Moss and Talmay Morgan, with the Chairman of the Board being invited to attend audit committee meetings as an observer. The principal duties of the audit committee will be to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditors, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

The Company has not established a separate remuneration committee as the Board is satisfied that any relevant issues can be properly considered by the Board. As all the Directors are non-executive, it is not proposed to have a nominations committee. The function of the nominations committee will be carried out by the full Board provided that the Chairman of the Board will not chair any meetings convened for the purpose of appointing a successor to the chairmanship.

### **The Manager of the Company**

The Company has appointed BHOML as manager of the Company. BHOML is also manager of the Brevan Howard Global Opportunities Master Fund. BHOML was incorporated in the Cayman Islands on 22 January 2003. BHOML is regulated as manager of the Company by the Jersey Financial Services Commission pursuant to its fund services business registration under the Financial Services (Jersey) Law 1998 and the Orders made thereunder.

The Manager was appointed pursuant to a Management Agreement with the Company. In its capacity as manager to the Company, BHOML has sole responsibility for the management of the Company's assets. In accordance with the Company's investment objective, the Manager is required under the Management Agreement to invest the Company's assets in the Brevan Howard Global Opportunities Master Fund.

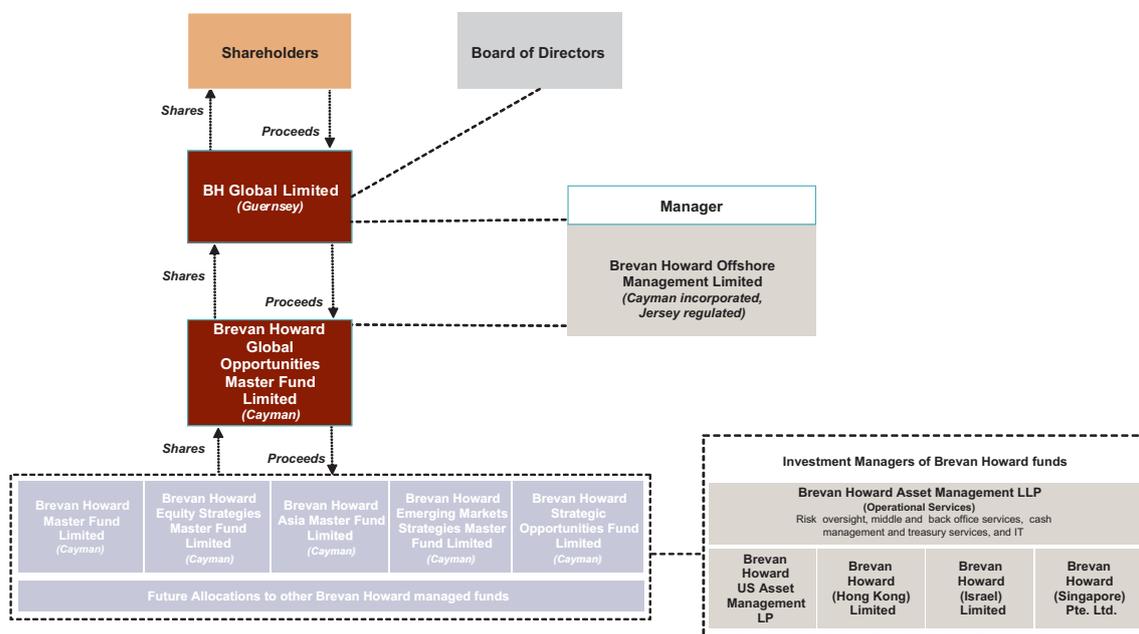
The Management Agreement, which is governed by English law, may be terminated by either party upon not less than 24 months' written notice to the other party. The Company may terminate the Management Agreement upon 30 days' written notice to the Manager if the way that Brevan Howard Global Opportunities Master Fund invests results in a material breach of the Company's published investment policy and otherwise upon 90 days' written notice to the Manager if the Manager has committed a material breach of its obligations and (if such breach is capable of being remedied), it has not been remedied within 30 days of receipt of written notice from the Company requiring such remedy.

In addition, the Company may immediately by notice in writing terminate the Management Agreement if BHOML ceases to manage the Brevan Howard Global Opportunities Master Fund and in the case of certain material events happening to the Brevan Howard Global Opportunities Master Fund or BHOML. A more detailed description of these circumstances is contained in the summary of the Management Agreement in Part IX of this document.

BHOML also manages the Brevan Howard Global Opportunities Master Fund on the terms of a management agreement described in Part X of this document and BHOML is also the manager of all of the Initial Funds.

### Management structure of the Company

The following structure chart sets out the management structure of the Company and the Brevan Howard Global Opportunities Master Fund:



### Directors of the Manager

#### Paul Harris

Paul Harris has been Chief Executive Officer of Brevan Howard Employment Services Limited since February 2007. Prior to this he was a Director of Dominion Fiduciary Services Group since September 2003. Mr. Harris is a member of the Institute of Chartered Accountants in England & Wales with over ten years experience in fiduciary work, as head of the Asia-Pacific section at Deloitte & Touche Jersey from 1993 to 2000, and in operational management as Operations Director for Bailhache Labesse Trustees. He has a BA (Hons) in Ancient History from the University of Sheffield and a Masters degree in History from McMaster University, Ontario, Canada. He is a member of the Society of Trust and Estate Practitioners.

### ***Brett Ireland***

Brett Ireland is Chief Operating Officer for Brevan Howard's Jersey office and acts as director for a number of its entities worldwide. He joined Brevan Howard in 2005 after leaving Deutsche Bank in Jersey where he was head of finance from 2002 to 2005. Prior to this he worked for PricewaterhouseCoopers in Jersey and Australia as audit manager. Mr. Ireland is a member of the Institute of Chartered Accountants in Australia.

### ***Philippe Lespinard***

Philippe Lespinard is currently the deputy chief executive of Fischer Francis Trees & Watts, a US\$40 billion specialist fixed income manager, where he is responsible for the investment and product strategy of the firm. Mr Lespinard will leave Francis Trees & Watts on 30 April 2008 and he has agreed to join Brevan Howard Asset Management LLP as a partner on 1 May 2008. Prior to re-joining Fischer Francis Trees & Watts in July 2006, he was the Chief Investment Officer of BNP Paribas Asset Management ("**BPAM**"), where he was responsible for the fundamental research, quantitative research and portfolio management teams. In this role, he was responsible for €120 billion in assets, covering European equities and fixed income as well as international equities and balanced portfolios. He joined BPAM in April 2002 from Citigroup Asset Management in London where he was the head of investments for Europe, while co-heading fixed income investments worldwide. He joined Citigroup in March 1998 from Fischer Francis Trees & Watts in London where he was a portfolio manager and a partner from 1996. Prior to joining Fischer Francis Trees & Watts, he was an investment officer at the World Bank in Washington, DC. He holds an MSc in applied mathematics and was admitted to the PhD program in artificial intelligence at the University of Grenoble, France.

### ***Allan Schouela***

Allan Schouela is currently co-President and co-owner of MC McGill Capital Inc. which oversees the assets of 6 large family offices, whose combined assets are in excess of US\$ 2.5 billion, and whose services provided include asset allocation oversight, co-ordinating service and due diligence providers (custodians, administrators, consultants etc). Prior to 2000, Mr. Schouela was Chief Executive Officer of The Republic National Bank of New York (Canada) which specialised in commercial lending, structured partnership loans, hedge fund leverage facilities, private banking, as well as fixed income, currency and precious metals trading. Mr. Schouela holds a Commerce degree with a concentration in finance from McGill University.

### ***Risto Silander***

Risto Silander has worked for 20 years within the investment banking industry holding senior positions within Svenska Handelsbanken, Goldman Sachs, UBS and Alfred Berg. In 2001 he quit his position as CEO of the Alfred Berg Group and pursued business opportunities in St Petersburg and took on Board directorships. In addition to his directorship in BHOML, Mr. Silander currently acts as director of Swedish Export Credit/AB and as chairman of its finance committee. In addition, Mr. Silander acts as a member of the board of directors of East Capital Asset Management AB, 11 Real Asset Fund AB, 11Invest S.A., Varenne AB, EndeavourFunds (II and III) Ltd., Stronghold Invest AB and the Trygg Foundation. Previous Board assignments include listed companies in Sweden such as Telelogic AB, Tornet AB, NetonNet AB and Ruric AB. Mr Silander holds a business degree from the Stockholm School of Economics and has studied finance on the MBA programme at Stern Business School, NYU.

### ***Gunther Thumann***

Gunther Thumann is CEO of Brevan Howard Group Holdings Limited and is Partner and acting CEO of Brevan Howard US Asset Management LP. From 2001 to 2005 he was the Managing Director and a Partner of EC Euro Consulting GmbH in Kronberg Germany; from 1998 to 2000 he managed Thumann Economic Consulting Ltd., a London based consulting company. He was a Managing Director of Salomon Smith Barney until 1998, having joined Salomon Brothers' Economic and Market Analysis Department in 1994. Prior to that he held positions with the International Monetary Fund in Washington D.C. and the German Government in Bonn. He studied Chemistry and Economics and holds a PhD in Economics and Statistics from Friedrich-Alexander University, Erlangen.

### **Senior Partners of BHAM**

#### ***JeanPhilippe Blochet***

JeanPhilippe Blochet is a Partner of BHAM. Prior to founding BHAM, he was at CSFB from 1997 to 2002, having joined the firm as a proprietary trader (Director) within the Foreign Exchange Department. During his time at CSFB, he served as a proprietary trader within the Developed Markets Rates Division of Fixed Income Trading from 2001 to 2002, specialising in macro themes and asset allocation. Prior to CSFB, he was at Fischer Francis Trees and Watts (1995 to 1997), where he jointly ran the firm's macro hedge fund.

From 1993 to 1995, he served as a trader at Caxton Corp, New York, in charge of the Fixed Income Portfolio for the Option Group. Prior to joining Caxton, Mr. Blochet worked in institutional sales at Merrill Lynch from 1990 to 1993. He holds a Master's degree in Finance from Birmingham University (1988), and a DEA of Monetary Economics from the University of Limoges (1988). Mr. Blochet is currently on sabbatical until the fourth quarter of 2008.

#### ***Samir Bouaoudia***

Samir Bouaoudia is a Partner of BHAM. Prior to joining BHAM in November 2005, he was a Partner at JWM Partners, London from 2000 to 2005. During his time at JWM, he was in charge of European Trading and was a member of the management committee. Prior to JWM, he was a senior trader for Europe at Long-Term Capital Management LP from 1995 to 1999. Prior to this, he was a senior trader in the Mortgage Department at Salomon Brothers, New York from 1990 to 1994. Mr. Bouaoudia holds a Diplôme d'Ingénieur from École Polytechnique, Paris (1985), a Master of Science in Nuclear Engineering (1986) and a PhD in Mechanical Engineering from the University of California, Berkeley (1990).

#### ***Alan Howard***

Alan Howard is Partner, Joint Chief Executive and Chief Investment Officer of BHAM. Prior to founding BHAM, he worked for Credit Suisse First Boston ("CSFB") from 1997 to 2002 as a Managing Director and Global Head of Proprietary Trading in the Developed Markets Rates Division. From 2001, in addition to managing CSFB's proprietary capital, he undertook the investment management of a series of investment companies set up by CSFB for its private banking clients. From 1995 to 1997, he was Head of Interest Rate Trading at Tokai Bank Europe. Prior to joining Tokai Bank Europe, he was a Managing Director at Salomon Brothers. He holds a Master's degree in Chemical Engineering from the Imperial College of Science and Technology, London (1986).

#### ***Nagi Kawkabani***

Nagi Kawkabani is a partner, and Joint Chief Executive of BHAM. Between October 2000 and July 2003, he was a Managing Director and Co-Head of the Fund Development Group at CSFB which was responsible for the seeding, development and management of CSFB-branded hedge and alternative investment funds in the equity asset class. Prior to October 2000, he was Managing Director and Head of Equity Derivatives at Donaldson Lufkin & Jenrette International where he was also a member of the Board of Directors of Donaldson Lufkin & Jenrette International and a founding member of Donaldson Lufkin & Jenrette International's Risk Committee. Prior to joining Donaldson Lufkin & Jenrette International in August 1987, he was a Vice-President at Merrill Lynch. In addition to being a director of the Company, Mr Kawkabani is also a director of the Brevan Howard Master Fund and a number of other Brevan Howard group entities. He holds a B.Comm in Finance and Marketing (University Scholar) from McGill University (1979).

#### ***Aron Landy***

Aron Landy is a Partner and Chief Risk Officer of BHAM. Prior to joining BHAM in June 2003, Dr Landy managed a market-neutral equity fund at Millennium Global Investments from 2001 to 2003. From 2000 to 2001, he was a fixed income and foreign exchange trader at Optimum Asset Management. Prior to this, he was at Tokai Bank Europe (1991 to 1998); he joined the firm as a trader in the Swaps, Options and Proprietary Trading group and was appointed Joint Head of the Derivative Arbitrage Department in his final year. His other professional experience includes roles as a trader at Paribas Ltd (1989 to 1991) and as a quantitative analyst at Charterhouse Bank Ltd (1986 to 1989). Dr. Landy holds a Bachelor of Arts degree in Mathematics & Electrical Science (First Class, 1983) and a PhD in Engineering (1986) from Cambridge University, and has taught at the London Business School (1999 to 2000).

#### ***Trifon Natsis***

Trifon Natsis is a Partner of BHAM. Prior to founding BHAM, Dr Natsis was a proprietary trader (Director) within the Developed Markets Rates Division of Fixed Income Trading at CSFB from 2001 to 2002. Prior to CSFB, he was a principal of Endeavor Capital Management (2000 to 2001), a fixed income hedge fund originating from the fixed income arbitrage department of Salomon Brothers, where he had served from 1993 to 2000. During his time at Salomon Brothers, he was a senior emerging markets trader in the fixed income arbitrage group (1997 to 2000), a European government bond trader (1995 to 1997) and a quantitative research analyst (1993 to 1995). From 1989 to 1993, he worked as a research fellow and lecturer in Finance at City University Business School, London. Dr Natsis holds a Master's degree in Finance, Shipping and Trade (Distinction, 1988) and a PhD in Finance (1993) from City University, London.

#### ***Luc Pajot***

Luc Pajot is a Partner of BHAM. He joined BHAM in June 2003 from CSFB, Japan (1999 to 2003), where he had been Co-Head of the Securities Division in 2002. Prior to this, he was Head of European Interest Rates Derivatives Trading at CSFB, London (1995 to 1999). From 1993, he was a Managing Director responsible for Asian derivatives trading at CSFB, Japan (1991 to 1994), having

initially joined CSFB in London as an Associate trading derivatives in 1990. Mr. Pajot holds an engineering degree from the École Supérieure d'Électricité (1987), and a Master of Business Administration from the University of Texas (1988).

### **Christopher Rokos**

Christopher Rokos is a Partner of BHAM. Prior to founding BHAM, he was at CSFB from 1998 to 2002. During his time at CSFB, he served as a proprietary trader (Director) within the Developed Markets Rates Division of Fixed Income Trading, specialising in European and US relative value trading. Prior to CSFB, he was at Goldman Sachs, London (1993 to the end of 1997) where he traded for the proprietary fixed income trading and the swaps desks, specialising in relative value position taking and swaps market-making in all European currencies. From 1992 to 1993, he undertook quantitative research and derivatives trading at UBS, London. Mr. Rokos holds a Masters degree in Mathematics from Oxford University (First Class, 1992).

### **James Vernon**

James Vernon is a Partner, and the Chief Operating Officer of BHAM. He launched BHAM with Alan Howard in July 2002 having previously served as Chief Operating Officer and a Director of the CSFB proprietary fixed income trading cluster from October 2001 to 2002. From October 2000 to September 2001 he was Chief Operating Officer at BlueCrest Capital Management Limited, a hedge fund management company. Prior to joining BlueCrest Capital Management Limited, from 1998 to 2000, Mr Vernon worked on the fixed income proprietary trading desk at CSFB as a Vice President responsible for Risk Management. From 1993 to 1998, Mr Vernon was at Salomon Brothers Asset Management and at the time of leaving he was a Vice President, Portfolio Manager, in the hedge fund portfolio management group. He holds Master's degrees in Electronics Engineering from Southampton University (Distinction, 1987) and in Finance from the London Business School (Distinction, 1996).

### **Conflicts of Interest**

The Manager, other members of the Brevan Howard group and their respective directors, officers and employees manage a number of investment entities and they and their affiliates may serve as managers, investment managers or advisers to other funds in the future, not all of which may be included in the portfolio of the Brevan Howard Global Opportunities Master Fund.

As a result, the Manager, the other members of the Brevan Howard group, their respective directors, officers and employees or their respective affiliates may have conflicts of interest in allocating investments among clients and in effecting transactions between the clients, including transactions in which the Manager or another member of the Brevan Howard group or their respective directors, officers and employees or their respective affiliates may have a greater financial interest. Depending on the circumstances, the Manager or another member of the Brevan Howard group or their respective affiliates may give advice or take action with respect to such other clients that differs from the advice given or action taken with respect to the Company, the Brevan Howard Global Opportunities Master Fund or any of the Brevan Howard Underlying Funds even though the objectives of some or all of these entities may be the same or similar provided, however, that in performing its obligations under the Management Agreement, the Manager shall act in good faith and that it shall discharge its obligations under the Management Agreement with the same degree of skill, care and diligence as it uses in the management of other such clients. Furthermore, the Manager shall not be obliged to give the Company treatment which is more favourable, or preferential to, that provided to such other clients. In addition, the Manager, the other members of the Brevan Howard group and their respective directors, officers and employees may buy, hold or deal in any investment or other asset of any kind, nature or description whatsoever, notwithstanding that the same or similar investments may be held by the Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds, whether for their own account or that of any other person.

It is therefore possible that the Manager and other members of the Brevan Howard group and their respective directors, officers and employees may have potential conflicts of interests with the Company, Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds. In any such event, each such entity or person will at all times, have regard to its obligations to the Company, Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds, as the case may be, and will endeavour to ensure that such conflicts are resolved fairly. Furthermore the Manager will have regard to its duties to the Company and other persons when undertaking any transactions where conflicts or potential conflicts of interest may arise. In the event that such conflicts do arise, the Manager shall use its reasonable endeavours to resolve any such conflicts of interest fairly having regard to its obligations and duties under the Management Agreement, applicable laws and regulations, the rules of the FSA and to any conflicts policy which it has in place from time to time to ensure that the Company is treated fairly.

The investment managers of the Brevan Howard Underlying Funds and their affiliates may carry on investment activities for their own accounts, for the accounts of their employees (and their families) and for other accounts in which neither the Company, the Brevan Howard Global Opportunities Master Fund or any of the Brevan Howard Underlying Funds has an interest. The investment managers

of the Brevan Howard Underlying Funds may vary the investment policies and strategies employed on behalf of the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds from those used for its other managed accounts. It is possible that other accounts concurrently managed by the investment managers of the Brevan Howard Underlying Funds or their affiliates and any additional accounts managed by the investment managers of the Brevan Howard Underlying Funds in the future may compete with the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds for the same or similar positions in the markets. The investment managers of the Brevan Howard Underlying Funds and their affiliates also provide management services to other clients, including other collective investment vehicles and the investment managers of the Brevan Howard Underlying Funds and their affiliates may give advice and recommend securities to other managed accounts or investment funds which may differ from advice given to, or securities recommended or bought for, the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds, even though their investment policies and strategies may be the same or similar.

Furthermore, the Brevan Howard Underlying Funds will have differing fee arrangements and certain of the funds may have higher management and incentive fees than other Brevan Howard managed funds, so Brevan Howard may have a greater financial interest in respect of one fund rather than another, which may give rise to a conflict or potential conflict of interest with the Company and the Brevan Howard Global Opportunities Master Fund.

#### **Use of Dealing Commissions**

The investment managers of the Brevan Howard Underlying Funds may effect transactions or arrange for the effecting of transactions through brokers with whom they have arrangements whereby the broker agrees to use a proportion of the commission earned on such transactions to discharge the broker's own costs or the costs of third parties in providing certain services to the investment managers of the Brevan Howard Underlying Funds. The services which can be paid for under such arrangements are those permitted under the rules of the FSA, namely, in the case of commissions generated from trading equities, warrants, depositary receipts and equity options, those that relate to the execution of transactions on behalf of customers or the provision of investment research to the investment managers of the Brevan Howard Underlying Funds; commissions generated from trading other types of financial product may be used in respect of a wider range of services. The benefits provided under such arrangements will assist the investment managers of the Brevan Howard Underlying Funds in the provision of investment management services to the Brevan Howard Underlying Funds and to other third parties. Specifically, the investment managers of the Brevan Howard Underlying Funds may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting an identical transaction so long as, in the good faith judgement of the investment managers of the Brevan Howard Underlying Funds, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research, analysis and advisory services, including (depending on the precise nature of the services) market price services, electronic trade confirmation systems or third party electronic dealing or quotation systems, may be used by the investment managers of the Brevan Howard Underlying Funds in connection with transactions in which the Brevan Howard Underlying Funds will not participate.

The investment managers of the Brevan Howard Underlying Funds will use "soft dollars" only for brokerage and research within the meaning of Section 28(e) of the US Securities Exchange Act of 1934, as amended, even though the soft dollars may be generated in transactions not falling within Section 28(e). Such non-28(e) transactions may include transactions in futures, fixed income and asset-backed securities and instruments, to the extent they are executed on a principal basis (i.e., not on an agency basis or a "riskless principal" basis). Generally, under Section 28(e), research products or services obtained with soft dollars generated by the Company, the Brevan Howard Global Opportunities Master Fund or any of the Brevan Howard Underlying Funds from transactions executed on an agency basis (and certain "riskless principal" transactions) may be used to service accounts other than the Brevan Howard Underlying Funds. Soft dollars generated in respect of futures, fixed income, asset-backed securities and instruments executed on a principal basis do not fall within the safe harbor created by Section 28(e), but may nevertheless be utilised with respect to research-related products and services for the benefit of accounts other than those of the Brevan Howard Underlying Funds. Where a product or service obtained with soft dollars provides both research and non-research (e.g., a "mixed use" item), the investment managers of the Brevan Howard Underlying Funds will make a reasonable allocation of the cost which may be paid for with soft dollars.

#### **Administrator, Registrar and Secretary**

Northern Trust International Fund Administration Services (Guernsey) Limited has been appointed as administrator, registrar and secretary of the Company pursuant to the Administration Agreement (further details of which are set out in Part IX of this document). The Administrator will be responsible for the Company's general administrative requirements such as the calculation and publication of the Net Asset Value and NAV per Share and maintenance of the Company's accounting and statutory records.

The Administrator is licensed by the Guernsey Financial Services Commission under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, to provide administrative services to closed-ended investment funds and collective investment schemes.

Shareholders should note that it is not possible for the Administrator to provide any investment advice to Shareholders.

## **Fees and Expenses**

### ***Formation and initial expenses***

The formation and initial expenses of the Company are those which are necessary for the incorporation of the Company and the Offer. These expenses (including fees and expenses payable under the Placing Agreement, registration, listing and admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed 5 per cent. of the gross proceeds of the Offer (assuming gross proceeds of US\$500 million). BHOML will bear any such expenses in excess of 1 per cent. of the gross proceeds of the Offer with the Company bearing any expenses less than or equal to 1 per cent. of the gross proceeds of the Offer. However, if the Management Agreement is terminated for certain grounds either in whole or with respect to a class of Shares during the period ending on the seventh anniversary of Admission, the costs and expenses of the Offer (or, in the case of termination in respect of a class of Shares, the proportion of costs and expenses attributable to such class) borne by the Manager, will be paid to the Manager by the Company, subject to a maximum amount equal to 4 per cent. of gross proceeds from the Offer. For further details please see “Part IX – Additional Information – Section 5.2 Management Agreement” of this document.

No performance fees will be charged at the level of the Company and no management or performance fees will be charged at the level of the Brevan Howard Global Opportunities Master Fund. The Manager is entitled to receive a Management Fee equal to  $\frac{1}{2}$  of 0.5 per cent. per month of the Net Asset Value of each class of Shares under the Management Agreement. In addition, management and performance fees will be levied at the level of the underlying investments of the Brevan Howard Global Opportunities Master Fund. The Company and the Brevan Howard Global Opportunities Master Fund will also incur ongoing annual expenses and these expenses will include the following:

#### *(i) Fees payable to the Manager*

The Company shall pay the Manager by way of remuneration for its services under the Management Agreement a fee equal to  $\frac{1}{2}$  of 0.5 per cent. per month of the Net Asset Value of each class of Shares. Such fees will be calculated as at the last Business Day in each month and will be payable monthly in arrear as soon as is reasonably practicable after calculation thereof and in any event within 14 calendar days. If the Company wishes to terminate the Management Agreement without cause it is required to give the Manager not less than 24 months paid notice or pay to the Manager an amount equal to the aggregate of the Management Fee and the basic management fees that would otherwise have been payable by the Brevan Howard Underlying Funds in which the Brevan Howard Global Opportunities Master Fund is, at the time of termination, invested in respect of assets invested by the Brevan Howard Global Opportunities Master Fund during such two year period (and are not so paid) (such amount to be calculated for the whole of such period by reference to the portion of the net asset value of each relevant Brevan Howard Underlying Fund attributable to the Brevan Howard Global Opportunities Master Fund's investment prevailing immediately prior to the date of termination). No such payment will be payable in the event of termination with cause. The Manager may, by delivery of written notice to the Company, treat the Company as having served notice on the Manager of its intention to terminate the Management Agreement without cause if the Company requests redemption of all or part of its investments in the Brevan Howard Global Opportunities Master Fund (other than in the circumstances described in the section entitled “Withdrawal Rights from the Brevan Howard Global Opportunities Master Fund” in this Part I or if the Company amends the investment objective, policy or restrictions disclosed in this document without consultation with the Manager or in a way to which the Manager, when consulted, objects).

If the Management Agreement is terminated within 7 years from Admission: (a) without cause; (b) on the basis of a resolution being passed to wind-up the Company; or (c) because the Brevan Howard Global Opportunities Master Fund NAV on any Brevan Howard Global Opportunities Master Fund NAV Calculation Date is more than 25 per cent. lower than the average Brevan Howard Global Opportunities Master Fund NAV over the previous 12 Brevan Howard Global Opportunities Master Fund NAV Calculation Dates, the Management Agreement provides that the Manager is entitled to be paid an amount equal to the costs and expenses of the Offer that were borne by the Manager. Moreover, if the Management Agreement is terminated pursuant to sub-paragraph (c) above, provided such event occurs within two years of the date of Admission, the Company shall pay to the Manager the aggregate of the basic management fees that would

otherwise have been payable by the Brevan Howard Underlying Funds in which the Brevan Howard Global Opportunities Master Fund is, at the time of termination, invested in respect of assets invested by the Brevan Howard Global Opportunities Master Fund during such two year period (and are not so paid) (such amount to be calculated for the whole of such period by reference to the portion of the net asset value of each relevant Brevan Howard Underlying Fund attributable to the Brevan Howard Global Opportunities Master Fund's investment prevailing immediately prior to the date of termination) less the aggregate amount of management fees payable by such Brevan Howard Underlying Funds in relation to such assets prior to termination.

(ii) *Administration*

For the provision of the services under the Administration Agreement, the Administrator is entitled to receive a fee of 0.03 per cent. per annum on the first US\$1 billion of net assets of the Company and then 0.01 per cent. per annum thereafter, calculated as at the last valuation day in each month (as produced by the Administrator), subject to a minimum fee of £115,000 per annum, payable monthly in arrear.

(iii) *Directors of the Company*

Each of the Directors other than the Chairman will be paid a fee of £25,000 per year. John Hallam will also be paid an additional amount of £2,500 in recognition of his role as chairman of the audit committee of the Company. The Chairman will be paid a fee of £125,000. Stephen Stonberg is waiving his fee. The Directors are also entitled, pursuant to the Articles, to be reimbursed for expenses properly incurred in the performance of their duties as a Director.

(iv) *Other Operational Expenses*

Other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including travel, accommodation, printing, audit and legal fees. These expenses will be deducted from the assets of the Company and are estimated to be in the region of US\$750,000 per year. All out of pocket expenses of the Manager, the Administrator, the Registrar and the Directors relating to the Company will be borne by the Company.

(v) *Fees and expenses payable by the Brevan Howard Global Opportunities Master Fund*

The Company's investment in the Brevan Howard Global Opportunities Master Fund will not be subject to management fees and performance fees at the Brevan Howard Global Opportunities Master Fund level and will therefore benefit from exposure to the strategies offered by the Brevan Howard Global Opportunities Master Fund without multiple layering of management or performance fees. However, in addition to the Company, the Brevan Howard Global Opportunities Master Fund will also incur ongoing annual expenses such as fees paid to its administrator and prime brokers, the Brevan Howard Global Opportunities Master Fund's directors fees and audit and legal fees. Each of these expenses is described in Part II of this document.

(vi) *Fees and expenses payable by investment entities in which the Brevan Howard Global Opportunities Master Fund invests*

Each of the investment entities in which the Brevan Howard Global Opportunities Master Fund will invest will generally charge management and performance fees. Details of the fees payable in respect of the Initial Funds are described below and in further detail in Parts II and III of this document.

<b>Initial Funds</b>	<b>Management Fee per annum as a percentage of relevant fund's net asset value</b>	<b>Performance Fee per annum as a percentage of appreciation of relevant fund's net asset value</b>
Brevan Howard Master Fund Limited	2%	25%
Brevan Howard Equity Strategies Master Fund Limited	2%	20%
Brevan Howard Asia Master Fund Limited	2%	20%
Brevan Howard Emerging Markets Strategies Master Fund Limited	2%	20%
Brevan Howard Strategic Opportunities Fund Limited	3%	30%

Certain of the Initial Funds namely the Brevan Howard Master Fund Limited and Brevan Howard Emerging Markets Strategies Master Fund Limited are also subject to an operational services fee of 0.5 per cent. per annum of the Net Asset Value of such funds. Further funds into which the Brevan Howard Global Opportunities Master Fund may invest may be subject to management, performance and operational service fees at similar or higher or lower levels.

### **Meetings and Reports to Shareholders**

All general meetings of the Company shall be held in Guernsey or such other place as may be determined by the Directors from time to time. The Company will hold an annual general meeting each year, with the first meeting to be held in 2009.

The Company's audited annual report and accounts will be prepared to 31 December of each year, commencing with its first financial year ending 31 December 2008, and it is expected that copies of the annual report will be sent to Shareholders by 30 April each year, or earlier if possible. Shareholders will also receive an unaudited half-yearly report each year commencing in respect of the six-month period ending on 30 June 2008, expected to be despatched by 31 August 2008, or earlier if possible. The Company will also issue interim management statements within the meaning of the Disclosure and Transparency Rules during the period commencing ten weeks after the beginning and six weeks before the end of the first six-month period and the second six-month period of each financial year. As an alternative to issuing the interim management statements, the Company may choose (but is not obliged) to issue unaudited quarterly financial reports. The Company is not required to issue preliminary profit statements.

The Company's audited annual report and accounts will be available through a regulatory information services provider ("**RIS**") authorised by the London Stock Exchange. The Company is required to send copies of its annual report and accounts to the Guernsey Financial Services Commission as soon as reasonably practicable after their publication. The Company is also required to provide certain statistical information to the Guernsey Financial Services Commission.

The Company's accounts will be drawn up in US Dollars in compliance with US GAAP and the Companies Laws.

### **Financial Information**

No historical financial statements have been prepared for the Company.

# Part II

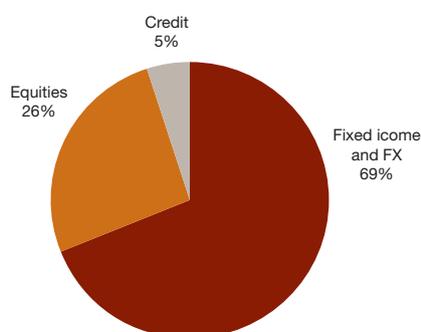
## Brevan Howard

### Global Opportunities

### Master Fund

The Brevan Howard Global Opportunities Master Fund is an exempted company incorporated with limited liability in the Cayman Islands as an exempted limited liability company on 3 March 2008. The Brevan Howard Global Opportunities Master Fund is not regulated by the FSA or the Cayman Islands Monetary Authority. The Brevan Howard Global Opportunities Master Fund will be launched following Admission on the Master Fund Launch Date. Initially, the Company will be the only feeder fund into the Brevan Howard Global Opportunities Master Fund, although additional feeder funds may be added in the future. The Brevan Howard Global Opportunities Master Fund's investor base (which will invest via feeder funds, initially only the Company) is expected to be comprised mainly of investment management companies (such as funds of hedge funds), private banks, pension funds, family offices, insurance companies and government agencies.

Based on a sample initial allocation to the Initial Funds, the asset class exposure of the Brevan Howard Global Opportunities Master Fund would be as follows:



*Source: BHAM. This chart assumes a capital allocation to the Initial Funds in the following proportions - Brevan Howard Master Fund Limited - 40%, Brevan Howard Asia Master Fund Limited - 15%, Brevan Howard Emerging Markets Strategies Master Fund Limited - 15%, Brevan Howard Equity Strategies Master Fund Limited - 15%, Brevan Howard Strategic Opportunities Fund Limited - 15%. Capital allocations are subject to change. Purely for illustrative purposes.*

Four of the five Initial Funds into which the assets of the Brevan Howard Global Opportunities Master Fund are expected to be initially invested have received external recognition for operational quality, having been rated "OQ1" by Moody's Investor Services and the other fund, Brevan Howard Strategic Opportunities Fund Limited, has yet to be rated.

It is currently expected that the investment of the assets of the Brevan Howard Global Opportunities Master Fund into the Initial Funds will be on the Initial Funds Investment Date.

#### **The Brevan Howard Global Opportunities Master Fund's investment objective and policy**

The Brevan Howard Global Opportunities Master Fund will spread investment risk by investing in the Brevan Howard Underlying Funds in order to obtain exposure to a range of strategies, asset classes and regions that fall within Brevan Howard's investment activities from time to time. These investment funds may invest in a wide range of regions, sectors and instruments. Such instruments may include, but are not limited to, debt securities and obligations (which may be below investment grade or unrated), bank loans, listed and unlisted equities, other collective investment schemes (which may be open-ended or closed-ended, listed or

unlisted, and which may employ leverage), currencies, commodities, futures, options, warrants, swaps, other derivative instruments and any other type of instrument or security. These funds have the ability to take short positions across the majority of these instruments.

Subject to the investment restrictions described below, the allocation of the assets of the Brevan Howard Global Opportunities Master Fund among the Brevan Howard Underlying Funds in which it invests will be at the discretion of the Manager.

The Brevan Howard Global Opportunities Master Fund is subject to the following investment restrictions:

- it is permitted only to invest in investment funds of which one or more of the Brevan Howard group of affiliated entities is the manager or investment manager; and
- except in respect of the Brevan Howard Strategic Opportunities Fund Limited, any investment by it in an entity that has been in existence for less than 12 months will be limited to no more than 10 per cent. of its gross assets at the time of investment.

Other than as described above, there is no upper limit on the amount of the gross assets of the Brevan Howard Global Opportunities Master Fund that may be invested in any one entity. However, in allocating the assets of the Brevan Howard Global Opportunities Master Fund, the Manager will have regard to the overall diversification of the Brevan Howard Global Opportunities Master Fund's portfolio, which may be assessed by reference to the number of Brevan Howard Underlying Funds in which it invests and the relative size of those investments or by reference to the diversification of the portfolios of some or all of those Brevan Howard Underlying Funds (which diversification may be measured, among other factors, by the number and type of investments made by the relevant Brevan Howard Underlying Funds).

The Manager will have discretion to have the Brevan Howard Global Opportunities Master Fund hold certain of its assets in cash for the purposes of efficient portfolio management.

The Brevan Howard Global Opportunities Master Fund will not be subject to any limitation on its ability to incur leverage.

### **Foreign currency exposure**

The operating and accounting currency of the Brevan Howard Global Opportunities Master Fund is the US Dollar. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the shares of the Brevan Howard Global Opportunities Master Fund denominated in Euros and Sterling from the US Dollar will be allocated solely to the relevant class of shares of the Brevan Howard Global Opportunities Master Fund.

### **Initial Portfolio**

The Brevan Howard Global Opportunities Master Fund may incur leverage for the purpose of financing share repurchases and satisfying working capital requirements. At Admission, the Brevan Howard Global Opportunities Master Fund will not have any borrowings. The Brevan Howard Global Opportunities Master Fund has no limit on its ability to incur leverage.

It is anticipated that initially the assets of the Brevan Howard Global Opportunities Master Fund will be allocated to the five Initial Funds listed below and in the indicative ranges specified below:

<b>Master Fund</b>	<b>Investment in Master Fund</b>
Brevan Howard Master Fund Limited	30 to 40 per cent.
Brevan Howard Equity Strategies Master Fund Limited	10 to 20 per cent.
Brevan Howard Asia Master Fund Limited	10 to 20 per cent.
Brevan Howard Emerging Markets Strategies Master Fund Limited	10 to 20 per cent.
Brevan Howard Strategic Opportunities Fund Limited	10 to 20 per cent.

Save as provided below in respect of Brevan Howard Master Fund Limited, the actual percentage of the Brevan Howard Global Opportunities Master Fund's gross assets allocated to any particular fund following the initial allocation may from time to time be increased or decreased, including outside of these ranges or so that the Brevan Howard Global Opportunities Master Fund ceases to invest in any particular fund. The Brevan Howard Global Opportunities Master Fund may also invest in any new investment funds which are managed or investment managed by one or more of the Brevan Howard group of affiliated entities from time to time. It should also be noted that certain Brevan Howard Underlying Funds invest in other Brevan Howard Underlying Funds, so the aggregate direct and indirect exposure of the Brevan Howard Global Opportunities Master Fund to any particular Brevan Howard Underlying Fund may from time to time be higher than the ranges indicated above, although such ranges will not be exceeded as a result of such cross-holdings at the time of initial allocation.

In connection with the launch of BH Macro Limited, a London-listed investment entity which is also managed by the Manager and which is a feeder fund into the Brevan Howard Master Fund, the Manager has provided an undertaking that it will not establish any closed-ended, listed or publicly-traded funds whose purpose in each case is to invest more than 33 per cent. of its net assets in the Brevan Howard Master Fund. Therefore, to the extent that more than 33 per cent. of the net assets of the Brevan Howard Global Opportunities Master Fund are initially invested in the Brevan Howard Master Fund, the Manager will reduce the allocation of the Brevan Howard Global Opportunities Master Fund to the Brevan Howard Master Fund to no more than 33 per cent. of the Brevan Howard Global Opportunities Master Fund's net assets within 18 months following the date of Admission, and other than in relation to the initial allocation of the Brevan Howard Global Opportunities Master Fund's assets, the Manager may not otherwise allocate more than 33 per cent. of the net assets of the Brevan Howard Global Opportunities Master Fund to the Brevan Howard Master Fund from time to time. However, in the event that the Manager were to be released from its undertaking in relation to BH Macro Limited, the Manager may thereafter determine to allocate in excess of 33 per cent. of the net assets of the Brevan Howard Global Opportunities Master Fund to the Brevan Howard Master Fund and shall not be constrained by the Company's investment policy from so doing.

The operating and accounting currency of the Brevan Howard Global Opportunities Master Fund is the US Dollar. The foreign currency exposure of the Brevan Howard Global Opportunities Master Fund to currencies other than the base currency will generally be hedged through the use of spot and forward foreign exchange contracts or other methods of reducing exposure to currency fluctuations. In addition, the foreign exchange exposure of the assets of the Brevan Howard Global Opportunities Master Fund attributable to the Brevan Howard Global Opportunities Master Fund Euro Shares and Brevan Howard Global Opportunities Master Fund Sterling Shares will generally be hedged in order to neutralise, so far as possible, the impact of fluctuations in the Euro/US Dollar and Sterling/US Dollar exchange rates respectively. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the shares in the Brevan Howard Global Opportunities Master Fund denominated in Euros and Sterling from the US Dollar will be allocated solely to the relevant class of shares in the Brevan Howard Global Opportunities Master Fund.

Investors' attention is drawn to the risk factors related to these investments described in this document in "Risk Factors".

## Information regarding Initial Funds

The table below sets out summary details of each of the Initial Funds, including an indication of its core strategies, core asset classes and core markets.

Initial Funds	Core Strategy	Core Asset Classes	Core Investment Markets	Management Fee payable* per annum as a percentage of relevant fund's net asset value	Performance Fee payable* per annum as a percentage of appreciation of relevant fund's net asset value	Operational Services Fee payable* per annum as a percentage of the relevant fund's net asset value
Brevan Howard Master Fund Limited	Macro Directional and Relative Value	Fixed Income and Foreign Exchange	Global	2%	25%	0.5%
Brevan Howard Equity Strategies Master Fund Limited	Tactical Trading, Fundamental and Relative Value	Fundamental Equity, Long/Short Sector and Convertibles	Europe	2%	20%	0.0%
Brevan Howard Emerging Markets Strategies Master Fund Limited	Macro Directional and Relative Value	Equities, Credit and Foreign Exchange	Latin America, Russia, Eastern Europe, Asia and Middle East	2%	20%	0.5%
Brevan Howard Asia Master Fund Limited	Macro Directional and Relative Value	Fixed Income and Foreign Exchange	Asia	2%	20%	0.0%
Brevan Howard Strategic Opportunities Fund Limited	Macro Directional and Relative Value	Fixed Income and Foreign Exchange	Global	3%	30%	0.0%

\*Fees that will be payable by Brevan Howard Global Opportunities Master Fund Limited

For further details on each of the Initial Funds, please see Parts III (Brevan Howard Master Fund) and IV (The Other Brevan Howard Managed Funds Included in the Initial Portfolio).

## Other Brevan Howard-managed Funds Eligible for Inclusion in the Portfolio of the Brevan Howard Global Opportunities Master Fund

The table below sets out brief details of certain other Brevan Howard-managed funds that may be eligible for investment by the Brevan Howard Global Opportunities Master Fund although they will not be included in the Initial Funds:

Brevan Howard-managed fund*	Core Strategy	Core Asset Classes	Core Investment Markets	Management Fee payable** per annum as a percentage of relevant fund's net asset value	Performance Fee payable** per annum as a percentage of relevant fund's net asset value	Operational Services Fee payable** per annum as a percentage of the relevant fund's net asset value
Brevan Howard P&C Master Fund Limited	Acquisition of Insurance Portfolios	Property and casualty insurance	US, Europe, Japan and other developed markets	2%	20%	0.0%
BH India Opportunities Master Fund Limited***	Multi-strategy	Equities (public and private), credit and real estate	Indian sub-continent	2%	20%	0.0%
Brevan Howard Multi-Strategy Master Fund Limited	Multi-strategy	Fixed income, foreign exchange, equities, credit, commodities	Global	2%	25%	0.5%

\* Investments in funds that have been in existence for less than 12 months is limited to 10% of the gross assets of the Brevan Howard Global Opportunities Master Fund (excluding its investment in the Brevan Howard Strategic Opportunities Fund Limited) at the time of investment.

\*\*Fees that will be payable by Brevan Howard Global Opportunities Master Fund Limited.

\*\*\*BH India Opportunities Master Fund Limited is currently expected to be launched in the second quarter of 2008.

## Simulated Blended Returns of the Initial Funds

Figure 2 below indicates simulated historical blended returns for the Brevan Howard Global Opportunities Master Fund in respect of the period between 29 December 2006 and 31 March 2008 (adjusted to reflect the fees that will be payable by the Brevan Howard Global Opportunities Master Fund) compared with the returns achieved by the S&P 500 and the MSCI World Index over the same period.

For this simulation, the allocations to the Initial Funds are kept static at the level of the anticipated initial allocations at Master Fund Launch Date (40 per cent. BHMF and 15 per cent. each for the other four Initial Funds), except for periods prior to the launch of BHEMSMF and BHOSF where the allocations to those funds have been assigned to BHMF.

**Figure 1**

**29 December 06 –  
29 March 07**  
BHMF: 70%  
BHAMF: 15%  
BHEMSMF: 15%

**30 March 07 –  
20 September 07**  
BHMF: 55%  
BHAMF: 15%  
BHEMSMF: 15%  
BHEMSMF: 15%

**21 September 07 –  
31 March 08**  
BHMF: 40%  
BHAMF: 15%  
BHEMSMF: 15%  
BHEMSMF: 15%  
BHOSF: 15%

As can be seen in the table above, the BHMF comprises a significant part of the simulated allocation for 9 of the 15 months that form part of the calculation period. BHMF's returns in 2007 were significantly higher than the returns in the years 2003-2006 and therefore the figures below are only indicative of performance over the past 15 month period and not the longer term. On this basis, the simulated returns set out in Figure 2 below are heavily weighted towards BHMF.

The inclusion of the comparative performance of the Company's simulated returns in Figure 2 below with the MSCI World Total Return index and the S&P 500 index has been included to demonstrate the historic lack of correlation between the Company and

the broader equities indices. The indices included are the MSCI World Total Return index (which tracks the performance of equity securities on a worldwide basis) and the S&P 500 index (which tracks the performance of 500 of the most widely held shares traded on the New York Stock Exchange). Investors should note that the securities included in these indices bear no relation whatsoever to the investments of the Company, and as such are not intended to be a performance benchmark, either on an historic or a forward-looking basis.

**Figure 2 – BH Global – Simulated Returns versus Equities Indices**

	BH Global – Blended net asset value 31 Mar 2008 (daily)	MSCI World TR USD	S&P 500 TR
<b>Annualised Return*</b>	22.10%	-0.19%	-3.58%
<b>Total Return</b>	28.44%	-0.23%	-4.47%
<b>2008 YTD</b>	7.03%	-8.96%	-11.12%
<b>Last 52 Weeks</b>	23.75%	-2.77%	-5.08%
<b>Annualised Volatility*</b>	4.63%	15.22%	18.26%
<b>Sharpe Ratio*</b>	3.61	-0.30	-0.43
<b>Risk Free Rate (Average)</b>	4.62%	4.62%	4.62%
<b>Annualised Return over RFR</b>	17.47%	-4.81%	-8.20%

Source of simulated data: BHAM, underlying data provided by IFS; data estimated as at 31 March 2008.

\*Sharpe Ratio is annualised excess return over US Federal Funds rate divided by annualised standard deviation of excess return. Sharpe Ratio, Annualised Return and Annualised Volatility are calculated by BHAM based on daily data from IFS and otherwise on BHAM internal estimates.

THE SIMULATED PAST PERFORMANCE INFORMATION PROVIDED ABOVE IS NOT A RELIABLE INDICATION OF THE COMPANY'S FUTURE PERFORMANCE. SEE FURTHER "IMPORTANT INFORMATION – PERFORMANCE DATA" IN THIS DOCUMENT.

## Notes

Investors should not consider the information regarding the track record of other funds managed by Brevan Howard or the simulated returns set out above to be indicative of the Company's future performance. Past performance is not a reliable indicator of future result. Investors may be at risk of losing all or some of their investment.

The Company and the Brevan Howard Global Opportunities Master Fund have no investment history. For a variety of reasons, the comparability of the track record of other funds managed by Brevan Howard or the simulated return to the Company and the Brevan Howard Global Opportunities Master Fund are by their nature very limited.

Potential investors should consider the following factors which, among others, may cause the Company's results to differ materially from the historical results achieved by other funds managed by Brevan Howard and from the simulated return:

- Differences between the Company and the other mandates to which the simulated returns relate, including (but not limited to) investment strategies, management and incentive fee arrangements, structure, term, leverage, performance targets, investment horizons and actual investments, can affect returns and impact the usefulness of performance comparisons. Because of these differences, none of the other mandates are directly comparable to the Company.
- Brevan Howard has a limited track record of managing numerous funds with differing investment strategies and its track record is based predominantly on a narrow range of fixed income based funds.
- Results can be positively or negatively affected by market conditions beyond the control of Brevan Howard.
- Market conditions at the times covered by the track record and simulated return may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past.
- Simulated performance figures have certain inherent limitations. Unlike an actual performance record, simulated results do not represent actual trading. Further, since the investments represented in the simulated returns do not represent actual investments, the results may under- or over-compensate for the impact, if any, of certain market factors, such as lack of liquidity or market disruptions. Simulated returns are also subject to the fact that they are constructed with the benefit of hindsight and therefore should be treated with caution.

It should be noted that the actual investments of the Company will generally be more diversified than the basis on which the simulated past performance information has been prepared, meaning that the Company will be less likely to benefit from any outperformance of a specific fund relative to its other investments. Whilst this should provide the benefit of greater protection against the underperformance of a specific fund, it may lead to lower returns than those shown above. In addition, it should be noted that the Company may not, or may not continue to have, exposure to each of the funds listed in Figure 1 above, whether in the proportions shown or at all. The assumptions regarding asset allocation on which the simulated past performance information is based are not, and should not be taken to be, indicative of the initial allocation of the Company's assets.

### **Capital Allocations**

BHOML will determine the capital allocations of the Brevan Howard Global Opportunities Master Fund amongst the various Brevan Howard Underlying Funds based upon several factors including historical returns, correlations and anticipated opportunity set. A committee of the BHOML board has been established for this purpose and will meet on at least a quarterly basis to determine allocations.

### **Dividend Policy**

The Brevan Howard Global Opportunities Master Fund Directors do not expect to declare any dividends and income earned in the portfolio (if any) will be reinvested in the Brevan Howard Global Opportunities Master Fund. In addition, the Brevan Howard Global Opportunities Master Fund Directors do not envisage that any income or gain derived from the investments of the Brevan Howard Global Opportunities Master Fund will be distributed by way of dividend. This does not preclude the Brevan Howard Global Opportunities Master Fund Directors from declaring a dividend at any time in the future if they consider it appropriate to do so.

### **Net Asset Value**

#### **Calculation**

The net asset value of the Brevan Howard Global Opportunities Master Fund (the "**Brevan Howard Global Opportunities Master Fund NAV**") is equal to the value of its total assets less its total liabilities. The Brevan Howard Global Opportunities Master Fund NAV and Brevan Howard Global Opportunities Master Fund NAV per share will be determined by the Brevan Howard Global Opportunities Master Fund Administrator on each Brevan Howard Global Opportunities Master Fund NAV Calculation Date and in the case of year end, the Business Day immediately preceding the year end valuation day or at such other times as the Brevan Howard Global Opportunities Master Fund Directors may determine (the "**Valuation Point**").

In respect of each class of Brevan Howard Global Opportunities Master Fund Shares (which comprise Brevan Howard Global Opportunities Master Fund Euro Shares, Brevan Howard Global Opportunities Master Fund US Dollar Shares and Brevan Howard Global Opportunities Master Fund Sterling Shares) to be held by the Company, a separate class account (a "**Class Account**") has been established in the books of the Brevan Howard Global Opportunities Master Fund. An amount equal to the proceeds of issue of each share in the Brevan Howard Global Opportunities Master Fund is credited to the relevant Class Account. Any increase or decrease in the Brevan Howard Global Opportunities Master Fund NAV attributable to a relevant class of issued Brevan Howard Global Opportunities Master Fund shares (disregarding for these purposes any increases in the Brevan Howard Global Opportunities Master Fund NAV due to new subscriptions or decreases due to redemptions or any designated class adjustments (as defined below)) is allocated to the relevant Class Account based on the previous relative Net Asset Value of each such Class Account. There is then allocated to each Class Account the "designated Class Adjustments" being those costs, pre-paid expenses, losses, dividends, profits, gains and income which the Brevan Howard Global Opportunities Master Fund Directors determine in their sole discretion relate to a single class. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the Brevan Howard Global Opportunities Master Fund Euro Shares and Brevan Howard Global Opportunities Master Fund Sterling Shares from the US Dollar into Euro and Sterling respectively will be allocated solely to the relevant Euro or Sterling class of shares in the Brevan Howard Global Opportunities Master Fund.

Assets of the Brevan Howard Global Opportunities Master Fund are valued in accordance with the following principles:

- (A) subject to (B) below, shares or units in open-ended Brevan Howard Underlying Funds will be valued at the last available net asset value for such shares or units on the relevant Brevan Howard Global Opportunities Master Fund NAV Calculation Date as supplied by the administrator thereof or by such other person as the Brevan Howard Global Opportunities Master Fund Directors in their discretion shall determine, failing which they shall be valued at the last available net asset value whether estimated or actual which is calculated prior to such Brevan Howard Global Opportunities Master Fund NAV Calculation Date as supplied by the administrator thereof or by such other person as the Brevan Howard Global Opportunities Master Fund Directors in their discretion shall determine, provided that if events have occurred which may have resulted in a material change in the net asset value of such shares or units since the date on which the last net asset value was calculated, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Brevan Howard Global Opportunities Master Fund Directors, such change;
- (B) shares or units in open-ended Brevan Howard Underlying Funds the issue or redemption of which is restricted and in respect of which a secondary market is maintained by dealers who, as principal market-makers, offer prices in response to market conditions may be valued by the Brevan Howard Global Opportunities Master Fund Directors in line with such prices;
- (C) any security (including a share or unit in a closed-ended Brevan Howard Underlying Fund but not in an open-ended Brevan Howard Underlying Fund) which is listed or quoted on any securities exchange or similar electronic system and regularly traded thereon will be valued at its last traded price on the relevant Brevan Howard Global Opportunities Master Fund NAV Calculation Date or, if no trades occurred on such day, at the closing bid price if held long and at the closing offer price if sold short, as at the relevant Brevan Howard Global Opportunities Master Fund NAV Calculation Date, as adjusted in such manner as the Brevan Howard Global Opportunities Master Fund Directors, in their sole discretion, think fit, having regard to the size of the holding, and where prices are available on more than one exchange or system for a particular security the price will be the last traded price or closing bid or offer price, as the case may be, on the exchange which constitutes the main market for such security or the one which the Brevan Howard Global Opportunities Master Fund Directors in their sole discretion determine provides the fairest criteria in ascribing a value to such security;
- (D) any security (including a share or unit in a closed-ended Brevan Howard Underlying Fund but not in an open-ended Brevan Howard Underlying Fund) which is not listed or quoted on any securities exchange or similar electronic system or if, being so listed or quoted, is not regularly traded thereon or in respect of which no prices as described above are available, will be valued at its probable realisation value as determined by the Brevan Howard Global Opportunities Master Fund Directors in good faith having regard to its cost price, the price at which any recent transaction in the security may have been effected, the size of the holding having regard to the total amount of such security in issue, and such other factors as the Brevan Howard Global Opportunities Master Fund Directors in their sole discretion deem relevant in considering a positive or negative adjustment to the valuation;
- (E) investments, other than securities, including over-the-counter derivative contracts, which are not dealt in or traded through a clearing firm or an exchange or through a financial institution will be valued at their fair value based on the methodologies approved by the Brevan Howard Global Opportunities Master Fund Directors;
- (F) deposits will be valued at their cost plus accrued interest;
- (G) any value (whether of an investment or cash) otherwise than in US Dollars will be converted into US Dollars at the rate (whether official or otherwise) which the Brevan Howard Global Opportunities Master Fund Directors in their absolute discretion deem applicable as at the Valuation Point on the relevant Brevan Howard Global Opportunities Master Fund NAV Calculation Date, having regard, among other things, to any premium or discount which they consider may be relevant and to costs of exchange.

The Brevan Howard Global Opportunities Master Fund Directors may, at their discretion, permit any other method of valuation to be used if they consider that such method of valuation better reflects value and is in accordance with good accounting practice.

The Brevan Howard Global Opportunities Master Fund Directors have delegated to the Brevan Howard Global Opportunities Master Fund Administrator the determination of the Brevan Howard Global Opportunities Master Fund NAV and Brevan Howard Global Opportunities Master Fund NAV per share.

The Brevan Howard Global Opportunities Master Fund NAV per share on any Brevan Howard Global Opportunities Master Fund NAV Calculation Date will be calculated by dividing the net asset value of the relevant Class Account by the number of shares of the relevant class in issue as at the close of business on that Brevan Howard Global Opportunities Master Fund NAV Calculation Date.

Following calculation, the Brevan Howard Global Opportunities Master Fund NAV per share will be notified without delay by the Brevan Howard Global Opportunities Master Fund Administrator to the Administrator.

#### ***Temporary Suspension of Brevan Howard Global Opportunities Master Fund NAV***

The Brevan Howard Global Opportunities Master Fund Directors may declare a temporary suspension of the determination on any Brevan Howard Global Opportunities Master Fund NAV Calculation Date of the Brevan Howard Global Opportunities Master Fund NAV during:

- (A) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Brevan Howard Global Opportunities Master Fund's investments, or when trading thereon is restricted or suspended;
- (B) any period when any state of affairs exists as a result of which disposal by the Brevan Howard Global Opportunities Master Fund of investments which constitute a substantial portion of its assets is not practically feasible;
- (C) any period when for any reason the prices of a material portion of the investments of the Brevan Howard Global Opportunities Master Fund cannot be reasonably, promptly or accurately ascertained;
- (D) any period when remittance of monies which will, or may be, involved in the realisation of, or in the payment for, investments of the Brevan Howard Global Opportunities Master Fund cannot, in the opinion of the Brevan Howard Global Opportunities Master Fund Directors, be carried out at normal rates of exchange; or
- (E) any period when proceeds of sale or redemption of ordinary shares in the Brevan Howard Global Opportunities Master Fund cannot be transmitted to or from the Brevan Howard Global Opportunities Master Fund's account.

All reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

#### **Management of the Brevan Howard Global Opportunities Master Fund**

##### ***Brevan Howard Global Opportunities Master Fund Directors***

The Brevan Howard Global Opportunities Master Fund Directors are responsible for the overall management and control of the Brevan Howard Global Opportunities Master Fund in accordance with the articles of association of the Brevan Howard Global Opportunities Master Fund. The Brevan Howard Global Opportunities Master Fund Directors will review the operations of the Brevan Howard Global Opportunities Master Fund at regular meetings and will meet at least quarterly. For this purpose, the Brevan Howard Global Opportunities Master Fund Directors will receive periodic reports from the Manager detailing the performance of the Brevan Howard Global Opportunities Master Fund and providing an analysis of its investment portfolio. The Manager will also provide such other information as may from time to time be reasonably required by the Brevan Howard Global Opportunities Master Fund Directors for the purpose of such meetings. The Brevan Howard Global Opportunities Master Fund Directors, all of whom are non-executive, are listed below:

##### *Karla Bodden*

Karla Bodden has been the Financial Controller of Queensgate Bank & Trust Company Limited in the Cayman Islands since July 1993. Ms Bodden was Client Accountant of Aall Trust & Banking Corporation Limited, Grand Cayman from May 1991 to July 1993 and previously was an Accountant/Auditor at Coopers & Lybrand, Grand Cayman from January 1990. She holds a Master of Professional Accounting degree from the University of Miami, a Bachelor of Science degree in Accounting from the University of Florida, and is a member of the Florida Institute of Certified Public Accountants. In addition to being a director of the Brevan Howard Global Opportunities Master Fund, Ms Bodden is also a director of a number of Brevan Howard managed funds.

#### *Dennis Hunter*

Dennis Hunter has been the Managing Director of Queensgate Bank & Trust Company Limited in the Cayman Islands since 1993 and a Director thereof since 1990. He has over twenty-seven years' experience of international banking and administration of mutual funds. He was from 1978 to 1993 Financial Controller and Treasurer of Aall Trust & Banking Corporation Limited, Grand Cayman. He graduated with a Higher National Diploma in Business Studies and a postgraduate Diploma in Management Studies from Newcastle and Brighton Polytechnics respectively. In addition to being a director of the Brevan Howard Global Opportunities Master Fund, Mr Hunter is also a director of a number of Brevan Howard managed funds.

#### *Gunther Thumann*

The biography of Gunther Thumann is provided in the section entitled "Directors of the Manager" in Part I of this document.

#### *Jonas Rinné*

Jonas Rinné has overall responsibility for managing IPM Informed Portfolio Management AB, a multi-boutique investment manager. He currently holds a seat on the board of directors of IPM Informed Portfolio Management AB and is a member of the executive committee, the investment management committee and the risk management committee of IPM Informed Portfolio Management AB. Prior to co-founding IPM Informed Portfolio Management AB in 1998, Mr. Rinné was Head of Trading and a member of the management team at JP Bank, a leading Swedish fixed income house. During his long career at JP Bank, he gained experience in fundamental and quantitative research and portfolio management. He is member of the board of directors at Endeavour Capital Management, a global fixed income relative value fund. Mr. Rinné holds a B.A. in Business Administration from Gothenburg School of Economics and Commercial Law.

#### *James Vernon*

The biography of James Vernon is provided in the section entitled "Senior Partners of BHAM" in Part I of this document.

All of the Brevan Howard Global Opportunities Master Fund Directors, other than Gunther Thumann and James Vernon are independent from the Manager. For the purposes of this document, the address of each of the Brevan Howard Global Opportunities Master Fund Directors is the registered office of the Brevan Howard Global Opportunities Master Fund.

Karla Bodden, Dennis Hunter, Gunther Thumann, Jonas Rinné and James Vernon have each held their positions as Brevan Howard Global Opportunities Master Fund Directors since 9 April 2008.

### **Corporate Governance**

There is no published corporate governance regime equivalent to the Combined Code in the Cayman Islands.

### **Manager of the Brevan Howard Global Opportunities Master Fund**

#### ***Manager***

In addition to being Manager of the Company, BHOML is also manager of the Brevan Howard Global Opportunities Master Fund.

Under the terms of the management agreement between BHOML and the Brevan Howard Global Opportunities Master Fund, BHOML has sole responsibility for determining the allocation of capital of the Brevan Howard Global Opportunities Master Fund to the Brevan Howard Underlying Funds. All such decisions will be made having reference to the following strategic aims:

- to optimise the investment performance of the Brevan Howard Global Opportunities Master Fund;
- to gain exposure for the Brevan Howard Global Opportunities Master Fund to new markets, strategies and trading talent; and
- to protect the Brevan Howard Global Opportunities Master Fund's returns by providing a risk management framework.

### **Other Key Service Providers**

Brevan Howard Asset Management LLP (“**BHAM**”) a member of the Brevan Howard group will provide on request middle and back-office services, cash management and treasury services and IT support to BHOML in relation to the Company and the Brevan Howard Global Opportunities Master Fund. In addition BHAM is an investment manager of each of the Initial Funds other than Brevan Howard Asia Master Fund Limited. BHAM is authorised and regulated by the FSA.

### **Directors of the Manager**

The Directors of the Manager are Risto Silander, Allan Schouela, Gunther Thumann, Paul Harris, Brett Ireland and Philippe Lespinard. The biographies of the Directors of the Manager are provided in the section “Directors of the Manager” in Part I of this document.

### **Brevan Howard Global Opportunities Master Fund Administrator**

International Fund Services (Ireland) Limited (“**IFS**”) has been appointed Brevan Howard Global Opportunities Master Fund Administrator. IFS is registered with the Irish Financial Regulator as an approved fund administration company. IFS provides administrative services for a number of corporations and partnerships throughout the world and is a wholly-owned subsidiary of State Street Corporation.

The Brevan Howard Global Opportunities Master Fund Administrator is responsible for providing administration services in relation to the Brevan Howard Global Opportunities Master Fund, including, but not limited to, middle-office and back-office functions, the calculation of the Brevan Howard Global Opportunities Master Fund NAV, arranging for the payment of expenses, maintaining books and records, assisting in communications with investors, preparing the accounts of the Brevan Howard Global Opportunities Master Fund and acting as registrar of the Brevan Howard Global Opportunities Master Fund.

The Brevan Howard Global Opportunities Master Fund reserves the right to change the administration arrangements described above by agreement with IFS and/or in its discretion to appoint an alternative administrator as the Brevan Howard Global Opportunities Master Fund Administrator.

### **Fees and Expenses**

No management or performance fees are charged at Brevan Howard Global Opportunities Master Fund level.

The Brevan Howard Global Opportunities Master Fund incurs ongoing annual expenses including the expenses relating to the Brevan Howard Global Opportunities Master Fund Directors. Each Brevan Howard Global Opportunities Master Fund Director is paid a fee of US\$12,000 per year except for James Vernon who is paid a fee of US\$5,000. The Brevan Howard Global Opportunities Master Fund Directors are also entitled, pursuant to the articles of association of the Brevan Howard Global Opportunities Master Fund to be reimbursed for expenses properly and reasonably incurred in the performance of their duties as a Brevan Howard Global Opportunities Master Fund Director.

### **Impact on the Balance Sheet of the Brevan Howard Global Opportunities Master Fund**

Immediately following the Master Fund Launch Date, the Brevan Howard Global Opportunities Master Fund will have cash on its balance sheet equal to the investment by the Company in the Brevan Howard Global Opportunities Master Fund, which it is anticipated will be equal to the gross proceeds of the Offer (net of those expenses of the Offer borne by the Company and any funds retained for short-term working capital requirements of the Company), expected to be equal to an amount of approximately US\$493 million (assuming gross proceeds of US\$500 million).

### **Financial Information**

No historical financial statements have been prepared for the Brevan Howard Global Opportunities Master Fund.

# Part III

## Brevan Howard

### Master Fund

The Brevan Howard Master Fund is a hedge fund with predominant exposure to global fixed income and foreign exchange markets. It was incorporated on 22 January 2003, launched on 1 April 2003 and raised an initial US\$875 million at inception. As at 31 March 2008, the Brevan Howard Master Fund had net assets (before deduction of fees) of approximately US\$18.5 billion.

The Brevan Howard Master Fund's investor base (which invests via three feeder funds) comprises mainly of investment management companies (such as funds of hedge funds), pension funds, family offices, insurance companies and government agencies. The three feeder funds of the Brevan Howard Master Fund are BH Macro Limited ("**BH Macro**"), which is listed on the London Stock Exchange, Brevan Howard Fund Limited ("**BHFL**"), which is listed on the Irish Stock Exchange and Brevan Howard LP ("**BHLP**"), which is unlisted. The Brevan Howard Global Opportunities Master Fund will be a fourth feeder fund into the Brevan Howard Master Fund although, unlike the other three feeders, it will not invest all its assets in the Brevan Howard Master Fund.

The Brevan Howard 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 or unrated), bank loans, listed and unlisted equities, other collective investment schemes, currencies, commodities, futures, options, warrants, swaps and other derivative instruments. As at 31 December 2007, the Brevan Howard Master Fund had exposure to a wide variety of financial instruments including interest rate guarantee options, forward rate agreements, interest rate swaps, cross currency swaps, credit default swaps, swaptions, FX contracts, exchange traded futures and options, equity swaps, and other options relating to commodities, equities, metals, bonds and FX.

The Brevan Howard Master Fund also has the ability to engage in short sales. See "Part III-The Brevan Howard Master Fund-The Brevan Howard Master Fund's investment objective and policy" for more details. As a consequence, the gross assets of the Brevan Howard Master Fund are typically much higher than its stated net assets.

The table below sets out the audited assets and liabilities of the Brevan Howard Master Fund as at 31 December 2007 and 31 December 2006.

	31 December 2007 US\$m	31 December 2006 US\$m
<b>Assets</b>		
Investments at market value	76,777.3	41,976.7
Investments purchased under agreements to resell	33,040.2	50,263.2
Dividends and interest receivable	282.5	351.7
Due from broker	37,530.5	45,063.1
Other assets including cash	0.4	0.4
Long-term interest-bearing subscriptions receivable	110.9	63.1
Receivable from feeder funds	585.5	179.8
<b>Total assets</b>	<b>148,327.3</b>	<b>137,898.0</b>
<b>Liabilities</b>		
Securities sold short, at market value	71,959.0	51,022.2
Investments sold under agreements to repurchase	21,513.6	29,587.0
Accounts payable and accrued expenses	2.5	3.7
Dividends and interest payable	372.9	487.5
Redemptions payable	652.4	186.9
Due to broker	38,555.2	45,341.2
<b>Total liabilities</b>	<b>133,055.6</b>	<b>126,628.5</b>
<b>Net assets</b>	<b>15,271.7</b>	<b>11,269.5</b>

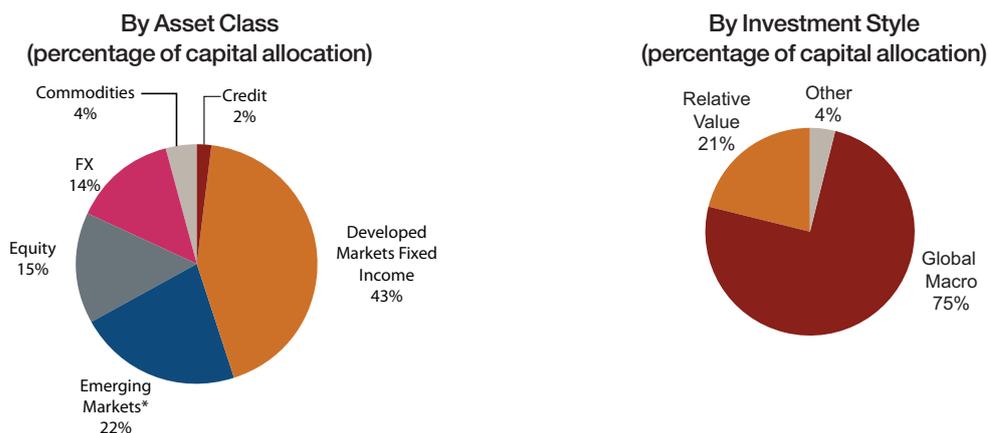
The Brevan Howard Master Fund's assets largely comprise cash or cash equivalents (including US treasury bills), some of which are pledged as margin in respect of the financial instruments mentioned above. The Brevan Howard Master Fund typically retains amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or as otherwise considered appropriate to its investment objective. As at 31 March 2008, the amount of unencumbered cash or cash equivalents held by the Brevan Howard Master Fund formed approximately 69.5 per cent. of the net assets of the Brevan Howard Master Fund.

The breadth and diversity of the Brevan Howard Master Fund's exposures to a range of financial instruments is evidenced in the table below, which summarises the market values of the fund's holdings as at 31 December 2007 and 31 December 2006.

	As at 31 December 2007		As at 31 December 2006	
	Assets US\$m	Liabilities US\$m	Assets US\$m	Liabilities US\$m
Interest rate guarantee options	7,273.0	(4,483.7)	2,645.2	(1,621.5)
Forward rate agreements	146.5	(133.5)	19.3	(16.9)
Interest rate swaps	12,111.6	(12,361.8)	5,210.3	(5,541.6)
Cross currency swaps	223.2	(175.4)	2.9	(4.0)
Credit default swaps	585.8	(302.0)	194.8	(152.1)
Swaptions	13,679.5	(12,684.6)	5,569.1	(5,482.7)
FX contracts	644.5	(1,016.0)	75.2	(183.6)
Exchange traded futures	1,210.1	(852.1)	445.4	(545.2)
Exchange traded options	2,403.1	(1,793.5)	437.3	(303.8)
Commodity options	1,583.6	(1,412.5)	595.2	(560.5)
Equity options	5,077.0	(6,177.1)	287.5	(248.5)
Metal options	95.4	(63.6)	352.5	(125.6)
Bond options	9.0	(11.8)	36.7	(31.9)
FX options	2,936.2	(2,037.9)	669.8	(205.2)
Equity swaps	161.5	(82.4)	58.1	(47.8)
Investment in Affiliated Funds	1,798.5	-	586.7	-
Investment in Other Funds	558.1	-	-	-
Equities	1,100.3	(92.7)	579.6	(108.9)
Fixed Income securities	25,180.4	(28,278.4)	24,211.1	(35,842.4)
	<b>76,777.3</b>	<b>(71,959.0)</b>	<b>41,976.7</b>	<b>(51,022.2)</b>

These assets and liabilities are not representative of the outstanding credit risk of the Brevan Howard Master Fund to each type of financial instrument due to the existence of master netting agreements. The investment manager of the Brevan Howard Master Fund has formulated credit review policies that attempt to control credit risk by following an established credit approval process, daily monitoring of net exposure to individual counterparties, requiring additional collateral where appropriate, and using master netting agreements whenever possible.

As at 31 March 2008, the unaudited investment portfolio of the Brevan Howard Master Fund broken down by asset class exposure and investment strategy was as follows:



Source: BHAM, underlying data provided by IFS; data estimated as at 31 March 2008. Capital allocations are subject to change.

\* Emerging markets is composed of sovereign debt, foreign exchange and some limited equity exposure.

The above tables are not necessarily indicative of the future investment style or asset classes of the Brevan Howard Master Fund. The percentages listed above may change over time. The Brevan Howard Master Fund has no obligation to notify an investor of any such change. The Brevan Howard Master Fund's investment objective is discussed further below.

Investors in class B shares or interests pay a management fee of not less than 2 per cent. per annum of net asset value and a performance fee of 25 per cent. of the annual increase in net asset value above a high water mark. Investors in BHFL and BHLP are also indirectly subject to an operational services fee of 0.5 per cent. per annum of the net asset value of the Brevan Howard Master Fund. The Brevan Howard Global Opportunities Master Fund's investment in the Brevan Howard Master Fund will be subject to the same fee levels.

### The Brevan Howard Master Fund's investment objective and policy

The Brevan Howard 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 or unrated), bank loans, listed and unlisted equities, other collective investment schemes (which may be open-ended or closed-ended, listed or unlisted, may employ leverage and of which the manager or the investment manager may be an affiliate of the Manager), currencies, commodities, futures, options, warrants, swaps and other derivative instruments. Derivative instruments may be exchange-traded or traded over-the-counter. The Brevan Howard Master Fund may engage in short sales. The Brevan Howard Master Fund may retain amounts in cash or cash equivalents (including money market funds) pending reinvestment, for use as collateral or as otherwise considered appropriate to the investment objective.

The Brevan Howard Master Fund employs an investment process which primarily uses a combination of macro (economic change and monetary policy) and relative value (market inefficiencies) strategies. The underlying philosophy is to construct strategies, often contingent in nature, with favourable 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. The proceeds from the Offer which are invested in the Brevan Howard Master Fund will, by virtue of the Company's restricted withdrawal rights, allow the Investment Managers greater scope to enter into transactions with longer maturity profiles, consistent with the Brevan Howard Master Fund's strategies and overall investment objective.

The operating and accounting currency of the Brevan Howard Master Fund is the US Dollar ("**base currency**"). The foreign currency exposure of the Brevan Howard Master Fund to currencies other than the base currency is generally hedged through the use of spot and forward foreign exchange contracts or other methods of reducing exposure to currency fluctuations. Speculative positions in currencies may also be taken for the benefit of the Brevan Howard Master Fund as a whole.

In addition, the foreign exchange exposure of the assets of the Brevan Howard Master Fund attributable to the Brevan Howard Master Fund Euro Shares and the Brevan Howard Master Fund Sterling Shares is generally hedged in order to neutralise, so far as possible, the impact of fluctuations in the Euro/US Dollar and Sterling/US Dollar exchange rates respectively. The costs and any benefit of hedging the foreign currency exposure of the assets attributable to the shares in the Brevan Howard Master Fund denominated in Euros and Sterling and the US Dollar are allocated solely to the relevant class of shares in the Brevan Howard Master Fund.

Investors' attention is drawn to the risk factors related to these investments described in this document in "Risk Factors".

### The Brevan Howard Master Fund's historic performance

The following table summarises the performance of the class B shares of BHFL, a corporate feeder fund to the Brevan Howard Master Fund, for the period April 2003 to March 2008. BHFL class B shares only came into existence in August 2005 so the returns from April 2003 to July 2005 are simulated by applying the payable fee on the BHFL class B shares to the BHFL class A shares which came into existence in April 2003 (but bear a lower performance fee). For further details of the unaudited performance of class A and class B shares in BHFL, please refer to the table below.

These figures are unaudited.

Annualised Return:	14.5%*
Sharpe Ratio:	2.0*
Annualised volatility:	5.6%*

Note: 2005 includes data for August to December only and 2008 includes data up to 31 March only.

Source: BHAM, underlying data provided by International Fund Services (Ireland) Limited ("IFS"); data estimated as at 31 March 2008. Capital allocations are subject to change.

\*Sharpe Ratio is annualised excess return over US Federal Funds divided by annualised standard deviation of excess return. Sharpe Ratio, Annualised Return and Annualised Volatility are calculated by BHAM based on daily data from IFS and otherwise on BHAM internal estimates.

The following table sets out historical data regarding the net asset value performance of the shares of BHFL, a corporate feeder fund to the Brevan Howard Master Fund.

It should be noted that past performance in respect of BHFL is not necessarily indicative of the future performance of the Brevan Howard Master Fund, the Brevan Howard Global Opportunities Master Fund or the Company. These figures are unaudited.

### BHFL – US\$ class A and B shares net asset value per share (percentage monthly change)\*

	Class	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003	A				0.31%	3.95%	2.75%	-1.77%	-2.92%	2.62%	-1.75%	-0.51%	2.09%	4.62%
	B													
2004	A	2.76%	0.56%	2.70%	2.41%	0.68%	1.66%	1.01%	-0.25%	-0.53%	1.29%	1.11%	0.38%	14.62%
	B													
2005	A	0.56%	-0.01%	2.31%	-0.10%	1.37%	1.42%	-0.31%	0.85%	2.33%	-2.52%	0.20%	1.77%	8.03%
	B								0.79%	2.15%	-2.34%	0.18%	1.64%	2.38%
2006	A	3.68%	1.79%	2.98%	2.86%	-2.75%	0.93%	1.50%	-1.96%	0.30%	1.00%	0.59%	-0.15%	11.10%
	B	3.45%	1.68%	2.80%	2.69%	-2.59%	0.88%	1.37%	-1.94%	0.37%	0.98%	0.54%	-0.14%	10.37%
2007	A	1.99%	0.74%	1.13%	0.89%	0.15%	2.32%	2.60%	3.16%	5.97%	0.15%	2.97%	0.77%	25.21%
	B	1.87%	0.69%	1.06%	0.84%	0.15%	2.18%	2.39%	2.91%	5.52%	0.14%	2.76%	0.72%	23.28%
2008	A	9.89%	6.70%	-2.62%**										14.19%
	B	9.27%	6.32%	-2.48%**										13.30%

\*Source: Underlying data provided by the Administrator, International Fund Services (Ireland) Limited Return Calculations made by BHAM. Information derived using software provided by Murex and RiskMetrics™.

\*\* Data for March 2008 is based on estimated monthly net asset value and not final month end net asset value.

Simulated YTD returns for the class B shares are 4.33 per cent. for 2003, 13.71 per cent. for 2004 and 7.49 per cent. for 2005, respectively. These simulated returns are calculated by applying the fee on class B shares to class A shares which bear a lower fee.

The information set forth in the table above is net of all investment management fees (2 per cent. annual management fee and 20 per cent. performance fee for US\$ class A shares, 2 per cent. annual management fee and 25 per cent. performance fee for US\$ class B shares) and all other fees and expenses payable by BHFL/Brevan Howard Master Fund.

Since its inception, the Brevan Howard Master Fund has at times been subject to sub-optimal market conditions for its investment strategies (a period of rising interest rates, flat yield curves and low volatility). This has led to some periods of negative performance, for example, in the third quarter of 2003, the net asset value of the BHFL class A US Dollar shares declined by 2.1 per cent. (net of fees). By contrast, in the first quarter of 2006, a period of comparatively high volatility, the net asset value of the BHFL class A US Dollar shares increased by 8.7 per cent. (net of fees).

### **Leverage**

The Brevan Howard Master Fund leverages its capital by entering into margin trading agreements and through the use of futures, forwards contracts, options and other derivative instruments. The Brevan Howard Master Fund has not imposed any limit on leverage. BHAM in its capacity as risk manager monitors the solvency of the Brevan Howard Master Fund on behalf of the Manager. The Brevan Howard Master Fund uses significantly higher levels of leverage than traditional long-only investment funds.

As at the date of this document, the Brevan Howard Master Fund has leveraged its capital solely through the use of the methods described above and not through the use of traditional credit facilities. However the Brevan Howard Master Fund may enter into such facilities or utilise other forms of debt finance in the future.

### **Dividend policy**

The Brevan Howard Master Fund Directors do not expect to declare any dividends and income earned in the portfolio will be reinvested in the Brevan Howard Master Fund. In addition, the Brevan Howard Master Fund Directors do not envisage that any income or gain derived from the investments of the Brevan Howard Master Fund will be distributed by way of dividend. This does not preclude the Brevan Howard Master Fund Directors from declaring a dividend at any time in the future if they consider it appropriate to do so.

### **Management of the Brevan Howard Master Fund**

#### ***The Brevan Howard Master Fund Directors***

The Brevan Howard Master Fund Directors, all of whom are non-executive, are responsible for the overall management and control of the Brevan Howard Master Fund in accordance with the articles of association of the Brevan Howard Master Fund. The Brevan Howard Master Fund Directors are Karla Boddén, Dennis Hunter, Nagi Kawkabani, Philippe Lespinard, Gunther Thumann, James Vernon, Phil Schmitt and Jonas Rinné.

#### ***Manager and Investment Managers of the Brevan Howard Master Fund***

##### *Manager*

In addition to being Manager of the Company and the Brevan Howard Global Opportunities Master Fund, BHOML is also manager of the Brevan Howard Master Fund. BHOML has delegated responsibility for the investment management of the Brevan Howard Master Fund's portfolio to the Investment Managers listed below.

Under the terms of the management agreement between BHOML, the Feeder Funds and the Brevan Howard Master Fund, BHOML has sole responsibility for determining which of, and to what extent, the Investment Managers receive an allocation of Brevan Howard Master Fund capital from time to time. Given that BHOML bears the economic risk of such allocation decisions it may select new investment managers and remove existing ones. All such decisions are made having reference to the following strategic aims:

- to increase the investment performance and increase diversification of the Brevan Howard Master Fund;
- to gain exposure for the Brevan Howard Master Fund to new markets, strategies and trading talent;
- to protect the Brevan Howard Master Fund's returns by providing a risk management framework; and
- to provide independent supervision of the investment performance of the Investment Managers of the Brevan Howard Master Fund and provide advice and recommendations to them as relevant.

BHOML allocates fund capital to the Investment Managers such that the Brevan Howard Master Fund's capital allocated to all of such Investment Managers totals the Brevan Howard Master Fund NAV. BHOML has recognised that each Investment Manager's traders will pursue strategies that are correlated to a greater or lesser degree. Non-correlated strategies have the effect of reducing the risk of loss, which means BHOML is able to allow each Investment Manager to allocate risk limits to its traders based on notional capital allocations which are typically in excess of the Brevan Howard Master Fund capital allocated to such Investment Manager. BHOML sets limits relating to the overall notional capital managed by an Investment Manager and may also set limits relating to the notional capital managed by the individual traders employed by such Investment Manager. In determining these limits BHOML has regard to a number of factors which may include but are not limited to the experience of the Investment Manager and its traders, the number and diversity of the different strategies employed, the expected volatility, and the absolute quantum of allocated Brevan Howard Master Fund capital. BHOML communicates the notional capital limits to BHAM as Risk Manager, which is responsible for ensuring adherence to such limits by the individual Investment Managers.

BHOML also undertakes reviews of each Investment Manager's investment performance. BHOML has a regular dialogue with each of the Investment Managers with regard to their investment activities and performance, and following such discussion develops and determines new and existing investment strategies for the capital allocation of the Brevan Howard Master Fund, which is based on the information it has available and the experience and judgment of the BHOML board of directors.

#### ***Current Investment Managers of Brevan Howard Master Fund***

##### *Brevan Howard Asset Management LLP ("BHAM")*

BHAM has been appointed by the Manager to manage and invest the assets of the Brevan Howard Master Fund allocated to it on a non-exclusive basis in pursuit of the Brevan Howard Master Fund's investment objective, approach and restrictions as described in this document. In addition, BHAM is responsible for providing risk oversight, middle and back-office services, cash management and treasury services, and the information technology platform in relation to the entire Brevan Howard Master Fund portfolio.

BHAM was established as a limited liability partnership in England and Wales in July 2002 and is regulated by the FSA. The principal members of BHAM are Alan Howard, James Vernon, Chris Rokos, JeanPhilippe Blochet, Trifon Natsis, Luc Pajot, Nagi Kawkabani, Samir Bouaoudia, Aron Landy and Kaspar Ernst.

##### *Brevan Howard US Asset Management LP ("BHUSAM")*

BHUSAM has been appointed by BHOML to manage and invest the assets of the Brevan Howard Master Fund allocated to it from time to time in pursuit of the Brevan Howard Master Fund's investment objective, subject to risk oversight by BHAM.

BHUSAM is a limited partnership formed under the laws of Delaware, USA in October 2005, of which the general partner is Brevan Howard GP LLC.

##### *Brevan Howard (Hong Kong) Limited ("BHHK")*

BHHK has been appointed by BHOML to manage and invest the assets of the Brevan Howard Master Fund allocated to it, from time to time in pursuit of the Brevan Howard Master Fund's investment objective, subject to risk oversight by BHAM.

BHHK is a company incorporated under the laws of Hong Kong in March 2004 and is licensed by the SFC pursuant to the Hong Kong Securities and Futures Ordinance.

##### *Brevan Howard (Israel) Limited ("BHIL")*

BHIL has been appointed by BHOML to manage and invest the assets of the Brevan Howard Master Fund allocated to it, from time to time, in pursuit of the Brevan Howard Master Fund's investment objective, subject to risk oversight by BHAM.

BHIL is a company incorporated under the laws of Israel in December 2005.

Brevan Howard (Singapore) Pte. Ltd. is also in the process of being appointed as an investment manager by the Manager and is likely to receive an allocation of assets of the Brevan Howard Master Fund. Brevan Howard (Singapore) Pte. Ltd. is likely to commence operations after 1 May 2008.

The allocation of the assets of the Brevan Howard Master Fund between Investment Managers may be changed by the Manager from time to time. The Brevan Howard Master Fund has no obligation to notify investors in the Brevan Howard Master Fund if the Manager makes such a change.

BHAM is responsible for monitoring the Brevan Howard Master Fund's risk limits for BHUSAM, BHHK and BHIL at all times.

BHOML may in future delegate responsibility for the investment of a portion of the Brevan Howard Master Fund's assets to one or more additional investment managers in addition to, or in substitution for, the Investment Managers (provided that such investment managers are affiliates of BHOML or BHAM) without the consent of the Brevan Howard Master Fund, provided always that such persons are subject to risk oversight by BHOML or BHAM. BHOML may also remove one or more of the Investment Managers without replacing them. Investors in the Brevan Howard Master Fund will be notified in due course of any such delegation or removal. BHOML is responsible for the payment of the fees of any Investment Managers.

Details of the investment management team of Brevan Howard are provided in Part III of this document.

#### **Investment restrictions on the Brevan Howard Master Fund**

In addition to the risk management techniques employed by the Investment Managers, the policy of the Brevan Howard Master Fund generally is to spread investment risk. For so long as BHFL is listed on the Irish Stock Exchange, the Brevan Howard Master Fund is subject to the following investment limits:

The Investment Managers may not:

- (A) invest more than 20 per cent. of the value of the Brevan Howard Master Fund's gross assets in the securities of any one issuer. This restriction will not apply in relation to investment in securities issued by a government, government agency or instrumentality of a European Union Member State or an OECD Member State or by any supranational authority of which one or more European Union or OECD Member States are members, and any other state approved for such purpose by the Irish Stock Exchange;
- (B) expose more than 20 per cent. of the value of the Brevan Howard Master Fund's gross assets to the creditworthiness or solvency of any one counterparty;
- (C) invest more than 20 per cent. of the value of the Brevan Howard Master Fund's gross assets in the units or shares of any one collective investment scheme;
- (D) invest directly in real property;
- (E) invest more than 10 per cent. of the value of the Brevan Howard Master Fund's gross assets directly in physical commodities; or
- (F) let the Brevan Howard Master Fund take or seek to take legal or management control of any issuer in which the Brevan Howard Master Fund invests.

The restriction referred to in (B) above will not apply to any transaction between the Brevan Howard Master Fund and a broker which enters into transactions for its own account or on a principal-to-principal basis, rather than as agent, where such broker advances full and appropriate collateral to the Brevan Howard Master Fund in respect of the transaction or (a) is trading on or subject to the rules of a Recognised Exchange or with counterparties which have (or whose parent company has) a Specified Credit Rating, (b) is regulated by the CFTC or the FSA or such other regulatory authority as may be agreed by the Irish Stock Exchange and (c) has financial resources of US\$20 million (or its equivalent in another currency).

Other than the restriction referred to in (F) above which applies at all times, the above restrictions are calculated as at the date of the relevant transaction or commitment to invest. Changes in the investment portfolio of the Brevan Howard Master Fund will not have to be effected merely because any of the limits contained in such restrictions would be breached as a result of any appreciation or depreciation in value of its investments, or by reason of the receipt of any right, bonus or benefit in the nature of capital or of any scheme or arrangement for amalgamation, reconstruction or exchange or by reason of any other action affecting every holder of the relevant investment. However, no further relevant securities will be acquired until the limits are again complied with. If any of the investment restrictions are inadvertently breached, the relevant Investment Manager or BHAM's Risk Team will take corrective action to rectify the breach taking due account of the interests of investors in the Brevan Howard Master Fund.

Although the Brevan Howard Master Fund will generally make direct investments, the above restrictions will not prevent the Brevan Howard Master Fund from investing indirectly through one or more wholly-owned subsidiaries or other vehicles where the Brevan Howard Master Fund Directors consider that this would be efficient for commercial and tax reasons or provide the only practicable means of access to the relevant instrument or strategy.

The Brevan Howard Master Fund may become a member of, or acquire membership and/or trading privileges on, various exchanges, contract markets, boards of trade, clearing associations or other markets ("**Exchanges**") if, in the opinion of the Brevan Howard Master Fund Directors, to do so would be in the interests of investors in the Brevan Howard Master Fund. Any such memberships and any income therefrom will belong to the Brevan Howard Master Fund and the Brevan Howard Master Fund will pay all fees and charges relating to such memberships.

# Part IV

## Other Brevan Howard Managed Funds Included in the Initial Portfolio

Certain information regarding the funds that are proposed to be included in the initial portfolio of the Brevan Howard Global Opportunities Master Fund, other than the Brevan Howard Master Fund, is provided below.

It should be noted that past performance in respect of any of the funds is not necessarily indicative of the future performance of those funds, the Brevan Howard Global Opportunities Master Fund or the Company. Any gross return figures are reported before performance and management fees have been deducted and are for illustrative purposes only. Any gross return figures do not reflect and should not be used as a guide to the actual net returns received by an investor in any of the funds or the net returns (if any) to be received by a Shareholder in the Company.

### **Brevan Howard Equity Strategies Master Fund Limited**

BHESMF was launched by Brevan Howard on 1 June 2006 by way of a US\$400 million seed investment from the Brevan Howard Master Fund. BHESMF had net assets of US\$1,869 million as at 31 March 2008.

The investment policy of BHESMF is to seek to generate superior risk adjusted returns by trading and investing primarily in European equity markets.

The investment managers of BHESMF are Brevan Howard Asset Management LLP and Brevan Howard US Management LP. As at 31 March 2008, the team responsible for management of BHESMF included 8 traders led by Nagi Kawkabani.

BHESMF's investment strategy is to identify sources of market outperformance in European equities through tactical trading, fundamental analysis, extraction of cross-sectional return factors and volatility and capital structure. European equity markets provide the depth, breadth and dispersion of returns necessary to run diverse hedged strategies. Furthermore, M&A activity, the integration of Eastern Europe into the global economy, and ongoing corporate restructuring all provide investment opportunities for BHESMF.

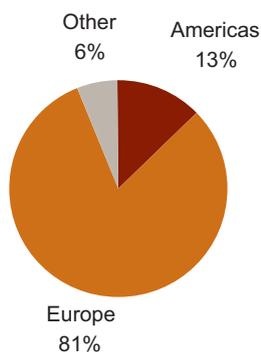
The base currency of BHESMF is US Dollars and it has three classes of shares denominated in Euros, US Dollars and Sterling.

Investors in the feeder funds of BHESMF, Brevan Howard Equity Strategies Fund Limited ("**BHESFL**") and Brevan Howard Equity Strategies Fund LP ("**BHESFLP**") pay a management fee of 2 per cent. per annum of net asset value and a performance fee of 20 per cent. of the annual increase in net asset value above a high water mark. The Brevan Howard Global Opportunities Master Fund's investment in BHESMF will be subject to the same levels of management and performance fees.

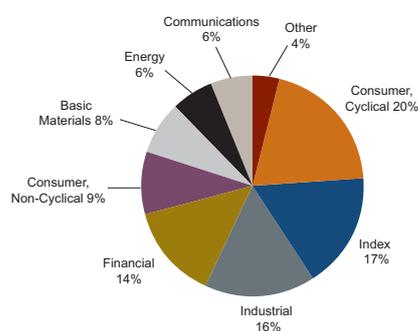
The BHESMF assets largely comprise equities, mainly in developed European markets and cash or cash equivalents, including US treasury bills, some of which is pledged as margin in respect of forwards, options and other derivatives positions. As at 31 March 2008, the amount of unencumbered cash or cash equivalents held by BHESMF formed approximately 62.2 per cent. of the net assets of BHESMF.

As at 31 March 2008, the unaudited investment portfolio of BHESMF broken down by geographic area and sector exposure was as follows:

**BHESMF:  
Investment Profile by Geographic Area  
(percentage of capital allocation)**



**BHESMF:  
Investment Profile by Sector  
(percentage of capital allocation)**



Source of all data: BHAM, underlying data provided by the Administrator, International Fund Services (Ireland) Limited ("IFS"); data estimated as at 31 March 2008. Capital allocations are subject to change.

### BHESMF's Historic Performance

The following information summarises the performance of class A shares of BHESFL, the corporate feeder fund to BHESMF, for the period July 2006 to 31 March 2008. These figures are unaudited.

Annualised Return: 7.46%\*  
 Sharpe Ratio: 0.57\*  
 Annualised Volatility: 4.13%\*

Source: BHAM, underlying data provided by IFS data; estimated as at 31 March 2008.

\*Sharpe Ratio is annualised excess return over US Federal Funds divided by annualised standard deviation of excess return. Sharpe Ratio, Annualised Return and Annualised Volatility are calculated by BHAM based on weekly data from IFS and otherwise on BHAM internal estimates.

The following table sets out historical data regarding the net asset value performance of the shares of BHESFL. It should be noted that past performance in respect of BHESFL is not necessarily indicative of the future performance of BHESFL, the Brevan Howard Global Opportunities Master Fund or the Company. These figures are unaudited.

### BHESFL – US\$ class A net asset value per share (percentage monthly change)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2006							1.71%	0.78%	0.45%	1.57%	1.84%	2.94%	9.64%
2007	1.40%	0.68%	1.47%	1.45%	0.40%	0.82%	0.92%	-2.70%	1.17%	0.88%	-1.27%	-0.56%	4.66%
2008	0.14%	0.32%	-1.48%**										-1.02%

\*Source: Underlying data provided by the Administrator, IFS; Return Calculations made by BHAM. Information derived using software provided by Murex and RiskMetrics™.

\*\* Data for March 2008 is based on estimated monthly net asset value and not final month end net asset value.

The information set out in the table above is net of all investment management fees (2 per cent. annual management fee and 20 per cent. performance fee) for US\$ class A shares and all other fees and expenses payable by BHESFL and BHESMF.

The feeder funds of BHESMF have monthly subscription dealing dates and monthly redemption dealing dates, provided that three months' notice of a proposed redemption is provided. The Brevan Howard Global Opportunities Master Fund's investment in BHESMF will not be subject to a lock-up period or any redemption fee.

BHESMF is not subject to any limit on its ability to incur leverage.

BHESMF is a Cayman open-ended investment company. The directors of BHESMF are Karla Bodden, Dennis Hunter, Philippe Lespinard, Phil Schmitt, Jonas Rinné, Nagi Kawkabani, Gunther Thumann and James Vernon. Each of Karla Bodden, Phil Schmitt, Jonas Rinné and Dennis Hunter are independent of Brevan Howard. The administrator of BHESMF is International Fund Services (Ireland) Limited.

### **Brevan Howard Asia Master Fund Limited**

BHAMF (formerly Ernst Capital Management Fund Limited) was launched in October 2004 by way of a US\$200 million seed investment from the Brevan Howard Master Fund. BHAMF had assets of US\$1,708 million as at 31 March 2008.

BHAMF is a hedge fund predominantly with exposure to Asian and Japanese fixed income and foreign exchange markets.

The investment manager of BHAMF is Brevan Howard (Hong Kong) Limited ("**BHKK**"). The Chief Executive Officer of BHKK is Kaspar Ernst. Prior to founding BHKK, he was a proprietary trader (Director) with the Proprietary Fixed Income Trading Group at CSFB from 1998 to 2004, initially based in London and, from February 2002, based in Hong Kong. Before joining CSFB in 1998, he worked as a trader on the interest rate swaps desk at Goldman Sachs in London. From 1993 to 1995, Dr Ernst worked as a consultant at the Boston Consulting Group in Zurich. Dr Ernst holds a PhD in Mathematics from Harvard University (1993) and a Diploma in Mathematics from the Swiss Federal Institute of Technology in Zurich (1989).

BHAMF's investment strategy is to pursue relative value macro trading strategies in the fixed income and foreign exchange markets through investment in a wide range of instruments including, but not limited to, debt securities and obligations (which may be below investment grade or unrated), bank loans, listed and unlisted equities, other collective investment schemes (which may be open-ended or closed-ended, listed or unlisted, may employ leverage and of which the manager or investment manager may be an affiliate of the Manager), currencies, commodities, futures, options, warrants, swaps and other derivative instruments. Trades and trading decisions through which the investment strategy is implemented are backed by in-depth fundamental research. The underlying philosophy of BHAMF 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.

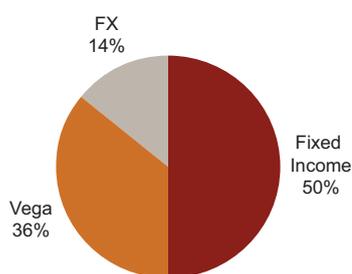
The base currency of BHAMF is US Dollars and it has three classes of shares denominated in Euros, US Dollars and Sterling.

Investors in the feeder funds of BHAMF, Brevan Howard Asia Fund Limited ("**BHAFL**") and Brevan Howard Asia Fund LP ("**BHAFLP**") pay a management fee of 2 per cent. per annum of net asset value and a performance fee of 20 per cent. of the annual increase in net asset value above a high water mark. The Brevan Howard Global Opportunities Master Fund's investment in BHAMF will be subject to the same level of fees.

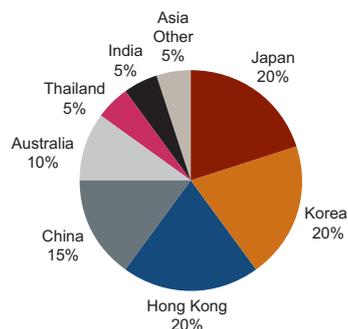
The BHAMF assets largely comprise cash or cash equivalents, including US treasury bills some of which is pledged as margin in respect of forwards, options and other derivatives positions. As at 31 March 2008, the amount of unencumbered cash or cash equivalents held by BHAMF formed approximately 86.4 per cent. of the net assets of BHAMF.

As at 31 March 2008, the unaudited investment portfolio of BHAMF broken down by asset class and geographic area exposure was as follows:

**BHAMF:  
Investment Profile by Asset Class  
(percentage of capital allocation)**



**BHAMF:  
Investment Profile by Geographic Area  
(percentage of capital allocation)**



Source: BHAM, underlying data provided by IFS; data estimated by the investment manager as at 31 March 2008; Capital allocations are subject to change.

### BHAMF's Historic Performance

The following information summarises the performance of class A shares of BHAFL, a corporate feeder fund to BHAMF, for the period October 2004 to March 2008. These figures are unaudited.

Annualised Return: 13.2%\*

Sharpe Ratio: 1.9\*

Annualised volatility: 4.5%\*

Note: 2004 includes data for October to December only and 2008 includes data up to 31 March only.

Source: BHAM, underlying data provided IFS; data estimated as at 31 March 2008.

\*Sharpe Ratio is annualised excess return over US Federal Funds divided by annualised standard deviation of excess return. Sharpe Ratio, Annualised Return and Annualised Volatility are calculated by BHAM based on daily data from IFS and otherwise on BHAM internal estimates.

The following table sets out historical data regarding the net asset value performance of the shares of BHAFL. It should be noted that past performance in respect of BHAFL is not necessarily indicative of the future performance of the Brevan Howard Global Opportunities Master Fund or the Company. These figures are unaudited.

### BHAFL – US\$ class A net asset value per share (percentage monthly change)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2004										0.39%**	-0.18%	0.46%	0.66%
2005	-0.13%	-0.77%	0.13%	0.48%	-0.54%	-0.55%	0.66%	0.23%	0.39%	0.67%	2.42%	2.37%	5.42%
2006	0.45%	1.02%	3.79%	1.99%	0.56%	0.28%	0.53%	0.65%	0.28%	-0.47%	0.20%	0.82%	10.50%
2007	2.79%	-0.50%	2.26%	1.86%	0.78%	-0.13%	2.55%	1.58%	1.52%	1.93%	2.49%	1.22%	19.88%
2008	5.46%	3.22%	0.31%***										9.19%

\* Source: Underlying data provided by the Administrator, International Fund Services (Ireland) Limited Return Calculations made by BHAM. Information derived using software provided by Murex and RiskMetrics™.

The information set forth in the table above is net of all investment management fees (2 per cent. annual management fee and 20 per cent. performance fee) for US\$ class A shares and all other fees and expenses payable by BHAFL and BHAMF.

\*\* Partial return for the period 18-31 October.

\*\*\* Data for March 2008 is based on estimated monthly net asset value not the final month-end NAV.

The feeder funds of BHAMF have monthly subscription dealing dates and monthly redemption dealing dates, provided that three months' notice of a proposed redemption is given. The Brevan Howard Global Opportunities Master Fund's investment in BHAMF will not be subject to a lock-up period or any redemption fee.

BHAMF is not subject to any limit on its ability to incur leverage.

BHAMF is a Cayman open-ended investment company. The directors of BHAMF are James Morrison, Dennis Hunter, Karla Bodden, Philippe Lespinard, Phil Schmitt, James Vernon, Jonas Rinné and Gunther Thumann. Each of Karla Bodden, Denis Hunter, Phil Schmitt and Jonas Rinné are independent of Brevan Howard. The administrator of BHAMF is International Fund Services (Ireland) Limited.

### **Brevan Howard Emerging Markets Strategies Master Fund Limited**

BHEMSMF was launched by Brevan Howard on 30 March 2007 by way of a US\$350 million seed investment from the Brevan Howard Master Fund. BHEMSMF had assets of US\$695 million as at 31 March 2008.

The investment policy of BHEMSMF is to seek to generate superior risk adjusted returns by trading and investing primarily in emerging markets. BHEMSMF's investment strategy is to pursue macro directional and relative value trading strategies by identifying thematic opportunities within global emerging markets credit and equity markets with a dynamic capital allocation whereby capital is allocated to specific asset classes and countries according to market outlook and applying a top down, macro-economic fundamentals-based analysis as well as 'bottom-up' analysis, and fundamentals-driven expression of themes.

The investment managers of BHEMSMF are BHAM and BHHK. The emerging markets investment team is headed by portfolio manager and BHAM partner, Geraldine Sundstrom.

BHEMSMF's investment strategy is to pursue macro directional and relative value trading strategies by identifying thematic opportunities within global emerging markets credit and equity markets with a dynamic capital allocation whereby capital is allocated to specific asset classes and countries according to market outlook and applying a top down, macro fundamentals analysis and bottom up, fundamentals-driven expression of themes.

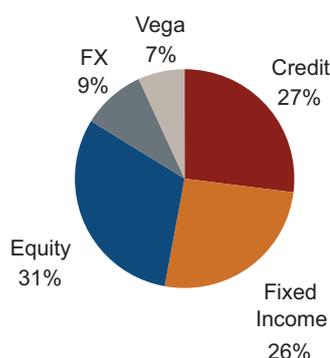
The base currency of BHEMSMF is US Dollars and it has three classes of shares denominated in Euros, US Dollars and Sterling.

Investors in the feeder funds of BHEMSMF, Brevan Howard Emerging Market Strategies Limited ("**BHEMSFL**") and Brevan Howard Emerging Markets Strategies Fund LP ("**BHEMSFLP**") pay a management fee of 2 per cent. per annum of net asset value and a performance fee of 20 per cent. of the annual increase in net asset value above a high water mark. Investors in BHEMSFL and BHEMSFLP are also subject to an operational services fee of 0.5 per cent. per annum of the net asset value of BHEMSMF. The Brevan Howard Global Opportunities Master Fund's investment in BHEMSMF will be subject to the same level of fees.

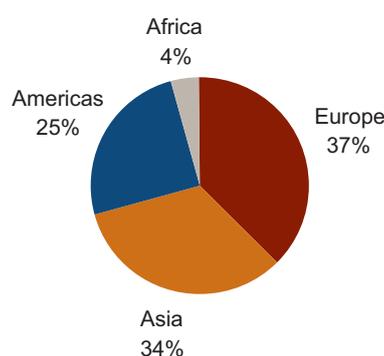
BHEMSMF's assets largely comprise emerging market equities and cash or cash equivalents, including US treasury bills, some of which is pledged as margin in respect of forwards, options and other derivatives positions. As at 31 March 2008, the amount of unencumbered cash or cash equivalents encumbered held by BHEMSMF formed approximately 78.2 per cent. of the net assets of BHEMSMF.

As at 31 March 2008, the unaudited investment portfolio of BHEMSMF broken down by asset class exposure and geographic area was as follows:

**BHEMSMF:  
Investment Profile by Asset Class  
(percentage of capital allocation)**



**BHEMSMF:  
Investment Profile by Geographic Area  
(percentage of capital allocation)**



Source: BHAM, underlying data provided by IFS; data estimated as at 31 March 2008. Capital allocations are subject to change.

### BHEMSMF's historic performance

The following information summarises the performance of class A interests of BHEMSFPL, a corporate feeder fund to BHEMSMF for the period April 2007 to March 2008. These figures are unaudited.

Annualised Return: 13.8%\*  
Sharpe Ratio: 1.1\*  
Annualised Volatility: 7.9%\*

Note: 2007 includes data for April to December only and 2008 includes data up to 31 March only.

Source: BHAM, underlying data provided by IFS; data estimated as at 31 March 2008.

\*Sharpe Ratio is annualised excess return over US Federal Funds divided by annualised standard deviation of excess return. Sharpe Ratio, Annualised Return and Annualised Volatility are calculated by BHAM based on daily data from IFS and otherwise on BHAM internal estimates.

The following table sets out historical data regarding the net asset value performance of the interests of BHEMSFPL. It should be noted that past performance in respect of BHEMSFPL is not necessarily indicative of the future performance of the Brevan Howard Global Opportunities Master Fund or the Company. These figures are unaudited.

### BHEMSFPL – US\$ class A net asset value per interest (percentage monthly change)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007				0.80%	1.55%	0.90%	0.80%	-0.67%	7.13%	6.73%	-1.51%	0.86%	17.47%
2008	0.01%	0.42%	-3.52%**										-3.09%

\* Source: Underlying data provided by the Administrator, International Fund Services (Ireland) Limited Return Calculations made by BHAM. Information derived using software provided by Murex and RiskMetrics™.

\*\* Data for March 2008 is based on estimated monthly net asset value not the final month-end net asset value.

The information set forth in the table above is net of all investment management fees (2 per cent. annual management fee and 20 per cent. performance fee) for US\$ class A interests and all other fees and expenses payable by BHEMSFPL and BHEMSF.

The feeder funds of BHEMSMF have monthly subscription dealing dates and monthly redemption dealing dates, provided that three months' notice of a proposed redemption is given. The Brevan Howard Global Opportunities Master Fund's investment in BHEMSMF will not be subject to a lock-up period or any redemption fee.

BHEMSMF is not subject to any limit on its ability to incur leverage.

BHEMSMF is a Cayman open-ended investment company. The directors of BHEMSMF are Karla Bodden, Dennis Hunter, Philippe Lespinard, James Morrison, Gunther Thumann, Phil Schmitt, Jonas Rinné and James Vernon. Each of Karla Bodden, Dennis Hunter, Phil Schmitt and Jonas Rinné are independent of Brevan Howard. The administrator of BHEMSMF is International Fund Services (Ireland) Limited.

The Brevan Howard Master Fund still holds a seed investment in BHEMSMF, through a holding in its feeder fund, BHEMSFLP.

### **Brevan Howard Strategic Opportunities Fund Limited**

BHSOF was launched by Brevan Howard on 13 September 2007 by way of a US\$510 million seed investment from the Brevan Howard Master Fund. BHSOF had net assets of US\$1,216 million as at 31 March 2008.

The investment policy of BHSOF is to seek to generate superior risk adjusted returns by trading and investing primarily in fixed income and foreign exchange strategies without taking significant directional risk. The investment strategy of BHSOF is to secure exposure to longer-dated, less actively traded positions, employing relative value or market neutral strategies and seeking returns which are assessed against correlation targets. The fund has a similarly broad universe of assets in which it can invest, including cash and government bonds, interest rates, foreign exchange rates and inflation products, in all markets globally, including emerging markets (subject to emerging market concentration limits and risk control measures). BHSOF's investment strategy uses a combination of relative value and global macro strategies.

The investment manager of BHSOF is BHAM. The team responsible for management of BHSOF are some of the senior partners of BHAM.

BHSOF's investment strategy is to seek to generate returns using a combination of relative value and global macro strategies in global fixed income and foreign exchange markets without taking significant directional risk.

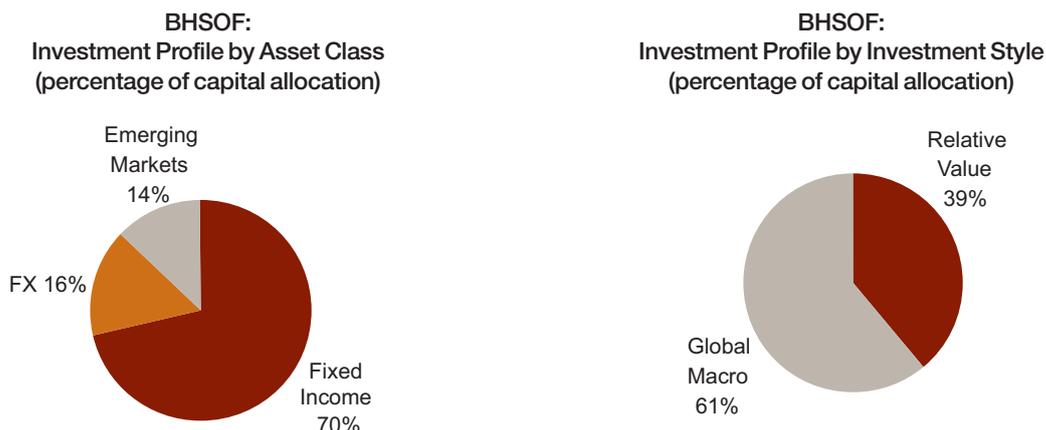
The investment mandate and investor liquidity profile of BHSOF enables it to gain exposure to trades with a high probability of terminal value, but potentially high mark-to-market volatility. As such, BHAM, its investment manager, seeks to identify strategies that may have long time horizons, using instruments that may be relatively illiquid. BHSOF's mandate attempts to exploit less crowded relative value opportunities that require longer-dated capital.

The base currency of BHSOF is US Dollars and its classes of shares denominated in US Dollars and Sterling.

Investors in the feeder fund to BHSOF, Brevan Howard Strategic Opportunities Feeder Fund Limited ("**BHSOFFL**") pay a management fee of 3 per cent. per annum of net asset value and a performance fee of 30 per cent. of the annual increase in net asset value above a high water mark. The Brevan Howard Global Opportunities Master Fund's investment in BHSOF will be subject to the same level of management and performance fees.

The BHSOF assets largely comprise cash or cash equivalents, including US treasury bills some of which is pledged as margin in respect of forwards, options and other derivatives positions. As at 31 March 2008, the amount of unencumbered cash or cash equivalents held by the BHSOF formed approximately 77.9 per cent. of the net assets of the BHSOF.

As at 31 March 2008, the unaudited investment portfolio of BHSOF broken down by asset class and investment style exposure was as follows:



Source: BHAM, underlying data provided by IFS; data estimated as at 31 March 2008. Capital allocations are subject to change.

### BHSOF's historic performance

The following information simulates the performance of class A shares of BHSOF for the period September 2007 to March 2008, taking into account the level of fees that will be payable by Brevan Howard Global Opportunities Master Fund. These figures are unaudited.

Simulated return since inception: 14.1%\*

Note: 2007 includes data for October to December only and 2008 includes data up to 31 March only.

Source: BHAM, underlying data provided by IFS; data estimated as at 31 March 2008.

\* Simulated Return is calculated by BHAM based on daily data from IFS and otherwise on BHAM internal estimates. The information set forth in the table above is net of all investment management fees (simulated 3 per cent. annual management fee and 30 per cent. performance fee) for US\$ class A shares and all other fees and expenses payable by BHSOF. Returns are simulated because class A shares in BHSOF bore a lower management fee than the simulated 3 per cent. management fee and 30 per cent. performance fee over the calculation period.

The following table sets out historical data regarding the net asset value performance of the shares of BHSOF. It should be noted that past performance in respect of BHSOF is not necessarily indicative of the future performance of the Brevan Howard Global Opportunities Master Fund or the Company. These figures are unaudited.

### BHSOF – Simulated US\$ class A net asset value per share (percentage monthly change)\*

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007									-0.26%	-0.64%	7.11%	0.93%	7.14%
2008	10.54%	5.09%	-8.35%**										6.47%

\* Source: Underlying data provided by the Administrator, International Fund Services (Ireland) Limited Return Calculations made by BHAM. Information derived using software provided by Murex and RiskMetrics™.

The information set forth in the table above is net of all investment management fees (simulated 3 per cent. annual management fee and 30 per cent. performance fee) for US\$ class A shares and all other fees and expenses payable by BHSOF.

Returns are simulated because class A shares in BHSOF bore lower management fees than the simulated 3 per cent. management fee and 30 per cent. performance fee over the calculation period.

\*\* Data for March 2008 is based on estimated monthly net asset value not the final month-end net asset value.

BHSOF and its feeder funds have monthly subscription dealing dates and monthly redemption dealing dates, provided that six months' notice of a proposed redemption is given. A penalty fee may be charged for redemptions less than three years after such investment is made.

BHSOF is not subject to any limit on its ability to incur leverage.

BHSOF is a Cayman open-ended investment company. The Directors of BHSOF are Karla Bodden, Dennis Hunter, Juerg Steiger, Phil Schmitt, Jonas Rinné and James Vernon. Each of Karla Bodden, Dennis Hunter, Phil Schmitt, Jonas Rinné and Juerg Steiger are independent of Brevan Howard. The administrator of BHSOF is International Fund Services (Ireland) Limited.

The Brevan Howard Master Fund retains its seed investment in BHSOF.

# Part V

## Operating and Financial Review

The following discussion of the financial condition and results of operations of the Company and the Brevan Howard Global Opportunities Master Fund should be read in conjunction with the rest of this document.

This section contains forward-looking statements that are subject to known and unknown risks and uncertainties. Actual results could differ materially from those expressed or implied by such forward-looking statements as a result of various factors, including those discussed below and elsewhere in the Prospectus, particularly under the headings “Forward-Looking Statements” and “Risk Factors” beginning on pages 29 and 8 respectively.

### Overview of the Company and the Brevan Howard Global Opportunities Master Fund

The Company is a newly established, limited liability closed-ended investment company registered and incorporated in Guernsey on 25 February 2008 with an unlimited life. The Company will be organised as a feeder fund that will invest the proceeds of the Offer (net of those expenses of the Offer borne by the Company and funds required for its short-term working capital requirements), expected to be equal to an amount of approximately US\$493 million (assuming gross proceeds of US\$500 million), directly in Euro-denominated, US Dollar-denominated and Sterling-denominated class A shares of the Brevan Howard Global Opportunities Master Fund, a hedge fund in the form of a Cayman Islands exempted limited liability company which was incorporated on 3 March 2008. Initially, the Company will be the only feeder fund into the Brevan Howard Global Opportunities Master Fund.

### Future Investment Performance

Neither the Company nor the Brevan Howard Global Opportunities Master Fund has any historical financial statements or other historical operating or financial data that may be used to evaluate its performance. The Brevan Howard Global Opportunities Master Fund will initially invest up to 40 per cent. of its assets in the Brevan Howard Master Fund; however, neither the past performance of the Brevan Howard Master Fund nor any of the other Initial Funds is indicative of the future performance of the Brevan Howard Master Fund, the Brevan Howard Global Opportunities Master Fund or the Company. See “Risk Factors—Risks Relating to the Company’s investment in the Brevan Howard Master Fund—Past performance of the Brevan Howard Master Fund should not be taken as an indication of future performance”.

### Dependence on the Manager

The Company will not have investment discretion with respect to the Company’s investment in the Brevan Howard Global Opportunities Master Fund. Instead, the Company will rely on the skills and capabilities of the Manager, in its capacity as manager of the Brevan Howard Global Opportunities Master Fund, in selecting, evaluating, structuring, negotiating, executing, monitoring and exiting investments in accordance with its applicable investment policies and the performance of the managers of the investment entities in which the Brevan Howard Global Opportunities Master Fund makes investments. As a result, the Company’s ability to grow the Net Asset Value and any returns its investments may generate will depend on the ability of the investment managers of the underlying funds to identify suitable trading and investment opportunities to implement effectively their respective investment strategies. Investment decisions by the underlying funds or by the Brevan Howard Global Opportunities Master Fund will not be subject to the prior approval of the Directors.

### Execution of Investment Strategies

The Company’s and the Brevan Howard Global Opportunities Master Fund’s ability to generate increases in their respective net asset values will depend primarily on the ability of the underlying entities into which Brevan Howard Global Opportunities Master Fund invests to manage and allocate their assets effectively and on the ability of the Manager (in its capacity as manager of Brevan Howard Global Opportunities Master Fund) to identify and make investments that generate attractive returns. Both the failure of the underlying entities’ investment strategies and the Manager’s failure to implement an appropriate asset allocation may reduce the NAV and adversely impact the value of the Shares. The success of the Brevan Howard Global Opportunities Master Fund’s investment strategy is dependent on a number of factors, including many that are beyond the control of the Manager, such as general economic and political conditions, interest rate movements, foreign currency exchange movements and volatility in the financial markets. In addition, the successful execution of the Brevan Howard Global Opportunities Master Fund’s investment strategy and the investment strategy of the investment entities in which it invests may be adversely affected by the growth in, and

demand for, investments in other hedge funds. This growth has resulted in greater competition among hedge funds for investments and may reduce investment opportunities, particularly for those investments that are based on inefficiencies in the applicable market for such investment. See “Risk Factors—Risks Relating to the Brevan Howard Underlying Funds—The increasing size and maturity of other hedge funds and other market participants may reduce the opportunities available to the Brevan Howard Underlying Funds for investment”.

### **Financial Reporting**

The Company will prepare financial statements on an annual and semi-annual basis in accordance with US GAAP and the Companies Laws. The Company’s financial statements will consist of a statement of assets and liabilities, statement of operations, a statement of changes in net assets, statement of cash flows, related notes and any additional information that the Directors deem appropriate or that is required by US GAAP and applicable law. The Company’s annual financial statements will be audited by an independent accounting firm. If as a result of ongoing work by international regulators in relation to convergence of accounting standards, the Company is required to prepare its accounts in accordance with IFRS, then the Company will do so in the future.

The Brevan Howard Global Opportunities Master Fund will prepare its financial statements in accordance with US GAAP.

The Company’s audited annual report and accounts will be prepared to 31 December of each year, commencing with its first financial year ending 31 December 2008, and it is expected that copies of the annual report will be sent to Shareholders by 30 April each year, or earlier if possible. Shareholders will also receive an unaudited half-yearly report each year commencing in respect of the period ending on 30 June 2008, expected to be despatched by 31 August 2008. The Company will also issue interim management statements within the meaning of the Disclosure and Transparency Rules during the period commencing ten weeks after the beginning and six weeks before the end of the first six-month period and the second six-month period of each financial year. As an alternative to issuing the interim management statements, the Company may choose (but is not obliged) to issue unaudited quarterly financial reports.

The Company’s audited annual report and accounts, unaudited interim reports and interim management statements (or unaudited quarterly financial reports) will be made available through a regulatory information service provider authorised by the London Stock Exchange.

The Company is required to send copies of its annual report and accounts to the Guernsey Financial Services Commission as soon as reasonably practicable after their publication. The Company is also required to provide certain statistical information to the Guernsey Financial Services Commission.

### **Measure of Financial Performance**

The Company expects that an important measure of its financial performance, and an important measure of the financial performance of the Brevan Howard Global Opportunities Master Fund, will be the change in net assets resulting from operating activities during an accounting period and the corresponding change in the Company’s and the Brevan Howard Global Opportunities Master Fund’s net asset value.

Under US GAAP, the Company’s statement of operations will report detail of the Company’s allocated share of net investment income from the Brevan Howard Global Opportunities Master Fund (that is, separate disclosure of allocated interest, dividends and expenses). The statement will also report separately the Company’s allocated share of the Brevan Howard Global Opportunities Master Fund’s realised and unrealised gains and losses.

The preparation of financial statements in conformity with US GAAP requires the Company and Brevan Howard Global Opportunities Master Fund to make estimates and assumptions that affect (a) the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and (b) the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

## **Costs and Expenses**

The Company will record at each month-end its proportionate share of the Brevan Howard Global Opportunities Master Fund's income, expenses and realised and unrealised gains and losses. In addition, the Company will accrue its own income and expenses. The Company believes that, on an on-going basis, these expenses will consist primarily of auditors' fees, directors' fees and other operational expenses such as legal fees and the costs of preparing and printing reports to the Shareholders.

## **Impact of Foreign Exchange Exposure on Returns to Holders of Euro and Sterling Shares**

The Shares in the Company are denominated in Euro, US Dollars and Sterling and its financial statements will be prepared in US Dollars. The operational and accounting currency of the Brevan Howard Global Opportunities Master Fund will be the US Dollar, and therefore non-US Dollar subscription monies for shares in the Brevan Howard Global Opportunities Master Fund will be converted to US Dollars for operating purposes. Although it is intended that the foreign exchange exposure of the assets of the Brevan Howard Global Opportunities Master Fund will generally be hedged in order to reduce foreign exchange risk and with the general objective that the returns before fees and LIBOR, there can be no assurance that any hedges put in place will be effective. Moreover, any direct foreign exchange exposure of the Company arising from the incurrence of non-US Dollar-denominated expenses by the Company will not be hedged. Investors in Euro- or Sterling-denominated Shares of the Company will accordingly have greater exposure to fluctuation in the Euro and Sterling exchange rates against the US Dollar than investors in the US Dollar-denominated Shares. In addition, the costs and any benefit of hedging the foreign currency exposure of the assets attributable to the shares in the Brevan Howard Global Opportunities Master Fund denominated in Euros and Sterling from the US Dollar will be allocated solely to the relevant class of shares in the Brevan Howard Global Opportunities Master Fund (and therefore to the relevant class of Shares in the Company). This may result in variations in the value of the three classes of Shares trading. See "Risk Factors—Risks Relating to the Brevan Howard Underlying Funds – Specific Risks relating to Brevan Howard Underlying Funds – Brevan Howard Underlying Funds may be exposed to foreign exchange risk, which may have an impact on the value of the assets of these funds and their respective results of operations" and "—Risks Relating to the an Investment in the Shares—Non US-Dollar-denominated Shares will be exposed to US Dollar exchange rate fluctuations".

## **Significant Accounting Policies**

The significant accounting policies of each of the Company and the Brevan Howard Global Opportunities Master Fund are reproduced below.

Significant accounting policies of the Company will include the following:

### ***Valuation of Investments***

The value of the investment in the Brevan Howard Global Opportunities Master Fund will reflect the balance of the Company's capital account. The valuation of securities held by the Brevan Howard Global Opportunities Master Fund is discussed in the section headed "Security Transactions and Valuations" in the section relating to the accounting policies of the Brevan Howard Global Opportunities Master Fund.

### ***Income and Expenses***

The Company will record monthly its proportionate share of the Brevan Howard Global Opportunities Master Fund's income, expenses and realised and unrealised gains and losses. In addition, the Company will accrue its own income and expenses.

***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the 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.

***Foreign Currency Translation***

Investment securities and other assets and liabilities denominated in foreign currencies will be translated into US Dollar amounts at prevailing exchange rates at the reporting date. Purchases and sales of investment securities in foreign currencies and income and expense items denominated in foreign currencies are translated into US Dollar amounts at the exchange rate on the respective dates of such transactions. The Company will not isolate that portion of the results of operations resulting from changes in currency exchange rates on investments from the fluctuations arising from changes in market prices of securities held. All currency gains and losses will be included in net realised and unrealised gain or loss from investments in its statement of operations.

***Cash and Cash Equivalents***

Cash and cash equivalents consists of cash on hand and bank balances.

***Allocation of Income and Expenses between Share Classes***

Income and expenses that are identifiable with a particular class are allocated to that class in computing its NAV. Income and expenses that are common to all classes are allocated between classes based on their monthly NAV.

Significant accounting policies of the Brevan Howard Global Opportunities Master Fund will include the following:

***Security Transactions and Valuation***

Security transactions will be accounted for on a trade date basis. Investments in other funds are valued at the latest available reported net asset value of the respective fund received from the fund's administrator. In some cases, these may be unaudited net asset values. Realised gains and losses on investments will be calculated using the specific identification method. Realised and unrealised gains and losses will be recorded at the reporting date in the statement of operations.

***Foreign Currency Translation***

Investment securities and other assets and liabilities denominated in foreign currencies will be translated into US Dollar amounts at prevailing exchange rates at the reporting date. Purchases and sales of investment securities in foreign currencies and income and expense items denominated in foreign currencies will be translated into US Dollar amounts at the exchange rate on the respective dates of such transactions. The Brevan Howard Global Opportunities Master Fund will not isolate that portion of the results of operations resulting from changes in currency exchange rates on investments from the fluctuations arising from changes in market prices of securities held. All currency gains and losses will be included in net realised and unrealised gain or loss from investments in its statement of operations.

***Use of Estimates***

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 the financial statements and the reported amounts of income and expense during the reporting period. Actual results could differ from those estimates. In particular, valuation models used to determine the fair value of unlisted derivative instruments require the use of a number of assumptions.

### ***Cash and Cash Equivalents***

Cash and cash equivalents consists of cash on hand and bank balances.

### ***Allocation of Income and Expenses between Share Classes***

Income and expenses that are attributable to a particular class are allocated to that class in computing its net asset value. Income and expenses that are common to all classes are allocated between classes based on their monthly net asset values.

### ***Liquidity and Capital Resources***

#### ***The Company's Sources of Cash and Liquidity Requirements***

The Company will invest virtually all of the cash that it receives from the Offer in shares of the Brevan Howard Global Opportunities Master Fund (net of those expenses of the Offer borne by the Company and funds required for its short-term working capital requirements), expected to be equal to an amount of approximately US\$493 million (assuming gross proceeds of US\$500 million).

The Company's initial source of liquidity will consist of the proceeds that it receives in connection with the Offer. On the Master Fund Launch Date the Company will invest these proceeds (net of those expenses of the Offer borne by the Company and funds required for its short-term working capital requirements) in class A shares of the Brevan Howard Global Opportunities Master Fund.

As the Brevan Howard Global Opportunities Master Fund is not expected to pay dividends, the Company expects that the primary source of its future liquidity will depend on borrowings in accordance with its leverage policies, the periodic redemption of shares of the Brevan Howard Global Opportunities Master Fund owned by it to the extent necessary to provide sufficient cash to fund its subsequent ongoing costs and expenses and the management of available cash and borrowings. The Company may incur leverage for the purpose of financing share repurchases or satisfying working capital requirements, subject to the borrowing limits of the Company in force from time to time. The Company may have (but is not committed to having) a credit facility in place at or subsequent to the date of Admission pursuant to which it may borrow funds for the purpose of financing share repurchases.

#### ***The Brevan Howard Global Opportunities Master Fund's Sources of Cash and Liquidity Requirements***

The Brevan Howard Global Opportunities Master Fund's initial source of liquidity will consist of the net proceeds from the investment in the Brevan Howard Global Opportunities Master Fund by the Company.

As its underlying investments are not expected to pay dividends, the Brevan Howard Global Opportunities Master Fund expects that the primary source of its future liquidity will depend on borrowings in accordance with its leverage policies, the periodic redemption of its investments it to the extent necessary to provide sufficient cash to fund its subsequent ongoing costs and expenses and the management of available cash and borrowings. The Brevan Howard Global Opportunities Master Fund will not be subject to any limitation on its ability to incur leverage.

### ***Contingencies and Contractual Obligations of the Company and the Brevan Howard Global Opportunities Master Fund***

#### ***The Company***

##### ***Management Agreement***

The Company is party to the Management Agreement, pursuant to which the Manager is appointed to manage, on a discretionary basis, all of the assets and investments of the Company.

No performance fees will be charged at the level of the Company. The Manager is entitled to receive a Management Fee equal to  $\frac{1}{2}$  of 0.5 per cent. per month of the Net Asset Value of each class of Shares under the Management Agreement. In addition, performance and management fees will be levied at the level of the underlying investments of the Brevan Howard Global Opportunities Master Fund. However, if the Company wishes to terminate the Management Agreement without cause it is required to give the Manager 24 months' prior notice or pay to the Manager an amount equal to the aggregate of the Management Fee and the basic management fees that would otherwise have been payable by the Brevan Howard Underlying Funds in which the Brevan Howard Global Opportunities Master Fund is, at the time of termination, invested in respect of assets invested by the Brevan Howard Global

Opportunities Master Fund during such 24 month period (such amount to be calculated for the whole of such period by reference to the portion of the net asset value of each relevant Brevan Howard Underlying Fund attributable to the Brevan Howard Global Opportunities Master Fund's investment prevailing immediately prior to the date of termination) less the aggregate amount of management fees payable by such Brevan Howard Underlying Funds prior to termination. No such payment would be payable in the event of termination with cause. The Manager may, by delivery of written notice to the Company, treat the Company as having served notice on the Manager of its intention to terminate the Management Agreement without cause if the Company requests redemption of all or part of its investments in the Brevan Howard Global Opportunities Master Fund (other than in the circumstances described in the section entitled "Withdrawal Rights from the Brevan Howard Global Opportunities Master Fund" in Part I of this document) or if the Company amends the investment objective, policy or restrictions disclosed in this document without consultation with the Manager or in a way to which the Manager, when consulted, objects.

If the Management Agreement is terminated: (a) without cause; (b) on the basis of a resolution being passed to wind-up the Company; or (c) because the Brevan Howard Global Opportunities Master Fund NAV on any Brevan Howard Global Opportunities Master Fund NAV Calculation Date is more than 25 per cent. lower than the average Brevan Howard Global Opportunities Master Fund NAV over the previous 12 Brevan Howard Global Opportunities Master Fund NAV Calculation Dates, the Management Agreement provides that the Manager is entitled to be paid an amount equal to the costs and expenses of the Offer that were borne by the Manager up to a maximum of 4 per cent. of the gross proceeds of the Offer. Moreover, if the Management Agreement is terminated pursuant to sub-paragraph (c) above, provided such event occurs within 24 months of the date of Admission, the Company shall pay the Manager the aggregate of the Management Fee and the basic management fees that would otherwise have been payable by the Brevan Howard Underlying Funds in which the Brevan Howard Global Opportunities Master Fund is, at the time of termination, invested in respect of assets invested by the Brevan Howard Global Opportunities Master Fund during such 24 month period (such amount to be calculated for the whole of such period by reference to the portion of the net asset value of each relevant Brevan Howard Underlying Fund attributable to the Brevan Howard Global Opportunities Master Fund's investment prevailing immediately prior to the date of termination) less the aggregate amount of management fees payable by such Brevan Howard Underlying Funds prior to termination.

For further information, please refer to the description of the Management Agreement in Part IX "Additional Information – Material Contracts" in this document.

### ***Other Agreements***

The Company is party to the Administration Agreement and the Receiving Agent Agreement and each of the Administrator and the Receiving Agent are entitled to receive certain fees from the Company for the provision of services under such agreements. Please refer to Part IX "Additional Information – Material Contracts" for a description of these agreements.

### **Brevan Howard Global Opportunities Master Fund**

The Brevan Howard Global Opportunities Master Fund is party to the Brevan Howard Global Opportunities Master Fund Management Agreement between the Manager and Brevan Howard Global Opportunities Master Fund. Please refer to Part X "Additional Information on the Brevan Howard Global Opportunities Master Fund – Material Contracts of the Brevan Howard Global Opportunities Master Fund" for a description of this agreement.

The Brevan Howard Global Opportunities Master Fund is party to an Administration Services Agreement between the Brevan Howard Global Opportunities Master Fund and IFS, pursuant to which IFS provides certain services for which it is entitled to receive a fee from the Brevan Howard Global Opportunities Master Fund. Please refer to Part X "Additional Information on the Brevan Howard Global Opportunities Master Fund – Material Contracts of the Brevan Howard Global Opportunities Master Fund" for a description of this agreement.

### ***Debt Obligations***

The Company may incur debt obligations for the purpose of financing share repurchases or satisfying working capital requirements. Such debt obligations may subject the Company to contractual obligations relating to the periodic payment of interest and the repayment of borrowed principal.

The Company has not incurred any debt obligation at the date of this document, but may have a credit facility in place at or subsequent to the date of Admission for the purpose of financing share repurchases or to satisfy working capital requirements, although it is not committed to having such a facility.

The Brevan Howard Global Opportunities Master Fund has not incurred any debt obligation at the date of this document, but may have a credit facility in place at or subsequent to the date of Admission, although it is not committed to having such a facility for the purpose of financing share purchases or buybacks or satisfying working capital requirements.

### ***Indemnification***

In the normal course of business each of the Company and the Brevan Howard Global Opportunities Master Fund may enter into contracts with service providers and other parties, including the Manager, that contain a variety of indemnification obligations. The maximum exposure of the Company or the Brevan Howard Global Opportunities Master Fund, as applicable, is unknown. In addition, pursuant to the Placing Agreement, the Company and, on a limited basis, the Manager have agreed to indemnify the Sponsor and the Banks and members of their respective groups against certain liabilities.

### ***Off Balance Sheet Arrangements***

Neither the Company nor the Brevan Howard Global Opportunities Master Fund currently has any off-balance sheet arrangements.

### ***Exposure to Market Risk***

The Company and the Brevan Howard Global Opportunities Master Fund expect to be exposed to a number of market risks as a result of the types of investments that the Brevan Howard Global Opportunities Master Fund and the investment entities in which it invests makes. The Company believes that this exposure to market risks will relate primarily to changes in the values of publicly traded and over-the counter (OTC) securities that are held for investment, the credit risk of counterparties, movements in prevailing interest rates, changes in foreign currency exchange rates, risks arising from hedging arrangements and the risk of insolvency of any of its prime brokers and custodians.

The Company and the Brevan Howard Global Opportunities Master Fund may seek to mitigate such risks through the use of hedging arrangements and derivative instruments, which could subject them to additional risks and which may not be completely effective.

### ***Securities Market Risks***

The investments of the Brevan Howard Underlying Funds are expected to include investments in a variety of securities, including equity and debt securities of both corporate and governmental entities, options, forwards, futures and swap contracts. The market prices and values of traded securities may be volatile and are likely to fluctuate due to a number of factors beyond the control of the Company or the Brevan Howard Global Opportunities Master Fund, including actual or anticipated fluctuations in the quarterly, semi-annual and annual results of such issuers or of other issuers in the industries in which they operate, extraordinary corporate events involving the issuers of such securities, market perceptions concerning the availability of additional securities for sale, interest and currency rate movements, volatility in commodity prices, general economic, social or political developments, industry conditions and changes in government regulation.

In accordance with US GAAP, the Company and the Brevan Howard Global Opportunities Master Fund will be required to value investments in traded securities based on current market prices at the end of each accounting period, which could lead to significant changes in the Net Asset Values and operating results that the Company and the Brevan Howard Global Opportunities Master Fund report.

### ***Credit Risks***

In the course of its businesses the Brevan Howard Global Opportunities Master Fund enters into investment contracts, such as derivative instruments, with third parties. Credit risk is the risk of the potential inability or refusal of counterparties to perform the terms of such investment contracts, which may be in excess of the amounts recorded in the Company's or the Brevan Howard Global

Opportunities Master Fund's respective balance sheet. In the event a counterparty fails to perform the terms of an investment contract, the Company may suffer an adverse effect on their results of operations and Net Asset Value.

#### *Interest rate risks*

The Company may incur debt obligations for the purpose of financing share repurchases or satisfying working capital requirements. The Brevan Howard Global Opportunities Master Fund may incur debt obligations for the purpose of financing share purchases or buybacks, satisfying working capital requirements or financing the acquisition of further investments. The Brevan Howard Underlying Funds have, and may continue to, incur indebtedness in order to enhance its returns. In addition, the Brevan Howard Underlying Funds may make investments that are sensitive to changes in interest rates. Due to the foregoing, each of the Company and the Brevan Howard Global Opportunities Master Fund may be exposed to risks associated with movements in prevailing interest rates. Volatility in interest rates could make it more difficult or expensive for the Company or the Brevan Howard Global Opportunities Master Fund to obtain debt financing, could negatively cause the prices of long or short positions held by the Brevan Howard Underlying Funds to move in directions not initially anticipated and could decrease the returns that the Company's and the Brevan Howard Global Opportunities Master Fund's investments generate.

#### *Foreign currency risks*

The functional and presentational currency of each of the Company, the Brevan Howard Global Opportunities Master Fund and the Initial Funds is the US Dollar. As a result, the investments that are carried as assets in the respective financial statements will be stated in US Dollars. When valuing investments that are denominated in currencies other than the US Dollar, each of the Company, the Brevan Howard Global Opportunities Master Fund and the Initial Funds will be required to convert the values of such investments into US Dollars based on prevailing exchange rates as of the end of the applicable accounting period. Due to the foregoing, changes in exchange rates between US Dollars and other currencies could lead to significant changes in the Net Asset Values that the Company, the Brevan Howard Global Opportunities Master Fund or the Initial Funds report and could subject such Net Asset Values to favourable or unfavourable fluctuations. Among the factors that may affect currency values are trade balances, levels of short-term interest rates, differences in relative values of similar assets in different currencies, long-term opportunities for investment and developments. Each of the Company, the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds may engage in a variety of hedging strategies, capital appreciation and political to offset this risk; however, there can be no assurance that such strategies can protect against a decline in asset values.

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#### *Hedging arrangements*

Neither the Company nor the Brevan Howard Global Opportunities Master Fund is currently party to any hedging arrangements but may be party to hedging arrangements in the future or through their exposure to the Brevan Howard Underlying Funds.

The Brevan Howard Underlying Funds may use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments to limit the Brevan Howard Underlying Funds' exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates.

The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines. However, such activities can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of the position. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price.

The success of any hedging or other derivative transactions will generally depend on the ability to correctly anticipate market changes. As a result, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, it may not be possible or desirable to achieve a perfect correlation between the instruments used in a hedging or other derivative transactions and the position being hedged. An imperfect correlation could prevent the intended result and create new risks of loss.

In addition, it may not be possible fully or perfectly to limit the Company's, the Brevan Howard Global Opportunities Master Fund's or the Brevan Howard Underlying Funds' exposure against all changes in the values of their respective investments, because the values of such investments are likely to fluctuate as a result of a number of factors, some of which will be beyond the control of the entities themselves or their respective investment managers.

## **Recent US GAAP Pronouncements**

### ***Financial Accounting Standards Board ("FASB") Statement No. 157, Fair Value Measurements***

Statement 157 defines fair value, establishes a framework for measuring fair value in GAAP, and requires enhanced disclosures about fair value measurements. This Statement applies when other accounting pronouncements require or permit fair value measurements; it does not require new fair value measurements. This Statement is effective for financial statements issued for fiscal years beginning after 15 November 2007, and interim periods within those years. However, the effective date of Statement 157 as it relates to fair value measurement requirements for non-financial assets and liabilities that are not remeasured at fair value on a recurring basis is expected to be deferred to fiscal years beginning after 15 December 2008 and interim periods within those years (see Proposed Financial Accounting Standards Board Staff Position ("FSP") 15 Financial Accounting Standard ("FAS") 1570-b below). Earlier application is encouraged, provided the entity has not yet issued financial statements, including financial statements for any interim period for that fiscal year.

### ***FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115***

Statement 159 permits entities to choose to measure many financial instruments and certain warranty and insurance contracts at fair value on a contract-by-contract basis. Statement 159 applies to all reporting entities, including not-for-profit organisations, and contains financial statement presentation and disclosure requirements for assets and liabilities reported at fair value as a consequence of the election. Statement 159 is effective as of the beginning of an entity's first fiscal year that begins after 15 November 2007. Early adoption is permitted subject to certain conditions; however an early adopter must also adopt Statement 157 at the same time.

### ***Emerging Issues Task Force ("EITF") Abstracts, Topic No. D-98, "Classification and Measurement of Redeemable Securities"***

At the 14 June 2007 EITF meeting, the SEC staff announced revisions to EITF D-98 related to the release of FASB Statement No. 159, The Fair Value Option for Financial Assets and Financial Liabilities. The SEC staff announced that it will no longer accept liability classification for financial instruments that meet the conditions for temporary equity classification under ASR 268, Presentation in Financial Statements of "Redeemable Preferred Stocks" and EITF D-98. As a consequence, the fair value option under Statement 159 may not be applied to any financial instrument (or host contract) that qualifies as temporary equity. Registrants that do not choose retrospective application should apply the announcement prospectively to all affected instruments that are entered into, modified, or otherwise subject to a remeasurement event in the registrant's first fiscal quarter beginning after 15 September 2007.

### ***Financing Accounting Standards Board Staff Position under Financial Accounting Standards Board Interpretation Number ("FSP FIN") 39-1, "Amendment of FASB Interpretation No. 39"***

FSP FIN 39-1 amends paragraph 10 of FASB Interpretation No. 39, Offsetting of Amounts Related to Certain Contracts. The FSP permits a reporting entity that is party to a master netting arrangement to offset fair value amounts recognised for the right to reclaim cash collateral (a receivable) or the obligation to return cash collateral (a payable) against fair value amounts recognised for derivative instruments executed with the same counterparty under the same master netting arrangement without needing to meet the criteria of paragraph 5(c) of FIN 39. The guidance in this FSP is effective for fiscal years beginning after 15 November 2007, with early application permitted.

Although not yet finalised, there are a number of Financial Accounting Standards Board Staff Provisions (“**FASB Staff Positions**”) that have been proposed that could impact financial statements for 2008. Those proposed FSPs include:

*Proposed FSP FAS 157-b*

This proposed FSP would delay the effective date of FASB Statement No. 157, Fair Value Measurements, for all non-financial assets and non-financial liabilities, except those that are recognised or disclosed at fair value in the financial statements on a recurring basis (at least annually).

*Proposed FSP FIN 48-b*

This proposed FSP would defer the effective date of Financial Accounting Standards Board Interpretation Number (“**FIN**”) 48 for non-public enterprises to fiscal years beginning after 15 December 2007. Non-public enterprises that have already adopted the provisions of FIN 48 would not be eligible for deferral.

# Part VI

## The Offer

The Company is targeting raising proceeds of US\$500 million (subject to increase) through the issue of Euro Shares, US Dollar Shares and Sterling Shares pursuant to the Offer. However, the size of the amount to be raised is indicative only. The Offer comprises a global Placing of Shares to investors procured by the Banks and an Offer for Subscription for Sterling Shares to the public in the United Kingdom. The actual number of Shares of each class issued pursuant to the Offer will be determined by the Directors, the Manager and the Joint Bookrunners after taking into account the demand for Shares of each class and prevailing economic and market conditions. Concurrently with the announcement of the basis of allocation, the Company will publish an Offer Size Statement which will contain the number of Euro Shares, US Dollar Shares and Sterling Shares which are the subject of the Offer. The Shares will have no par value and are being offered at the Offer Price.

The Company, following consultation with the Joint Bookrunners, reserves the right to determine at any time prior to Admission not to proceed with the Offer without prior consultation with prospective Shareholders. The Directors reserve the right not to proceed with the Offer if gross proceeds of the Offer are less than US\$250 million or such lesser amount as the Directors and the Manager in their absolute discretion may determine. In addition, the Company reserves the right to decline to issue any class of Shares for any reason.

At the date of this document, the actual number of Shares of each class to be subscribed under the Offer is not known. The actual number of Shares of each class subject to the Offer will be announced to investors through the publication of the Offer Size Statement through a RIS in due course. Certain Directors and senior Brevan Howard personnel intend to subscribe for Shares in the Offer with an aggregate value of approximately £100,000 and up to approximately US\$5 million respectively.

The ISIN Number for the Euro Shares is GG00B2QQPM28.

The ISIN Number for the US Dollar Shares is GG00B2QQPS89.

The ISIN Number for the Sterling Shares is GG00B2QQPT96.

### The Placing

Subject to the restrictions on sales set out in Part VIII of this document, the Shares offered in the Placing will be offered to institutional and other sophisticated investors in various jurisdictions. In addition, certain financial intermediaries will be invited to apply for Shares on behalf of clients in certain jurisdictions. No specific number of Shares has been set aside for financial intermediaries, and there will be no preferential allocation of Shares to financial intermediaries.

The procedure for prospective Shareholders to follow to apply for Shares in the Placing including the terms and conditions thereof are set out below.

Allocations of Shares in the Placing will be determined prior to Admission by the Banks in their absolute discretion (after consultation with the Company and the Manager) and notified to investors.

The latest time for the receipt of applications for Shares in the Placing is 4:00 p.m. on 22 May 2008 (but this period may be shortened or extended at the discretion of the Joint Bookrunners with the agreement of the Company and the Manager and without further notice).

### Terms and conditions of the Placing

#### 1. Introduction

These terms and conditions apply to persons making an offer to subscribe for Shares under the Placing.

Each person to whom these conditions apply (an “Investor”) hereby agrees with the Banks, the Registrar and the Company to be bound by the following terms and conditions upon which the Shares will be sold under the Placing. An Investor shall, without limitation, become so bound if any Bank (a) confirms to such Investor the allocation to such Investor; and (b) notifies, on behalf of the Company, the name of the Investor to the Registrar.

## **2. Agreement to acquire Shares**

Conditional on (i) Admission occurring and becoming effective by 8:00 a.m. on or prior to 29 May 2008 (or such later date as the Company and the Joint Bookrunners may agree); (ii) the Placing Agreement becoming unconditional in all respects and not having been terminated on or before 29 May 2008 (or such later date as the Company and the Joint Bookrunners may agree); and (iii) the confirmation mentioned under paragraph 1 above, each Investor agrees to become a member of the Company and agrees to acquire Shares at the Offer Price. The number of Shares sold to such Investor under the Placing shall be determined in accordance with the arrangements described above. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights which such Investor may have.

## **3. Payment for Shares**

Each Investor undertakes to pay the Offer Price for the Shares sold to such Investor in such manner as shall be directed by the Banks. Any Investor which is a financial intermediary undertakes on its own behalf and as principal (and not on behalf of any other party) to make payment for the Shares sold to such Investor.

In the event of any failure by an Investor to pay as so directed by the Banks, the relevant Investor shall be deemed hereby to have appointed the Banks or any nominee of the Banks to sell (in one or more transactions) any or all of the Shares in respect of which payment shall not have been made as so directed and to have agreed to indemnify on demand each of the Banks in respect of any liability for stamp duty and/or SDRT arising in respect of any such sale or sales.

## **4. Representations and warranties**

By receiving this document, each Investor and, in the case of paragraph 4.7 below, any person confirming his agreement to purchase Shares in the Placing on behalf of an Investor or authorising the Banks to notify an Investor's name to the Registrar, is deemed to represent and warrant to each of the Banks, the Registrar and the Company that:

- 4.1 if the Investor is a natural person, such Investor will not be under the age of majority (18 years of age in the United Kingdom) on the date of such Investor's agreement to subscribe for Shares under the Placing is accepted;
- 4.2 in agreeing to subscribe for Shares under the Placing, the Investor is relying solely on the Prospectus or any supplementary prospectus (as the case may be) or any regulatory announcement issued by the Company, and not on any other information or representation concerning the Company or the Placing. Such Investor agrees that none of the Company, the Manager, the Registrar nor any Bank nor any of their respective officers or directors will have any liability for any such other information or representation;
- 4.3 if the Investor is outside the United Kingdom or Guernsey, this Prospectus does not constitute an invitation or offer to such Investor or any person whom such Investor is procuring to subscribe for Shares pursuant to the Placing unless, in the relevant territory, such offer or invitation could lawfully be provided to such Investor or such person and Shares could lawfully be subscribed and held by such Investor or such person without compliance with any unfulfilled approval, registration or other legal requirements;
- 4.4 if the laws of any place outside the United Kingdom or Guernsey are applicable to the Investor's agreement to purchase Shares and/or acceptance thereof, such Investor has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with the Investor's agreement to purchase Shares and/or acceptance thereof and none of the Banks, the Registrar and the Company, or any of their respective agents, officers or employees above will infringe any laws or regulatory requirements directly or indirectly, outside the United Kingdom or Guernsey as a result of such Investor's agreement to purchase Shares and/or acceptance thereof or any actions arising from such Investor's rights and obligations under the Investor's agreement to purchase Shares and/or acceptance thereof or under the Articles;
- 4.5 the Investor (a) is not a benefit plan investor (as defined in Section 3(42) of ERISA, which term includes any employee benefit plan that is subject to Part 4 of Subtitle B of Title I of ERISA, any plan that is subject to Section 4975 of the Code, such as an individual retirement account, and any entity whose underlying assets include plan assets by reason of a plan's investment in the entity, a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code (each, a "Similar Law") and (b) is not using "plan assets" (within the meaning of Section 3(42) of ERISA) subject to Title I of ERISA or Section 4975 of the Code;

- 4.6 the Investor is not (a) a US person as defined in Regulation S; or (b) a person to whom the offering of the Shares, or in relation to whom the direct or beneficial holding of the Shares, would or might result in the Company incurring a liability to taxation or suffering any pecuniary, fiscal, administrative or regulatory or similar disadvantage, in connection with the Company being required to register as an “investment company” under the Investment Company Act, losing any exemptions under the Investment Company Act, or the assets of the Company being deemed to be assets of a Plan Investor;
- 4.7 in the case of a person who confirms to a Bank on behalf of an Investor (whether a natural person or otherwise) an agreement to subscribe for Shares in the Placing and/or who authorises a Bank to notify the Investor’s name to the Registrar as mentioned above, that person represents and warrants that he has authority to do so on behalf of the Investor; and
- 4.8 the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the UK Finance Act 1986 (depository receipts and clearance services).

Each person in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) (other than in the case of paragraph (a), persons receiving offers contemplated in the Prospectus in the United Kingdom once the Prospectus has been approved by the UKLA) who receives any communication in respect of, or who acquires any Shares in the Placing will be deemed to have represented and warranted to and agreed with each Bank, the Administrator, the Registrar and the Company that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive or it is itself acquiring Shares for a total consideration of not less than €50,000; and

(b) in the case of any Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Shares acquired by it in the Placing have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, (x) persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or (y) persons in any Relevant Member State acquiring Shares for a total consideration of less than €50,000; or (ii) where Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, or (y) persons in any Relevant Member State acquiring Shares for a total consideration of less than €50,000, the offer of those Shares to it is not treated under the Prospectus Directive as having been made to such persons.

For the purposes of this representation, the expression an “offer of Shares to the public” in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

The minimum amount for which a prospective investor may subscribe in the Placing is €50,000 (or its equivalent in US Dollars or Sterling). Notwithstanding the above, the Joint Bookrunners may accept applications for Shares for a total consideration of less than the equivalent of €50,000 from the Directors and the directors, employees and officers of any member of the Brevan Howard group, their respective affiliates and such other persons as the Joint Bookrunners and the Company may determine. A small proportion of the Shares in the Placing (with a value of up to approximately US\$15 million) will be reserved by the Joint Bookrunners for allocation to such persons.

Each person who receives any communication in respect of, or who acquires any Shares in the Placing under, the offers contemplated in this Prospectus in circumstances under which the laws or regulations of a jurisdiction other than a Relevant Member State would apply will be deemed to have represented and warranted to the Company and each Bank that it is a person to whom the Shares may be lawfully offered under that other jurisdiction’s laws and regulations without compliance by the Company or the Banks with any filing, approval or notification requirements outside Guernsey or the United Kingdom, and to have acknowledged and agreed that the information contained in this Prospectus is available only to persons who have professional experience in matters relating to investment.

### **The Offer for Subscription**

The Company is making the Offer for Subscription under which Sterling Shares are being made available to the public in the United Kingdom. Applicants under the Offer for Subscription will be required to apply for Sterling Shares at the Offer Price, payable in full on application in Sterling, to be received by Computershare Investor Services PLC at the address set out below by no later than 11.00 a.m. on 21 May 2008.

The terms and conditions of application under the Offer for Subscription are set out towards the end of this document and are followed by notes on how to complete the Public Application Form. Public Application Forms must be posted to Computershare Investor Services PLC, Corporate Actions Projects, Bristol, BS99 6AH, or delivered (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to arrive no later than 11.00 a.m. on 21 May 2008. The Offer for Subscription will, unless extended, close at that time.

The minimum subscription pursuant to the Offer for Subscription is £50,000 (or such lesser amount that the Company may at its absolute discretion determine to accept).

**The Offer for Subscription is being made only to the public in the United Kingdom and applications for Shares under the Offer for Subscription will only be accepted from United Kingdom residents unless the Company (in its absolute discretion) determines that applications may be accepted from non-United Kingdom residents without compliance by the Company with any regulatory, filing or other requirements or restrictions.**

#### **ISAs and PEPs**

The Shares will be a qualifying investment for the stocks and shares component of an ISA provided they are acquired by an ISA plan manager through an offer to the public (such as the Offer for Subscription) or in the market. Although no new PEPs may be opened and no further subscriptions may be made to existing PEPs, the Shares will also qualify as an eligible security in an existing PEP provided they are acquired by a PEP plan manager through an offer to the public (such as the Offer for Subscription) or in the market, in either case from the proceeds raised from the sale of an existing PEP holding. However, participants in the Placing will not be able to subscribe through an ISA or a PEP as the rules governing ISAs and PEPs prohibit the inclusion of privately placed Shares.

#### **Applications and Allocations in the Offer for Subscription**

Applications under the Offer for Subscription may only be made on the Public Application Form at the end of this document. In all cases completed applications together with the full subscription monies (in Sterling) must be received by Computershare Investor Services PLC, at Corporate Actions Projects, Bristol, BS99 6AH, or The Pavilions, Bridgwater Road, Bristol BS13 8AE, by no later than 11.00 a.m. on 21 May 2008.

It is expected that the basis of allocations of Sterling Shares pursuant to the Offer will be announced through a RIS provider on 23 May 2008.

The typical investor for whom an investment in the Company is designed will be a sophisticated or institutional investor or an underlying client of a discretionary private wealth management group who is willing to bear above average risk in return for potential attractive long-term capital appreciation. An investment in the Company should be regarded as long-term in nature.

#### **Trail Commission**

Qualifying Investors (or the financial intermediary itself where such investors are procured by that financial intermediary) are entitled from the Manager to a trail commission as described below and for so long as the Manager remains the manager of the Company.

Qualifying Investors are those investors who subscribe for and are allocated Shares in the Offer having a minimum aggregate value at the date of Admission of US\$2,000,000 (held in whatever combination of US Dollar Shares, Euro Shares and Sterling Shares) (or the financial intermediary itself where such investors are procured by a financial intermediary) and who at the commission calculation date (being the last Business Day of June, September, December and March) ("**Commission Calculated Date**") hold such value of Shares (or other Shares acquired as a result of conversion of such Shares) having regard to the prevailing rate of exchange at the Commission Calculation Date for calculating the US Dollar equivalent of Euros or Sterling. Shares acquired in the secondary market or Shares acquired at the time of the IPO but subsequently disposed of, will not be counted for the purposes of considering whether a person is a Qualifying Investor.

Subject as described below, Qualifying Investors will be able to claim from Dexion Capital (Guernsey), on behalf of the Manager, a trail commission of 0.5 per cent. per annum of the Net Asset Value per Share of the relevant class of Share(s) held by the Qualifying Investor multiplied by the number of Shares held by the Qualifying Investor in each class in each case calculated and payable quarterly in arrear by the Manager (with the first payment being pro-rated for the period from Admission to 30 September 2008).

Trail commissions will only be payable to such Qualifying Investors under the Offer (or to a financial intermediary itself where such investors are procured by that financial intermediary) who make a claim to Dexion Capital (Guernsey) within 30 days following the end of the relevant quarter.

**Only Qualifying Investors (or the financial intermediary itself where such investors are procured by that financial intermediary) are entitled to a trail commission from the Manager. Claims should be made on the application form that will be made available by Dexion Capital (Guernsey), on behalf of the Manager, at the following email address: bhgtrail@dexioncapital.com**

Non-Qualifying Investors will not be entitled to receive trail commissions and trail commissions will cease to be paid to Qualifying Investors in respect of Shares of the relevant class subsequently disposed of by such Qualifying Investors even if subsequently repurchased by them. Trail commissions will not be pro-rated to take account of the date of any disposal of Shares during a quarter and will not be payable unless those Shares remain held at the Commission Calculation Date at the end of the relevant quarter. Separately and in addition, a Qualifying Investor may itself direct that all or part of any trail commissions otherwise payable to it should instead be paid to one or more third parties including financial intermediaries.

In certain circumstances, the Manager may agree variations in any of these terms with certain investors or in certain territories. Separately, financial intermediaries acting on behalf of Qualifying Investors may agree variations to any of such terms. For the avoidance of doubt, trail commission is payable directly by Dexion Capital (Guernsey) on behalf of the Manager (and not the Company).

### **Money laundering**

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, the Company and its agents or the Manager, Administrator or Receiving Agent may require evidence of the identity of each investor in connection with any application for Shares, including further identification of the applicant(s), before any Shares are issued. Failure to provide the necessary evidence of identity may result in a Shareholder's application being rejected or delays in the dispatch of documents.

### **Placing arrangements**

The Company, the Directors, the Manager, the Sponsor and the Banks have entered into the Placing Agreement pursuant to which, subject to certain conditions, including agreement as to the number of Shares in the Placing and execution and delivery of a purchase memorandum, the Banks have agreed to use reasonable endeavours to procure purchasers for, or failing which Morgan Stanley and Dresdner will purchase certain of the Shares in the Placing in each case at the Offer Price. The Placing Agreement contains provisions entitling the Joint Bookrunners (on behalf of the Banks) to terminate the Placing Agreement (and the arrangements associated with it) at any time before Admission in certain circumstances. If this right of termination is exercised by the Joint Bookrunners (on behalf of the Banks), the Offer, these arrangements will lapse and any monies received in respect of the Placing or the Offer for Subscription will be returned to applicants without interest.

Further details of the Placing Agreement are set out in Part IX of this document.

The Joint Bookrunners may appoint additional placing agents with whom they may share their commission received pursuant to the Placing Agreement and the Banks may also share their commission with certain financial intermediaries.

### **Costs and Expenses of the Offer**

The costs and expenses of the Offer up to 1 per cent. of the gross proceeds of the Offer will be borne by the Company. The costs and expenses of the Offer in excess of this amount will be paid by the Manager.

### **Rebates**

Large orders from investors to subscribe for Shares subject to the Offer and whose allocations are subsequently confirmed in the Offer by the Joint Bookrunners will receive rebates from the Joint Bookrunners (i) at a rate of 0.5 per cent., where the total consideration payable for the Shares by an investor pursuant to the relevant order is greater than the equivalent of US\$50 million and less than or equal to the equivalent of US\$100 million, or (ii) at a rate of 1 per cent., where the total consideration payable for the Shares by an investor is greater than the equivalent of US\$100 million.

## **CREST**

Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST.

CREST is a paperless settlement procedure enabling securities to be evidenced other than by certificates and transferred other than by written instrument. The Articles permit the holding of the Shares under the CREST system. The Directors intend to apply for the Shares to be admitted to CREST as participating securities with effect from Admission. Accordingly, it is intended that settlement of transactions in the Shares following Admission, once issued and fully paid, may take place within the CREST system if the relevant Shareholders so wish.

CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrar.

If a Shareholder or transferee requests Shares to be issued in certificated form, a share certificate will be despatched either to them or their nominee (at their own risk) as soon as practicable. Shareholders holding definitive certificates may elect at a later date to hold their Shares through CREST in uncertificated form provided that they surrender their definitive certificates to the Registrar on behalf of the Company.

## **Dealings**

The Offer is subject to the satisfaction of certain conditions contained in the Placing Agreement, including Admission occurring and becoming effective by 8.00 a.m. (London time) on 29 May 2008 or such later time or date as may be determined in accordance with the Placing Agreement.

Application has been made for the Shares to be admitted to the main market for listed securities of the London Stock Exchange. It is expected that Admission will become effective and that unconditional dealings in the Shares will commence on 29 May 2008. It is expected that CREST accounts will be credited with Shares on 29 May 2008 and, if applicable, definitive share certificates for the Shares will be despatched on the week commencing 9 June 2008 or as soon as it is thereafter practicable. No temporary documents of title will be issued. Pending the despatch by post of definitive share certificates where applicable, transfers will be certified against the register held by the Registrar.

It is expected that dealings in the Shares will commence on a conditional basis on the London Stock Exchange at 8.00 a.m. (London time) on 23 May 2008. The date for settlement of such dealings is expected to be 29 May 2008. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued" basis.

These dates and times may be changed. If the Offer does not become wholly unconditional or Admission does not occur, all such conditional dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

The Company is also considering an application for a listing of the Company's US Dollar Shares on the DIFX. Nothing in this document should be construed as an obligation on the Company to apply for a listing of its US Dollar Shares on the DIFX by any particular date or at all. Further information regarding the listing of the US Dollar Shares on the DIFX will be made available at the time of such listing, if applied for and such application is made and granted.

## **Stabilisation and over-allotment**

In connection with the Offer, Morgan Stanley as stabilisation manager, on behalf of the Banks or any other person acting for them, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot or effect other transactions which are intended to stabilise or maintain the market price of the Shares at a level higher than that which might otherwise prevail in the open market. Morgan Stanley is not required to enter into such transactions and such transactions may be effected on the London Stock Exchange and any other securities market, over the counter market or otherwise. Such stabilising measures, if commenced, may be discontinued at any time and must be brought to an end within 30 calendar days following the date on which conditional dealings in the Shares commence. Save as required by law, Morgan Stanley does not intend to disclose the extent of any over-allotment and/or stabilisation transactions under the Offer or the amount of any long or short positions.

In connection with the Offer, Morgan Stanley as stabilising manager may, for stabilisation purposes over-allot Shares of each class up to a maximum of 10 per cent. of the total number of Shares of each class issued pursuant to the Offer. The Company has granted to

Morgan Stanley, as stabilising manager, the Over-allotment Option pursuant to which Morgan Stanley may require the Company to issue additional Shares at the Offer Price to cover over-allotments, if any, made in connection with the Offer and to cover any short positions resulting from such over-allotments and/or from sales of Shares effected by it during the stabilising period. The number of Shares of each class subject to the Over-allotment Option is equal to 10 per cent. of the total number of Shares of each class issued pursuant to the Offer (before any exercise of the Over-allotment Option). The Over-allotment Option may be exercised from the date of commencement of conditional dealings for a period of 30 calendar days thereafter.

### **Relationship with the Banks**

The Banks and their respective affiliates may from time to time provide products and advisory or other services to the Company, the Manager or any of their respective affiliates. From time to time, the Banks and their respective affiliates may also engage in other transactions with the Company, the Manager, the Brevan Howard Global Opportunities Master Fund, the Brevan Howard Master Fund and other funds managed or investment managed by the Manager or its affiliates in the ordinary course of their businesses, including, without limitation, transactions involving the purchase and sale of securities, loans and other investments, derivative transactions including hedging transactions, valuation services and other transactions (for example, leverage against investments). One or more of the Joint Bookrunners may enter into a credit facility with the Manager at or subsequent to the date of Admission which may be used by the Manager to finance, satisfy and discharge its portion of the liability for costs and expenses associated with the Offer.

Any of the Banks and/or their respective affiliates may from time to time sell assets to, or acquire assets from, the Brevan Howard Underlying Funds or other funds managed or investment managed by the Manager including the Brevan Howard Master Fund. From time to time, any of the Banks or their respective affiliates may hold securities of the same issuer as the Brevan Howard Underlying Funds, which securities may be senior to the securities of such issuer held by the Brevan Howard Master Fund.

Potential Shareholders should note that one or more of the Banks and/or their respective affiliates may have acted, may currently act, and may in the future act in various capacities in relation to the issuers of certain securities in which the Brevan Howard Underlying Funds invest or may invest, including as manager, servicer, security trustee, equity holder and/or secured lender to the issuer or affiliates of the issuer of the relevant securities. Each such role would confer specific rights to and obligations on the relevant Bank and/or its respective affiliate. In carrying out these rights and obligations, the interests of the relevant Bank and/or its respective affiliate may not be aligned with the interests of a potential investor in the Shares.

# Part VII

## Tax Considerations

### General

The discussion herein is for informational purposes only and is not intended to be exhaustive. It is a discussion primarily of the Guernsey, United Kingdom and German tax consequences for prospective Shareholders, which may vary depending upon the particular circumstances and status of prospective Shareholders. This discussion is not intended to constitute advice to any person and should not be so construed. Accordingly, each prospective Shareholder should consult its own tax advisers as to the possible tax consequences of buying, holding or selling the Shares under the laws of their country of citizenship, residence or domicile or other jurisdictions in which they are subject to tax.

**If you are in any doubt about your tax position, or if you may be subject to tax in a jurisdiction other than Guernsey, the United Kingdom or Germany, you should consult your professional adviser.**

### Guernsey

Guernsey currently does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax) gifts, sales or turnover, nor are there any estate duties, save for an *ad valorem* fee for the grant of probate or letters of administration.

The Company will apply for and is expected to be granted exempt status for Guernsey tax purposes.

In return for the payment of a fee, currently £600, a company is able to apply annually for exempt status for Guernsey tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest arising in Guernsey and any income that does not have its source in Guernsey.

Payments of dividends and interest by a company that has exempt status for Guernsey tax purposes are regarded as having their source outside Guernsey and hence are payable without deduction of tax in Guernsey.

The Policy Council of the States of Guernsey has stated that it may consider further revenue raising measures in 2011/2012, including possibly the introduction of a goods and services tax, depending on the state of Guernsey's public finances at that time.

Document duty is payable on the creation or increase of authorised share capital at the rate of 1/2 of 1 per cent. of the nominal value of the authorised share capital of a company incorporated in Guernsey up to a maximum of £5,000 in the lifetime of a company. In the case of a Guernsey company which is a closed-ended investment company with an authorised share capital consisting of shares of no par value, such as the Company, the document duty is set at a flat rate of £2,000. No stamp duty is chargeable in Guernsey on the issue, transfer or repurchase of shares.

### The Shareholders

Any Shareholders who are resident for tax purposes in Guernsey, Alderney or Herm will suffer no deduction of tax by the Company from any dividends payable by the Company whilst it holds exempt company status for Guernsey tax purposes but the Administrator will provide details of distributions made to Shareholders resident in the Islands of Guernsey, Alderney and Herm to the Administrator of Income Tax in Guernsey. Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of any Shares owned by them.

Guernsey has introduced measures that are the same as the EU Savings Tax Directive. However, paying agents located in Guernsey are not required to operate the measures on distributions made to Shareholders by closed-ended investment companies established in Guernsey.

### United Kingdom

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of holding Shares. They are based on current UK legislation and the practice of HM Revenue & Customs ("HMRC"), which may change. They apply only to Shareholders who are resident, ordinarily resident and

domiciled for tax purposes in the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Shares as an investment and who are the absolute beneficial owner of both the Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

### **General**

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Company. This will include conducting the affairs of the Company so that it does not become resident in the United Kingdom for taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom (whether or not through a permanent establishment situated therein), the Company will not be subject to United Kingdom income tax or corporation tax other than on United Kingdom source income.

### **Tax on disposal**

The Directors have been advised that the Company should not be an offshore fund for the purposes of UK taxation and the provisions of Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 (the "offshore funds rules") will not apply. Accordingly, Shareholders (other than those holding Shares as trading stock, who are subject to separate rules) who are resident or ordinarily resident in the UK, or who carry on business in the UK through a branch or agency (if an individual), or a permanent establishment (if a corporation) with which their investment in the Company is connected may, depending on their circumstances and subject as mentioned below, be liable to UK tax on capital gains realised on the disposal of their Shares (or obtain relief for any loss).

Holders of Shares who are within the charge to UK corporation tax on chargeable gains will benefit from indexation allowance which, in general terms, increases the capital gains tax base cost of an asset in accordance with the rise in the retail price index.

A holder of Shares who is neither resident nor, in the case of a non-corporate holder, ordinarily resident in the UK for UK taxation purposes is not subject to UK taxation of chargeable gains unless, in the case of a non-corporate holder, he carries on a trade, profession or vocation in the UK through a branch or agency or, in the case of a corporate holder, it carries on a trade in the UK through a permanent establishment and the assets disposed of are situated in the UK and are used or held for the purposes of the branch or agency or the permanent establishment (as the case may be) or are acquired for use by or for the purposes of that branch or agency or that permanent establishment (as the case may be).

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

In October 2007 HMRC published a consultation document on the offshore funds rules. The document outlines, in very broad terms, a potential replacement for the current regime which may be somewhat wider in scope. If the consultation document proposals were enacted, it is possible that holders of Shares would fall within the replacement regime and that gains on a disposal of Shares would be taxed as income rather than capital. HMRC announced in a press release accompanying the Chancellor of the Exchequer's 2008 budget speech that the definition of "offshore fund" for UK tax purposes will be changed by the 2009 Finance Bill; however, it is not clear whether this will be on the basis set out in the consultation document.

### **Taxation of dividends on Shares**

UK resident individual Shareholders will be liable to income tax on the gross amount of the dividends received. An individual Shareholder who is subject to income tax at the higher rate will be subject to UK income tax on such dividends at the rate of 32.5 per cent.. UK resident corporate Shareholders will be liable to corporation tax in respect of dividends received from the Company.

Clause 31 of and Schedule 12 to the Finance Bill 2008 provide that with effect from 6 April 2008, UK resident individuals in receipt of dividends from non-UK resident companies who own less than a 10 per cent. shareholding in those companies will become entitled to a non-payable tax credit of one ninth of the dividend received. Tax will generally then be charged on the amount of the dividend received, grossed up to include the tax credit. If the Finance Bill is enacted in its current form, this will have the effect (for the tax year

to 5 April 2009) of lowering the effective rate of UK income tax on dividends on Shares for such individual Shareholders to 0 per cent. (in the case of a basic-rate taxpayer) and 25 per cent. (in the case of a higher-rate taxpayer).

A Shareholder who is not resident in the UK for UK tax purposes will not be liable to income or corporation tax in the UK on dividends paid on the Shares unless such a Shareholder carries on a trade (or profession or vocation) in the UK and the dividends are either a receipt of that trade or, in the case of corporation tax, the Shares are held by a UK permanent establishment through which the trade is carried on.

### **Stamp duty and stamp duty reserve tax (“SDRT”)**

No UK stamp duty, and no UK SDRT, will be payable on the issue of the Shares.

UK stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the nearest £5 of the amount of consideration for the transfer) is payable on any instrument of transfer of the Shares executed within, or in some circumstances brought into, the UK. Provided that the Shares are not registered in any register by or on behalf of the Company kept in the UK and that the Shares are not paired with shares issued by a company incorporated in the UK, an agreement to transfer the Shares will not be subject to UK SDRT.

### **Other UK tax considerations**

The attention of individuals ordinarily resident in the UK is drawn to the provisions of chapter 2 of Part 13 of the Income Tax Act 2007 (“ITA”), which contains anti-avoidance provisions dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed profits of the Company. More generally, the attention of Shareholders is also drawn to the provisions of (in the case of an individual Shareholder) chapter 1 of Part 13 ITA and (in the case of a corporate Shareholder) sections 703-709 of the Taxes Act which give powers to HM Revenue & Customs to cancel tax advantages derived from certain transactions in securities.

The attention of companies resident in the UK is drawn to the fact that the “controlled foreign companies provisions” contained in sections 747-756 of the Taxes Act could be material to any company so resident that holds alone, or together with certain other associated persons, 25 per cent., or more of the Shares, if at the same time the Company is controlled by companies or any other persons who are resident in the United Kingdom for taxation purposes. Persons who may be treated as “associated” with each other for these purposes include two or more companies one of which controls the other(s) or all of which are under common control. The effect of such provisions could be to render such companies liable to United Kingdom corporation tax in respect of undistributed income profits of the Company.

The attention of United Kingdom resident or ordinarily resident Shareholders is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances where the Company would, if UK resident, be a close company, a portion of capital gains made by the Company can be attributed to an investor who, alone or together with associated persons, has more than a 10 per cent. interest in the Company.

### **Germany**

This section contains a summary of several taxation principles that are or may become important for the acquisition, holding, or disposal of Shares by Shareholders with unrestricted tax liability in Germany (hereinafter referred to as the “**German Shareholders**”). This section is not meant to be a comprehensive and complete representation of all German tax aspects possibly relevant for Shareholders. The tax position of certain categories of Shareholders who are subject to special rules (such as companies operating in the finance and insurance sector and pension funds) is not considered. This section is based upon German tax law applicable as at the date of this Prospectus and upon provisions of double taxation treaties entered into between the Federal Republic of Germany and other countries. In both areas, the law may change and such changes may have retroactive effect. In particular the taxation of dividends and capital gains will be changed with effect from 1 January 2009 onwards.

Potential subscribers for Shares are urged to consult their tax advisors about the tax consequences of the acquisition, holding and transfer of Shares. Only such tax advisors are in a position to take into account adequately the special tax situation of the individual shareholder.

The Company is a closed-ended, limited liability investment company. Pursuant to Section 2 paragraph 9 of the German Investment Act in connection with Section 1 paragraph 1 of the German Investment Tax Act ("**InvStG**"), closed-ended funds fall within the scope of the general German income tax rules, unless the foreign investment company is subject to a supervision of asset pools for the collective investment of capital in the state where it has its seat. In the absence of guidance from German tax and regulatory authorities it is unclear whether the supervision by the Guernsey authorities is regarded as supervision for German purposes. It is assumed for the following summary that the Company falls within the scope of German investment taxation (see below under "A. German Investment Taxation"). Taking into account the Company's closed-ended fund structure, it cannot be ruled out, however, that instead the general German income tax rules apply (see below under "B. General Income Tax Rules").

#### **A. German Investment Taxation**

The Company intends to comply with the tax calculation and reporting requirements pursuant to Section 5 of the InvStG. This involves tax calculations with regard to income and gains derived from the Brevan Howard Global Opportunities Master Fund and the Brevan Howard Underlying Funds. The Company can, however, not guarantee that the tax calculation and reporting requirements will really be met, which may result in negative tax consequences (deviating from the tax consequences explained in the following). The following tax information is valid only if and to the extent the requirements of Section 5 of the InvStG are met.

##### **Ongoing taxation**

German Shareholders will be subject to tax on any distributions and undistributed net income of the Company, comprising the distributions and undistributed net income derived by the Company from the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds. The taxable income includes interest income (among other items of income). Pursuant to Section 3 paragraph 2 No. 2 of the InvStG, interest income has to be accounted for as an accrual basis. Furthermore, recent jurisprudence of the German Federal Tax Court and current discussions pending on a change of law suggest that interest accruals have to be calculated based on the issue yield (unless the debt instrument does not provide for an issue yield). For tax purposes, the undistributed net income (so-called deemed distributions) will be deemed to have accrued to the German Shareholders at the end of the relevant fiscal year of the Company. If, however, income is distributed after the end of such fiscal year, the deemed distribution is, as a rule, attributable to the German Shareholder for tax purposes at the time of the relevant distribution. For German individual Shareholders holding their Shares as private assets (hereinafter referred to as "**Private Investors**"), distributions and deemed distributions will be deemed to be income from investment of capital within the meaning of Section 20 paragraph 1 No. 1 of the German Income Tax Act (*Einkommensteuergesetz*, "**ESTG**"). If the Shares are held by German Shareholders as part of business assets (hereinafter referred to as "**Business Investors**"), the distributions and deemed distributions will be deemed to be business income.

The deemed distributions of the Brevan Howard Global Opportunities Master Fund including the deemed distributions of the Brevan Howard Underlying Funds are attributed to the Company at the end of the fiscal year of the Brevan Howard Global Opportunities Master Fund or at the time of a subsequent distribution.

##### **Exemptions**

Among others, the following exemptions from the aforementioned taxation are available:

Apart from capital gains derived by the Company, the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds on the acquisition and later sale of securities and subscription rights to shares in corporations, also gains from derivative transactions by which a cash settlement or an amount or benefit determined by reference to a variable underlying is generated will, whether distributed or retained, remain exempted from taxation for Private Investors. As a result of the implementation of the flat tax as part of the Business Tax Reform Act 2008, capital gains derived by the Company, the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds through the sale of securities and subscription rights to shares in corporations acquired after 31 December 2008 and capital gains from derivative transactions entered into after 31 December 2008, will be taxable for Private Investors in case of a distribution. There are discussions pending on a change of law which would lead to a taxation of undistributed capital gains from debt instruments that do not provide for interest payments at a fixed rate or for the calculation of interest on an accrual basis in the hands of Private Investors and Business Investors.

Such capital gains derived from sales and derivative transactions (*Terminingeschäfte*) are generally deemed to be business income of Business Investors if actually distributed to them (but not if capitalised by the Company). There are exemptions available if gains derived from the sale of shares in corporations are distributed. In this case, Section 3 no. 40 lit. a) of the EStG applies to Business Investors who are liable to income tax, whereby currently 50 per cent. and, from 1 January 2009, 60 per cent. of the gains are taxable, and the privilege granted to German Shareholders being subject to corporation tax pursuant to Section 8b paragraph 2 of the German Corporate Income Tax Act (*Körperschaftsteuergesetz*, "**KStG**") is applicable (subject to the restriction set forth in Section 8b paragraph 3 of the KStG) if the Company has published the required information on the distributed capital gains derived from the sale of shares in corporations in compliance with Section 5 paragraph 1 sentence 1 No. 1 lit. c) ee) and ff) No. 3 of the InvStG.

With regard to dividends which are received by the Company, the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds, respectively, and paid to the German Shareholders as part of a distribution or are attributed to the German Shareholders as part of a deemed distribution, Section 3 no. 40 lit. d) of the EStG, whereby 50 per cent. of the dividends are taxable, or the privilege granted to corporation tax entities pursuant to Section 8b paragraph 1 of the KStG (subject to the restriction set forth in section 8b paragraph 5 of the KStG) are applicable if the Company has published the required information in compliance with Section 5 paragraph 1 sentence 1 No. 1 lit. c) cc) and dd) and No.3 of the InvStG. This will not apply for the purpose of trade tax (*Gewerbesteuer*). Dividends received by the Company, the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds from 1 January 2009 onwards are fully subject to the definitive flat tax in the hands of Private Investors. For Business Investors who are liable to income tax from 1 January 2009 onwards, 60 per cent. of the dividends received by the Company, the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds are taxable.

#### **Sale of Shares**

If Shares are held by a Private Investor, the gains on the sale are taxable, *inter alia*, if the sale occurs within one year of their acquisition (so-called "**Private Sales Transaction**"). After the one-year period, gains from the sale of Shares are not subject to tax, provided that the Shares are acquired before 31 December 2008. Gains from the sale of Shares which are acquired by Private Investors after 31 December 2008 will be taxable irrespective of the holding period.

Business Investors must always pay tax on all capital gains without regard to the number of Shares held or the duration of the investment. Any capital gains derived from a sale by Business Investors may, however, be partially not deductible and any loss suffered from the sale may be partially insignificant for tax purposes. The relevant extent of such effects will be determined pursuant to the so-called *Aktiengewinn* ("**gains from shares**"). The *Aktiengewinn* includes dividend income as well as both realised and unrealised capital gains from shares held by the Company if and to the extent that such earnings have not yet been distributed to the German Shareholders or attributed to them as part of deemed distributions. The *Aktiengewinn* of the Company includes the *Aktiengewinn* of the Brevan Howard Global Opportunities Master Fund and of the Brevan Howard Underlying Funds on a pro-rata basis. The privilege is subject to certain reporting requirements which are intended to be complied with.

#### **Withholding tax (Kapitalertragsteuer)**

In case a payment or credit of distributions of the Company or of proceeds from a sale of Shares is carried out through a credit institution acting within Germany (or an equivalent institution) which keeps in custody or administers shares ("**custody case**") or which pays out or credits the distributions or proceeds against surrender of the share certificates ("**over-the-counter transaction case**"), such institution, in general, has to retain German withholding tax. From 1 January 2009 onward the tax deduction is in general definitive (so-called definitive flat tax) for Private Investors.

In case of distributions the withholding tax is levied from the amount distributed and deemed distributed, excluding dividend income received by the Company, the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds before 1 January 2009, gains on the sale of securities and subscription rights to shares in corporations acquired by the Company or the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds before 1 January 2009 and gains from derivative transactions (*Terminingeschäfte*) entered into by the Company, the Brevan Howard Global Opportunities Master Fund or the Brevan Howard Underlying Funds before 1 January 2009.

In case of a sale of a Share, withholding tax is levied on the earnings deemed distributed per Share to German Shareholders of the Company for German tax purposes since the Company was established and not yet subjected to withholding tax upon distribution. If the disbursing credit institution already purchased the Share (or sold the Share) and kept the Share in custody since then, withholding tax will be withheld only on such earnings which are deemed to have accrued during the period of custody, and which were not yet subjected to withholding tax upon a distribution.

In case of distributions or sales until 31 December 2008, the withholding tax amounts to 31.65 per cent. (custody case) or 36.925 per cent. (over-the-counter transaction case) (both including solidarity surcharge). The tax withheld can generally be credited against the relevant German Shareholder's personal or corporate income tax, as the case may be, or be refunded in the course of the relevant German Shareholder's tax assessment. From 1 January 2009 onwards the withholding tax rate amounts to 26.375 per cent. (including solidarity surcharge).

## **B. General Income Tax Rules**

In case the Company does not fall within the scope of the InvStG, the general German income tax rules summarised below apply.

### ***Taxation of Dividends***

The dividend policy of the Company currently does not provide for dividends. If, however, despite that policy dividends are declared, the following applies. For Private Investors currently half of the dividends are subject to income tax at a progressive tax rate plus solidarity surcharge thereon. Only half of the expenses economically related to the dividends (that is, expenses incurred to generate income) are deductible for tax purposes.

Individuals holding the Shares as private assets are entitled to an annual tax-exempt allowance for investment income (*Sparerfreibetrag*) in the amount of €750 or €1,500 (for married couples assessed jointly) per calendar year, and to a lump sum deduction for investment income related expenses (*Werbungskostenpauschale*) in the amount of €51 and €102 (for married couples assessed jointly) respectively, unless a higher amount of expenses can be established.

From 1 January 2009 onwards, 100 per cent. of the dividends will be subject to a 25 per cent. fixed tax rate (plus the solidarity surcharge) in the hands of a Private Investor. Private Investors will be entitled for the overall amount of their investment income to an annual lump sum deduction of investment income related expenses (*Sparerpauschbetrag*) in the amount of €801 and €1,602 (for married couples assessed jointly). Neither any further annual-tax allowance (*Sparerfreibetrag*) nor further investment income related expenses will be tax deductible.

In the case of a corporate Business Investor, the dividends are in general exempt from corporate income tax and the solidarity surcharge. 5 per cent. of the dividends are considered to be non-deductible business expenses and are thus subject to corporate income tax (plus the solidarity surcharge). Otherwise, actual business expenses that are directly related to the dividends can be deducted. However, the full amount of any dividends remaining after deduction of business expenses having an economic nexus with the dividends is subject to trade tax, unless the corporation held at least 15 per cent. of the Company's registered share capital continuously since the beginning of the relevant tax assessment period and several other requirements are fulfilled. In the latter case, the dividends are not subject to trade tax; however, an amount of 5 per cent. of the dividends, which are deemed non-deductible business expenses, will be subject to trade tax.

In the case of a Business Investor who is subject to income tax currently half of the dividends are taken into account as taxable income. Likewise, only half of the business expenses that are economically related to the dividends are deductible. In addition the full amount of the dividends is subject to trade tax, unless the individual held at least 15 per cent. of the Company's registered share capital continuously since the beginning of the relevant tax assessment period and several other requirements are fulfilled. From 1 January 2009 on 60 per cent. of the dividends on shares held as business assets will be subject to personal income tax.

### ***Taxation of Capital Gains***

Half of the capital gains from the sale of Shares held by a Private Investor are generally subject to personal income tax plus the solidarity surcharge, whereas only half of the losses resulting from a sale of the Shares and half of the expenses economically related to a sale may be deducted, if the sale takes place in the context of a private sales transaction, i.e. within one year after the acquisition. The resultant gain is not taxable if it, together with other gains derived from private sales transactions, is less than €600 per annum. Losses from private sales transactions can be offset only against profits from private sales transactions in the same calendar year or, insofar as this is not possible due to inadequate profits, against profits from private sales transactions in the previous year or in subsequent years.

One half of the profits from the disposal of Shares held by a Private Investor is subject to personal income tax at the individual tax rate plus the solidarity surcharge, even after the expiration of the aforementioned one-year period, if the natural person or, in the case of a gratuitous transfer, his or her legal predecessor(s) held, directly or indirectly, at least 1 per cent. of the share capital of the company at any time during the five years prior to the disposal. Only half the losses on the disposal of the Shares and the expenses that are economically related to the disposal are deductible. Losses on the disposal of the Shares may not be creditable against other income of the Shareholder.

From 2009 onwards capital gains from the sales of shares held by a Private Investor will be taxable to their full extent in principle independently from any holding period at a rate of 25 per cent. (plus the solidarity surcharge). However, the new capital gain taxation will only apply to shares acquired after 31 December 2008.

Generally, the capital gains earned by a corporate Business Investor are exempt from corporate income tax (including the solidarity surcharge) and trade tax, irrespective of the size of the shareholding and the holding period. 5 per cent. of the capital gains are considered non-deductible business expenses and as such are subject to corporate income tax (plus the solidarity surcharge) and trade tax. Losses from the sale as well as any other reductions of profits related to the sold Shares are not tax-deductible.

50 per cent. (increased to 60 per cent. from 1 January 2009 onwards) of the capital gains earned by a non-corporate Business Investor are subject to progressive personal income tax plus the solidarity surcharge. Only 50 per cent. (increased to 60 per cent. from 1 January 2009 onwards) of the losses on the disposal of the Shares and the expenses economically related to the sale are tax-deductible. Losses on the disposal of the Shares may not be creditable against other income of the Shareholder. 50 per cent. (increased to 60 per cent. from 1 January 2009 onwards) of the capital gains are also subject to trade tax. Trade tax is generally credited against the Shareholder's personal income tax liability in accordance with a flat-rate tax credit method.

### **C. Inheritance or Gift Tax**

The transfer of Shares to another person by way of gift or inheritance is, in principle, only subject to German inheritance or gift tax, if

- (i) the testator, donor, heir, donee or any other beneficiary had his domicile or residence in Germany or has not been living abroad as a German citizen for more than five years without having a domicile in Germany, or
- (ii) the testator's or donor's Shares belong to business assets attributable to a permanent establishment or a permanent representative in Germany.

Special rules apply to German citizens living abroad but who are employees of German public-law entities and draw a salary or wages from a publicly funded source. These special rules also extend to the family members with German citizenship in such citizens' respective households.

### **D. Other Taxes**

No German stock exchange transfer tax, value-added tax, stamp duty or other such taxes are levied on the acquisition, sale or other disposal of Shares. However, in certain circumstances, it is possible that business owners may opt to pay value-added tax on earnings that are otherwise tax-exempt turnovers. Currently, no net wealth tax is payable in Germany.

# Part VIII

## Restrictions on Sales

This document has been approved by the UKLA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the FSMA and of the Directive 2003/71/EC. Arrangements may also be made with the competent authority in certain Member States of the European Economic Area that has implemented the Prospectus Directive for the use of this document as an approved prospectus in such jurisdictions to make a public offer in such jurisdictions. Issue or circulation of this document may be prohibited in countries other than those in relation to which notices are given below. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

### Notice to Prospective Shareholders in the EEA

Subject to the country specific selling restrictions in this Part VIII, in relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a **“Relevant Member State”**) an offer to the public of any Shares may not be made in that Relevant Member State, other than an offer to the public of the Shares in the United Kingdom once the Prospectus has been approved by the UK Listing Authority and is published and in any other Relevant Member State, once the Prospectus has been passported and published in accordance with the Prospectus Directive as implemented in the Relevant Member State. However, an offer to the public in a Relevant Member State of any Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (c) by the Banks to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Shares shall result in a requirement for the publication by the Company or any Bank of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an **“offer to the public”** in relation to any Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Shares to be offered so as to enable an investor to decide to purchase any Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive.

### Australia

The Company is a foreign body corporate and is not registered in Australia.

The provision of this document to any person does not constitute an offer of Shares to that person or an invitation to that person to apply for Shares. Any such offer or invitation will only be extended to a person if that person has first satisfied the Company that the person is a sophisticated or professional investor for the purpose of section 708 of the Corporations Act of Australia. This document is not a prospectus or product disclosure statement under Australian law. It is not required to, and does not, contain all the information which would be required in an Australian prospectus or product disclosure statement. It has not been lodged with the Australian Securities and Investments Commission.

It is a term of issue of the Shares that the investor may not transfer or offer to transfer their Shares to any person located in Australia unless the person is a sophisticated or professional investor for the purposes of section 708 of the Corporations Act of Australia.

The Company does not hold an Australian financial services licence, and investors do not have cooling-off rights under Australian law. Shares may be offered in Australia by an Australian Financial Services licence holder under a written intermediary authorisation with the Company.

### **Austria**

The Shares may only be offered in the republic of Austria in compliance with the provisions of the Austrian Capital Market Act and the Austrian Investment Funds Act and any other laws applicable in the republic of Austria governing the offer and sale of the Shares in the republic of Austria. The Shares are not registered or otherwise authorised for public offer under the Capital Market Act or the Investment Funds Act or any other relevant securities legislation in Austria. The recipients of this document and other selling material in respect to this document have been individually selected and are targeted exclusively on the basis of a private placement. Accordingly, the Shares may not be, and are not being, offered or advertised publicly or offered similarly under either the capital market act or the investment funds act or any other relevant securities legislation in Austria. This offer may not be made to any other persons than the recipients to whom this document is personally addressed.

### **Bahrain**

No offer to purchase the Shares will be made in the Kingdom of Bahrain. This document is intended to be read by the addressee only and is not to be passed to, shown to, or made available to the public generally.

### **Belgium**

The Company has not been and will not be registered with the Belgian Banking, Finance and Insurance Commission ("**Commissie voor het Bank-, Financie- en Assurantiewezen**") ("**Commission bancaire, financière et des assurances**") as a foreign collective investment institution under Article 127 of the Belgian Law of 20 July 2004 on certain forms of collective management of investment portfolios. The Offer in Belgium has not been and will not be notified to the Belgian Banking, Finance and Insurance Commission, nor has this document been nor will it be approved by the Belgian Banking, Finance and Insurance Commission.

The Shares issued by the Company shall, whether directly or indirectly, only be offered, sold, transferred or delivered in Belgium (i) to individuals or legal entities who are both "**Qualified Investors**" in the sense of Article 10 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (as amended from time to time), and "**Professional or Institutional Investors**" in the sense of Article 5§3 of the Belgian Law of 20 July 2004 on certain forms of collective management of investment portfolios (as amended from time to time), acting on their own behalf; or (ii) subject to a minimum investment per investor and per transaction of at least €50,000 or equivalent in relevant foreign currency.

This document has been issued to you for your personal use only and exclusively for the purposes of the Offer. Accordingly, this document may not be used for any other purpose nor passed on to any other person in Belgium.

### **Denmark**

This Prospectus has not been filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in the Kingdom of Denmark.

The Shares have not been offered or sold and may not be offered, sold or delivered directly or indirectly in Denmark, unless in compliance with Chapter 6 or Chapter 12 of the Danish Act on Trading in Securities as amended from time to time and Executive Orders issued pursuant thereto.

### **Dubai International Financial Centre**

This document relates to a collective investment fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority ("**DFSA**").

The document is intended for distribution only to persons of a type specified in the DFSA's Rules (i.e. "Qualified Investors") and must not, therefore, be delivered to, or relied on by, any other type of Person.

The DFSA has no responsibility for reviewing or verifying any prospectus or other documents in connection with this issuer. Accordingly, the DFSA has not approved this document or any other associated documents nor taken any steps to verify the information set out in this document, and has no responsibility for it.

The Shares to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares.

If you do not understand the contents of this document you should consult an authorised financial adviser.

### Finland

The Shares may be offered in Finland only in circumstances which do not require the publication of a prospectus under the Finnish Securities Markets Act (495/1989) as amended. This Prospectus has neither been filed with nor approved by the Finnish Financial Supervision Authority.

### France

The Shares may only be offered or sold, directly or indirectly in France, to qualified investors investing for their own account and/or to investment services providers authorised to engage in portfolio management services on a discretionary basis on behalf of third parties, all in accordance with Articles L.411-2-II- (4°) and D.411-1 of the French *Code Monétaire et Financier* ("Monetary and Financial Code"); neither this document, nor any information contained therein or any offering material relating to the Shares, may be distributed or caused to be distributed to the public in France.

This document has not been submitted to the clearance procedure of the *Autorité des marchés financiers*. In the event that the Shares, thus purchased or subscribed to by such investors listed above, are offered or resold, directly or indirectly, to the public in France, the conditions relating to public offerings set forth in Articles L. 411-1, L.411-2, L.412-1 and L. 621-8 to L.621-8-3 of the Monetary and Financial Code shall be complied with.

### Germany

#### NOTICE TO RECIPIENTS IN GERMANY

The Shares are neither registered for public distribution with the Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht* — "BaFin") according to the German Investment Act (*Investmentgesetz*) nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and the German Sales Prospectus Act (*Verkaufprospektgesetz*) has been filed with the BaFin. Consequently, the Shares may not be distributed within Germany by way of a public offer, public advertisement or in any similar manner, and this document and any other document relating to the Shares, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the Shares to the public in Germany or any other means of public marketing.

Any resale of the Shares in Germany may only be made in accordance with the German Securities Prospectus Act, the Sale Prospectus Act and the German Investment Act and the provisions of any other German applicable laws governing the sale and offering of shares. No view on taxation is expressed. Prospective investors in Germany are urged to consult their own tax advisers as to the tax consequences that may arise from an investment in the Shares.

### Hong Kong

No person may offer or sell in Hong Kong, by means of any document, any Shares other than (a) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance.

No person may issue, or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

## **WARNING**

The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise extreme caution in relation to the Offer. If you are in any doubt about the contents of this document, you should obtain independent professional advice.

## **Italy**

As of the date of this Prospectus, the Shares have not been registered for offering into the Republic of Italy (“Italy”) pursuant to Article 42 of the Legislative Decree no. 58 of 24 February, 1998, as amended (the “Consolidated Financial Services Act”), and the regulation of the Bank of Italy issued on 14 April, 2005, as amended (the “Bank of Italy’s Regulation”). Accordingly, no offer, sale, or marketing of the Shares or distribution of copies of this Prospectus or any other document relating to the Shares shall be made in Italy, unless (i) the prior authorisation of the Bank of Italy is obtained pursuant to the Consolidated Financial Services Act and the Bank of Italy’s Regulations; and (ii) all relevant Italian securities, tax and exchange control and other applicable laws and regulations are complied with.

Consequently, any purchaser purchasing the Shares in the offering is solely responsible for ensuring that any offer, sale, delivery or resale of the Shares it purchased in the offering occurs in compliance with any applicable Italian laws and regulations and any offer, distribution or marketing of Shares or distribution of this Prospectus or of any other document relating to the Shares effected in Italy by any of such purchasers would be made at their own initiative and at their own exclusive responsibility.

## **Japan**

The Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “**FIEL**”) and, accordingly, the Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including corporations) or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan except in compliance with private placement rules under the FIEL. “**A resident of Japan**” shall have the meaning as defined under the Foreign Exchange and Foreign Trade Law of Japan.

## **Kuwait**

Unless all necessary approvals from the Kuwait Ministry of Commerce and Industry required by Law No. 31/1990, its Executive Regulations and the various Ministerial Orders issued pursuant thereto or in connection therewith, have been given in relation to the marketing of and sale of the Shares, these may not be offered for sale, nor sold in the State of Kuwait. Neither this Prospectus (or any related document), nor any of the information contained therein is intended to lead to the conclusion of any contract of whatsoever nature within Kuwait.

## **Luxembourg**

The Luxembourg regulatory authorities have neither reviewed nor approved this document. The Shares are not and may not be offered to the public in or from Luxembourg and they may not be offered outside the scope of the exemptions provided for by Article 5 §2 of the law of 10 July 2005 on prospectuses for securities. This Offer has not been and may not be announced to the public and offering material may not be made available to the public in Luxembourg.

## **Netherlands**

The Shares will not be offered or sold, directly or indirectly, in the Netherlands, other than (i) for a minimum consideration of €50,000 or the equivalent in another currency per investor; (ii) to fewer than 100 individuals or legal entities other than qualified investors; or

(iii) solely to qualified investors, all within the meaning of article 1:12 and article 5:3 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*) and article 4 of the Netherlands Financial Supervision Act Exemption Regulation (*Vrijstellingsregeling Wft*).

If the Shares will be offered or sold in reliance on the exemption referred to in (i) or (ii) above, the following additional requirements apply:

- (a) the first drawdown amount per investor must be at least €50,000 or the equivalent in another currency (exclusive of any costs), payable as a lump sum;
- (b) any subsequent drawdown may be in an amount less than €50,000 or the equivalent in another currency;
- (c) the amount invested by each investor may never be less than €50,000 or the equivalent in another currency (exclusive of a decrease in the value of the amount invested),

all in accordance with the interpretation of the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*) dated 11 January 2007 on the denomination and package exceptions/exemptions (*Coupure en pakket uitzonderingen/vrijstellingen aanbieden effecten aan het publiek en aanbieden deelnemingsrechten in beleggingsinstellingen*).

In respect of the Offer, the Company is not required to obtain a licence as a collective investment scheme pursuant to the Netherlands Financial Supervision Act and is not subject to market conduct supervision of the Netherlands Authority for the Financial Markets and prudential supervision of the Dutch Control Bank (*be Nederlandsare bank N.V.*).

## Portugal

No offer or sale of Shares may be made in Portugal except under circumstances that will result in compliance with the rules concerning marketing of such Shares and with the laws of Portugal generally.

No notification has been made nor has any been requested from the Securities Market Commission (*Comissão de Mercado de Valores Mobiliários, "CMVM"*) for the marketing of the Shares referred to in this document, therefore the same cannot be offered to the public in Portugal.

Accordingly, no Shares have been or may be offered or sold to unidentified addressees or to 100 or more non-qualified Portuguese resident investors and no Offer has been preceded or followed by promotion or solicitation to unidentified investors, public advertisement, publication of any promotional material or in any similar manner.

In particular, this document and the Offer is only intended for Qualified Investors acting as final investors. Qualified Investors within the meaning of the Securities Code (*Código dos Valores Mobiliários*) includes credit institutions, investment firms, insurance companies, collective investment institutions and their respective managing companies, pension funds and their respective pension fund-managing companies, other authorised or regulated financial institutions, notably securitisation funds and their respective management companies and all other financial companies, securitisation companies, venture capital companies, venture capital funds and their respective management companies, financial institutions incorporated in a state that is not a member state of the EU that carry out activities similar to those previously mentioned, entities trading in financial instruments related to commodities and regional and national governments, central placement agents and public bodies that manage debt, supranational or international institutions, namely the European Central Bank, the European Investment Bank, the International Monetary Fund and the World Bank, as well as entities whose corporate purpose is solely to invest in securities and any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, all as shown in its last annual or consolidated accounts.

## Saudi Arabia

Any offer and sale of shares in Saudi Arabia will be made in accordance with Article 4 of the Investment Fund Regulations (the "Regulations"). Article 4(b)(4) of the Regulations provides that an offer of shares may be made by private placement providing they are offered to no more than 200 offerees in Saudi Arabia and the minimum amount payable by each offeree is not less than Saudi Riyals 1,000,000 or an equivalent amount in a foreign currency. There are restrictions in Saudi Arabia on the future offer or sale by investors of shares. These are set out in Article 4(g) of the Regulations. By taking up shares, investors in Saudi Arabia confirm that they will abide by these restrictions.

## Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Shares may not be circulated or distributed, nor may Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Shares are subscribed or purchased under Section 275 by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;

shares, debentures and units of shares and debentures of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Shares pursuant to an offer made under Section 275 except:

- (1) to an institutional investor (for corporations, under Section 274 of the SFA) or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for corporations, in accordance with the conditions specified in Section 275 of the SFA;
- (2) where no consideration is or will be given for the transfer; or
- (3) where the transfer is by operation of law.

## Spain

The Offer has not been registered with the *Comisión Nacional del Mercado de Valores*. Accordingly, the Shares shall only be offered in Spain pursuant to and in compliance with Law 24/1988, as amended, Royal Decree 1310/2005 and any regulations issued thereunder.

## Switzerland

The Company has not been approved by the Federal Banking Commission as a foreign collective investment scheme pursuant to Article 120 of the Swiss Collective Investment Scheme Act of 23 June, 2006 (the “CISA”). Accordingly, the Shares may not be publicly offered in or from Switzerland and neither this document nor any other offering materials relating to the Shares may be distributed in connection with any such public offering. Shares may only be offered and this document may only be distributed in or from Switzerland to “**Qualified Investors**” (as defined in the CISA and its implementing ordinance).

**United Arab Emirates**

The Company has not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the United Arab Emirates. This document is strictly private and confidential and has not been reviewed, deposited or registered with any licensing authority or governmental agency in the United Arab Emirates. The Shares have not been and will not be offered, sold, subscribed for, transferred, delivered or publicly promoted or advertised in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, sale or offering of securities.

**United States**

The Shares have not been and will not be registered under the Securities Act, any state securities laws in the United States or the securities laws of any other jurisdiction and, accordingly, may not be offered, pledged or sold within the United States or to, or for the account or benefit of, US Persons unless in certain transactions where exemption from the registration requirements of the Securities Act is available, and except in accordance with the Articles of Association and the restrictions described below.

Shares may not be acquired in this Offer, and should not otherwise be acquired, by investors that are Benefit Plan Investors (as defined in Section 3(42) of ERISA) or by investors who are or are using assets of a plan or other arrangement subject to provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code.

Under the Articles of Association, the Directors have the power to require the sale or transfer of Shares in certain circumstances. Such power may be exercised to prevent (i) the Company from being in violation of, or required to register under, the Investment Company Act; (ii) the assets of the Company from being deemed to be assets of an employee benefit plan within the meaning of ERISA or of a plan within the meaning of Section 4975 of the Code; (iii) the Manager from being in violation of, or required to register under, the CEA or (iv) otherwise not being in compliance with the Investment Company Act, ERISA, the CEA or the Code.

# Part IX

## Additional Information

### 1. Incorporation and administration of the Company

- 1.1 The Company was incorporated with limited liability in Guernsey under the Companies Laws on 25 February 2008 with registered number 48555 as a closed-ended investment company, having an unlimited life.
- 1.2 The registered office and principal place of business of the Company is Trafalgar Court, Les Banques, St. Peter Port, Guernsey GY1 3QL, Channel Islands and the telephone number is +44 14 8174 5001.
- 1.3 The Company operates under the Companies Laws and ordinances and regulations made thereunder and has no subsidiaries or employees.
- 1.4 The Company is not regulated by the FSA or an equivalent EU regulator.

### 2. Share capital of the Company

- 2.1 The authorised share capital of the Company on incorporation is represented by an unlimited number of Shares of no par value (which upon issue the Directors may classify as Euro Shares, US Dollar Shares and Sterling Shares or such other class of shares denominated in another currency class or C Shares denominated in the corresponding currency class as shall be determined at the discretion of the Board). At incorporation, two Sterling Shares were subscribed by the subscribers to the Memorandum of Association. Conditional upon Admission, the subscriber shares will be transferred to persons acquiring Shares in the Offer.
- 2.2 As the Shares will not have a par value, the Offer Price per Share will consist solely of share premium.
- 2.3 By a written ordinary resolution dated 23 April 2008, the Company took authority, in accordance with Clause 5 of the Companies (Purchase of Own Shares) Ordinance 1998 (the "**Ordinance**"), to permit it to make market purchases of fully paid Shares, provided that unless a tender offer is made to all holders of a class of Shares the maximum number of Shares authorised to be purchased shall be 14.99 per cent. of each class of Shares in issue immediately following the conclusion of the Offer. The minimum price which may be paid for any Share pursuant to such authority is 1 penny per Sterling Share, 1 cent per US Dollar Share and 1 cent per Euro Share and the maximum price which may be paid for any Share is an amount equal to the higher of (a) 105 per cent. of the average of the middle market quotations for a Share of the relevant class taken from the London Stock Exchange's main market for listed securities for the 5 Business Days immediately preceding the date on which the Share is purchased or (b) the higher of (i) the price of the last independent trade and (ii) the highest current independent bid at the time of purchase. The Company is permitted to fund the payments for purchases of Shares in any manner permitted by the Ordinance. When the Companies (Guernsey) Law 2008 comes into force the Company may only repurchase its own Shares where immediately after the purchase it shall satisfy the solvency test. Such authority shall expire at the Annual General Meeting of the Company in 2009 unless such authority is varied, revoked or renewed prior to such date by a special resolution of the Company in general meeting.
- 2.4 By a written special resolution dated 23 April 2008, it was resolved that, conditional on Admission and the approval of the Royal Court in Guernsey, the amount standing to the credit of the share premium account of the Company following completion of the Offer be cancelled and the amount of the share premium account so cancelled be credited as a distributable reserve to be established in the books of account of the Company which shall be able to be applied in any manner permissible under the Companies Laws, including the purchase of the Company's own Shares and the payment of dividends. In deciding whether to give its confirmation, the Court will be concerned to protect the interests of any creditors of the Company as at the date the reduction takes effect. The Court will require all such creditors to have been paid or to have consented to the reduction. Until the Court has confirmed the reduction of the share premium account (and the terms of any undertaking regarding creditors required by the Court to be complied with), the Company will only be able to distribute dividends out of existing distributable profits and, to the extent permitted by the Ordinance, to repurchase Shares out of existing distributable profits or the proceeds of a fresh issue of Shares.
- 2.5 By a written special resolution dated 23 April 2008, the Company was empowered, in accordance with the Articles, to allot Shares for cash on a non-pre-emptive basis in respect of the number of Shares being equal to 10 per cent. of the Shares of each such class in issue at the time of admission, such power to expire on the date falling on the 5th anniversary of the passing of the resolution.

- 2.6 Subject to the exceptions set out in paragraphs 3.31-3.32 of this Part IX under “Transfer of Shares”, Shares are freely transferable and Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Shares in a winding-up of the Company or a winding-up of the business of the Company.
- 2.7 Save as disclosed in this paragraph 2, since the date of its incorporation, no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

### **3. Memorandum and Articles of Association of the Company**

- 3.1 The Company’s principal object is to carry on business as an investment company and to do all such other things as the Company may think incidental to or connected with the attainment of that object, or otherwise in any respect be advantageous to the Company. The objects of the Company are set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the address specified in paragraph 1.2 above and at the offices of Freshfields Bruckhaus Deringer, as set out in paragraph 13.1 of this Part IX.
- 3.2 The Articles contain (amongst other things) provisions to the following effect:

#### ***Share capital***

- 3.3 The share capital is represented by an unlimited number of shares of no par value which may be divided into at least three classes of ordinary shares denominated in US Dollars, Euros and Sterling, or such other class(es) of ordinary shares or C Shares as may be determined by the Board, and having the rights hereinafter described.

#### ***Share rights***

- 3.4 Subject to the Articles and the terms and rights attaching to shares already in issue, shares may be issued with or have attached such rights and restrictions as the Board may from time to time decide.

#### ***Issue of Shares***

- 3.5 Subject to the provisions of the Articles, the unallotted and unissued shares of each class shall be at the disposal of the Board which may allot, grant rights to subscribe for, or to convert or otherwise dispose of any securities to such persons on such terms and conditions and at such times as the Board determines. Without prejudice to the authority conferred on the Directors pursuant to the Articles, the Directors are generally and unconditionally authorised to exercise all powers of the Company to allot, grant rights to subscribe for, or to convert any securities into, up to 1 billion shares of each class in the Company, which authority shall expire on the date which is five years from the date of incorporation of the Company (unless previously renewed, revoked or varied by the Company in a general meeting) save that the Company may before such expiry make an offer or agreement which would or might require shares to be allotted after such expiry and the Directors may allot shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

#### ***Pre-emption rights***

- 3.6 Under the Articles, the Company is not allowed to allot any shares of any class for cash unless it has first made an offer to existing holders of the same class of shares on the same or more favourable terms and in proportion to their existing holdings.
- 3.7 The pre-emptive offer must remain open for a minimum of twenty-one days and may not be withdrawn. If the offer is not accepted within this period it will be deemed to have been declined. On receipt of acceptances or refusals from all Shareholders to whom the offer was made, or after the expiration of the period, the Board may aggregate and dispose of those shares that have not been taken up in such a manner as they determine is most beneficial to the Company.

- 3.8 The Company shall not be obliged to extend the pre-emption rights to Shareholders with registered addresses in any particular territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the Board, be unlawful or impracticable.
- 3.9 The Company may disapply or modify pre-emption rights by special resolution.
- 3.10 Pre-emption rights do not apply to the issue of shares pursuant to the provisions for conversion of Shares as described below.

#### ***Voting rights***

- 3.11 Each Shareholder shall have one vote for each Share of the Base Class held by them. As soon as reasonably practicable after the allocation of Shares pursuant to the Offer takes place, in respect of each class of Shares (other than Shares of the Base Class) the Board shall, in its absolute discretion, calculate the number of votes each Share in such class shall have on a poll at any general meeting of the Company by applying (a) the FX spot rate for exchanging the currency in which the Base Class is denominated into the currency in which the relevant class is denominated to (b) the one vote per Share of a Share in the Base Class ("**Weighted Voting Calculation**"). Each Shareholder holding Shares of a class other than the Base Class shall then have, on a poll at any general meeting of the Company in person or by proxy, in respect of his entire holding of Shares in that class from time to time, the number of votes produced by multiplying (i) the number of Shares in that class held by him by (ii) the number of votes for a Share of that class as determined by the application of the Weighted Voting Calculation, provided that if the resultant number of votes for that entire holding is not a whole number, it shall be rounded down to the nearest whole number.
- 3.12 The results of the Weighted Voting Calculation shall be published by the Company through the regulatory news service of the London Stock Exchange, or by such other method of publication as the Board may in its absolute discretion determine, as soon as reasonably practicable after the allocation of Shares pursuant to the Offer takes place and the secretary of the Company shall record in the Company's share register such number of votes per share as calculated in accordance with the Weighted Voting Calculation.
- 3.13 In the event of a further issue of shares of any class that was originally subject to the Weighted Voting Calculation (other than the Base Class) (a "**Further Issue**") the number of votes to which the holder of Shares comprised in such Further Issue shall be entitled shall be calculated and determined in the same way (including by reference to the same FX spot rate) in respect of the Shares of the relevant class pursuant to the above paragraph.
- 3.14 In the event of a Further Issue of a class of shares that was not originally subject to the Weighted Voting Calculation, the voting rights of such shares shall be set at issue thereof as part of their terms of issue.
- 3.15 Where there are joint registered holders of any Share such persons shall not have the right of voting individually in respect of such Share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the share register of the Company shall alone be entitled to vote.

#### ***Dividends and other distributions***

- 3.16 Subject to the Companies Laws and the Listing Rules, the Company may by ordinary resolution from time to time declare dividends but no dividend shall exceed the amount recommended by the Board. The Board may declare and pay interim dividends as appear to be justified in accordance with the Companies Laws.
- 3.17 No dividend or other monies payable on or in respect of a share shall bear interest against the Company.
- 3.18 All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed on the earlier of (a) a period of seven years after the date when it first became due for payment and (b) the date on which the Company is wound-up, shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

- 3.19 Subject to the Companies Law and the Articles, the Board may pay dividends out of unrealised capital gains provided that the Board has established a revaluation reserve in the accounts of the Company for the purpose of recording such unrealised gains. The Board may create reserves before recommending or declaring any dividend. The Board may also carry forward any profits which they think prudent not to distribute.

### **Winding-up**

- 3.20 On a winding-up the surplus assets remaining after payment of all creditors shall be divided amongst the classes of Shares then in issue (if more than one) in the same proportions as capital is attributable to them at the relevant winding-up date as calculated by the Directors or the liquidator in their discretion and within each such class, such assets shall be divided equally among the holders of Shares of that class in proportion to the number of Shares of that class held at the commencement of the winding-up, subject in any such case to the rights of any Shares which may be issued with special rights or privileges.

### **Conversion of Shares**

- 3.21 A holder of Shares shall have the right, by reference to the NAV Calculation Dates in March, June, September and December in each year (with the first NAV Calculation Date for such purposes being 30 September 2008) and such other date or dates in each year as the Directors may determine for this purpose (each a “**Conversion Calculation Date**”), to elect to convert some or all of the Shares of any class then held by him into a different class or classes of Shares (the “**New Class**”) by giving at least 5 Business Days notice to the Company before the relevant Conversion Calculation Date (a “**Conversion Notice**”), specifying the number of Shares to be converted and the class or classes into which they are to be converted, either through submission of the relevant instruction in the case of Shares held in uncertificated form or in the case of Shares held in certificated form through the submission of a notice in writing to the Registrar and the return of the relevant share certificates. Save with the consent of the Directors, the Shares specified in any Conversion Notice must either (a) represent the entire holding of the relevant Shareholder or (b) have an aggregate Net Asset Value, as at the Conversion Calculation Date, which is equal to or more than €50,000 (or the equivalent US dollar or Sterling amount, as the case may be). The date on which conversion of the Shares shall take place (the “**Conversion Date**”) shall be a date determined by the Board being not more than 20 Business Days after the relevant Conversion Calculation Date.
- 3.22 The number of Shares to which the applicant shall be entitled on conversion shall be determined by the Directors in accordance with the following formula:

$$NS = \{OS \times (A \times B)\} \text{ divided by } C$$

where:

*NS* is the number of Shares to which the applicant shall be entitled following conversion (**New Shares**);

*OS* is the aggregate number of Shares to be converted comprised in the notice (**Original Shares**);

*A* is, subject as provided below, the last reported Net Asset Value per Share of the Original Shares on the relevant Conversion Calculation Date;

*B* is the prevailing rate of exchange for exchanging the currency in which the relevant Original Shares are denominated into the currency in which any relevant New Shares are denominated as at the relevant Conversion Calculation Date with the result of the *A* x *B* calculation being denominated in the currency of the relevant New Shares; and

*C* is, subject as provided below, the last reported Net Asset Value per Share of the New Shares on the relevant Conversion Calculation Date,

provided that the Directors may make any adjustments to the Net Asset Value per Share of the New Shares or the Original Shares for the purposes of the above calculation as they deem appropriate to reflect any fees accrued at the relevant time but not yet taken into account in the calculation of the relevant Net Asset Value per Share at such a time, and to reflect such amount as they may reasonably determine should be charged to the holder of the Shares to be converted to meet the costs of conversion of the relevant Shares.

- 3.23 Fractions of Shares shall not be issued on conversion and entitlements thereto shall be rounded down.

- 3.24 Conversion of the Original Shares shall be effected by the re-designation of the Original Shares as Shares of the New Class. If, as a result of the conversion, the Shareholder concerned is entitled to either (i) more Shares of the New Class than the number of Original Shares or (ii) fewer Shares of the New Class than the number of Original Shares, then the appropriate number of New Shares or Original Shares will be issued or cancelled as the case may be.
- 3.25 Under the Articles, the Directors may, in their absolute discretion, amend the process for conversion, decline to convert the Shares if they believe such conversion is not in the best interests of the Company or withdraw the right to elect to convert Shares at any time.

#### **Determination of Net Asset Value**

- 3.26 A description of the policy which the Company adopts in valuing its net assets (and which is included in the Articles) can be found in Part I of this document.

#### **Variation of rights**

- 3.27 If at any time the Shares of the Company are divided into different classes, all or any of the rights at the relevant time attached to any Share or class of Shares (whether or not the Company is being wound up) may be varied in such manner (if any) as may be provided by those rights or in the absence of such provision either with the consent in writing of the holders of not less than two thirds of the issued Shares of that class or with the sanction of an ordinary resolution passed at a separate general meeting of the holders of the Shares of the relevant class. The quorum at such meeting (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one third in nominal value of the issued Shares of the class in question.
- 3.28 The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not (unless otherwise expressly provided by the terms of issue of the Shares of that class) be deemed to be varied by (i) the creation or issue of further Shares ranking as regards the profits or assets of the Company in some or all respects *pari passu* with them but in no respect in priority to them or (ii) the purchase or redemption by the Company of any of its own Shares.

#### **Transfer of Shares**

- 3.29 Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Shares in any manner which is permitted by the Companies Laws or in any other manner which is from time to time approved by the Board.
- 3.30 A transfer of a certificated Share shall be in the usual common form or in any other form approved by the Board. An instrument of transfer of a certificated Share shall be signed by or on behalf of the transferor and unless the Share is fully paid by or on behalf of the transferee.
- 3.31 Subject to the Articles (and the restrictions on ownership contained therein), a Shareholder may transfer an uncertificated Share by means of a relevant system authorised by the Board or in any other manner which may from time to time be approved by the Board.
- 3.32 The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form (subject to the Articles) which is not fully paid or on which the Company has a lien provided that, in the case of a Share, this would not prevent dealings in the Shares of that class from taking place on an open and proper basis on the London Stock Exchange.
- 3.33 In addition, the Board may refuse to register a transfer of certificated Shares if: (i) it is in respect of more than one class of Shares; (ii) it is in favour of more than four joint transferees; (iii) it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the Shares to which it relates and such other evidence of title as the Board may reasonably require; and (iv) the transfer is in favour of any person, as determined by the Directors, to whom a sale or transfer of Shares, or in relation to whom the sale or transfer of the direct or beneficial holding of Shares would or might result in the Company being required to register as an investment company under the US Investment Company Act or benefit plan investors (“**Plan Investors**”) (as defined in Section 3(42) of ERISA) acquiring

an aggregate interest exceeding 25 per cent. of the value of any equity class in the Company; or the assets of the Company being deemed to be assets of a Plan Investor.

- 3.34 If any Shares are owned directly or beneficially by a person believed by the Board to be in violation of the transfer restrictions set forth in this document or by a Plan Investor, the Board may give notice to such person requiring him either (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not in violation of the transfer restrictions set forth in this document or is not a Plan Investor or (ii) to sell or transfer his Shares to a person qualified to own the same within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his Shares. If the Board in its absolute discretion so determines, the Company may dispose of the Shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the person.
- 3.35 The Board of Directors may decline to register a transfer of an uncertificated Share which is traded through the CREST UK System in the CREST Rules where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated Shares is to be transferred exceeds four.
- 3.36 Under the Articles if, at any NAV Calculation Date, the Net Asset Value of any class of Shares (the “**Affected Class**”) is lower than US\$25 million (after applying the appropriate prevailing exchange rate on the relevant NAV Calculation Date for the purposes of those classes of Shares denominated in Sterling and Euros), the Directors may (in their absolute discretion) convert the Shares of the Affected Class into Shares of another class. The Directors shall have absolute discretion as to the class or classes of Share into which the Shares of the Affected Class are to be converted and as to the date on which the conversion is to take effect. The Shares shall be converted on the basis of the formula for conversion set out in the section of this Part IX entitled Conversion of Shares and, once converted, the relevant Shares will have all rights accruing to the new class of Shares, including voting rights.
- 3.37 The Directors shall, within one month of the relevant NAV Calculation Date, notify Shareholders who hold Shares in the Affected Class by way of an announcement on the regulatory news service of the London Stock Exchange of the fact and date or dates of the conversion of the Affected Class and the new class or classes of Share in to which the Affected Class shall be converted.

#### ***Discount control***

- 3.38 If during any Discount Management Period, the average closing market price of an Affected Class is 10 per cent. or more below the average NAV per Share of the Affected Class taken over the 12 NAV Calculation Dates in that Discount Management Period, the Directors are required to convene an extraordinary general meeting of the Affected Class. At that meeting the Directors shall propose a special resolution approving the terms of a tender offer by the Company to repurchase all of the Shares of the Affected Class or, if a Class Closure Resolution is passed in relation to each class of Shares then in issue, to terminate such tender offer and in the alternative to wind up the Company. If a Class Closure Resolution is passed, the Company shall repurchase the shares of the Affected Class the holders agree to sell to the Company pursuant to the tender offer (“**Class Purchase**”). If the Class Closure Resolution is not approved by the holders of the Affected Class, no action shall be taken by the Directors.

The method of calculating the price of repurchase of Shares of the Affected Class shall be specified in the tender offer. In the event of a Class Closure Resolution, the Directors may, in their absolute discretion, deduct from the price of repurchase of the Shares of the Affected Class (i) any further costs or expenses incurred by the Company relating to or arising from convening the Class Closure Meeting or implementing the repurchase or other costs and expenses of the Company attributable to the Affected Class; and (ii) in the case of a Class Closure Resolution passed before the seventh anniversary of Admission, an amount equal to the proportion of the total costs and expenses incurred by the Manager in connection with the Offer which is attributable to the Affected Class, calculated on a pro rata basis across all of the Share classes of the Company then in issue (but disregarding the issue or repurchase of Shares after the Admission for the purpose of this calculation).

If a Shareholder of an Affected Class fails to tender their Shares for repurchase within the time limit in the tender offer, the Company shall be entitled to give notice (a “**Compulsory Purchase Notice**”) to such Shareholder to acquire those Shares on the terms of the tender offer (a “**Compulsory Purchase**”).

All Shares repurchased by the Company in accordance with a Class Closure Resolution or a Compulsory Purchase shall be cancelled.

If, in any Discount Management Period, the Company has convened a Class Closure Meeting for each class of Shares and all of the classes of Shares have approved a Class Closure Resolution, such resolutions will constitute a resolution to wind-up the Company in accordance with the Companies Law.

If the Directors convene a Class Closure Meeting in respect of the only class of Shares then in issue in relation to which a Class Closure Resolution has not been approved, the act of convening such meeting will have the effect of suspending all outstanding with immediate effect all tender offers or compulsory purchase procedures that are then outstanding, pending the outcome of such meeting. If such Class Closure Resolution is not approved by the Shareholders of the outstanding class of Shares, the Company shall not take any further action in respect of that class, shall not be wound-up and shall complete all tender offers or compulsory purchase procedures that are then outstanding.

### ***Free Float***

3.39 If, at any time, in respect of any class of Shares, the number of Shares of that class which are in public hands (as such term is defined for the purposes of Listing Rule 6.1.19(3)) falls below 25 per cent., (such class being an “**Illiquid Class**”) then the Directors may (in their absolute discretion) convert the Shares of the Illiquid Class into Shares of another class. The Directors shall have absolute discretion as to the class or classes of Share into which the Shares of the Illiquid Class are to be converted and as to the date on which the conversion is to take effect. The Shares shall be converted on the basis of the formula for conversion set out in the section of this Part IX entitled Conversion of Shares and, once converted, the relevant Shares will have all rights accruing to the new class of Shares, including voting rights.

3.40 The Directors shall notify Shareholders who hold Shares in the Illiquid Class by way of an announcement on the regulatory news service of the London Stock Exchange of the fact and date or dates of the conversion of the Illiquid Class and the new class or classes of Share in to which the Illiquid Class shall be converted.

### ***Alteration of share capital***

3.41 The Company at any time may raise share capital of such amount to be divided into Shares of such nominal value as the Board may determine. Subject to the Articles, the Company may from time to time by ordinary resolution, consolidate and divide, subdivide, cancel, convert or redesignate the Shares.

### ***General meetings***

3.42 The Board shall convene the first meeting (being an annual general meeting) of the Company within such time as may be required by the Companies Laws and thereafter general meetings (which are annual general meetings) shall be held at least once in each subsequent calendar year. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. General meetings shall be held in Guernsey or such other place outside the United Kingdom as may be determined by the Board from time to time.

3.43 The notice must specify the place and time of any general meeting and specifying also in the case of any special business the general nature of the business to be transacted.

### ***Directors***

3.44 Unless otherwise determined by the Shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number. At no time shall a majority of the Board be resident in the UK for UK tax purposes.

- 3.45 A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at Shareholders' meetings.
- 3.46 Subject to the Articles, Directors may be appointed by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.
- 3.47 No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.

At each annual general meeting of the Company one-third of the Directors or, if their number is not a multiple of three, then the whole number nearest to but below the number that represents one-third shall retire from office.

The Directors to retire by rotation each year shall be those who have been longest in office since their last appointment or re-appointment but as between Directors who became or were last re-appointed on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

A retiring Director shall be eligible for re-appointment and shall, if he is not reappointed at such meeting, retain office until the meeting appoints someone in his place, or if it does not do so, until the dissolution of such meeting.

If at any meeting at which the appointment of a Director ought to take place the office vacated by a retiring Director is not filled, the retiring Director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or unless the resolution to re-appoint him is put to the meeting and not approved.

The office of a Director shall be vacated:

- (a) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by one month's written notice signed by him sent to or deposited at the Company's registered office;
  - (b) if the Company requests that he resigns his office by giving one month's written notice;
  - (c) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated;
  - (d) if he becomes bankrupt or makes any arrangements or composition with his creditors generally;
  - (e) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment;
  - (f) if he is requested to resign by written notice signed by a majority of his co-Directors (being not less than two in number);
  - (g) if the Company by ordinary resolution shall declare that he shall cease to be a Director; or
  - (h) if he becomes resident in the United Kingdom for tax purposes and, as a result thereof, a majority of the Directors would, if he were to remain a Director, be resident in the United Kingdom for tax purposes.
- 3.48 Any Director may, by notice in writing, appoint any other person (subject to the provisions in paragraph 3.50 below), who is willing to act as his alternate and may remove him from that office.
- 3.49 Each alternate Director shall be either: (i) resident for tax purposes in the same jurisdiction as his appointor; or (ii) resident outside the UK for UK tax purposes, in each case for the duration of the appointment of that alternate Director.

3.50 Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and served upon the Company.

#### ***Proceedings of the Board***

3.51 The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be three. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretion exercisable by the Board.

3.52 All meetings of the Board are to take place outside the United Kingdom and any decision reached or resolution passed by the Directors at any meeting of the Board held within the United Kingdom or at which no majority of Directors resident outside the UK (and not within the UK) for UK tax purposes is present shall be invalid and of no effect.

3.53 The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

3.54 Questions arising at any meeting shall be determined by a majority of votes.

3.55 The Board may delegate any of its powers to committees, consisting of two or more Directors as they think fit with a majority of such Directors being resident outside of the United Kingdom for United Kingdom tax purposes. Committees shall only meet outside the United Kingdom. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

#### ***Remuneration of Directors***

3.56 The Directors, other than any alternate Director, shall be entitled to receive fees for their services as Directors. Those fees for all the Board collectively shall not exceed £500,000 in any financial year in aggregate (or such larger sum as the Company may, by ordinary resolution, determine). Any fee payable in this manner shall be distinct from any salary, remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.

3.57 The Board may grant special remuneration to any Director who performs any special or extra services to, or at the request of, the Company. Further, the Directors shall be paid all reasonable travelling, hotel and other expenses properly incurred by them in and about the performance of their duties.

#### ***Pensions and gratuities for Directors***

3.58 The Board may pay gratuities, pensions or other retirement, superannuation death or disability benefits to any Director or ex-Director.

#### ***Permitted interests of Directors***

3.59 Subject to the provisions of the Companies Laws, and provided that he has disclosed to the other Directors in accordance with the Companies Laws the nature and extent of any material interest of his, a Director notwithstanding his office:-

- (a) may be a party to, or otherwise interested in, any transaction or arrangement with the Company, or in which the Company is otherwise interested;
- (b) may act by himself or through his firm in a professional capacity for the Company (otherwise than as Auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director;
- (c) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, a Shareholder of or otherwise directly or indirectly interested in, any body corporate promoted by the Company, or with which the

Company has entered into any transaction, arrangement or agreement or in which the Company is otherwise interested; and

- (d) shall not by reason of his office, be accountable to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

For the purposes of the Articles:

- (A) a general notice given to the Directors that a Director is to be regarded as having an interest of the nature and extent specified in the notice in any transaction or arrangement in which a specified person or class of persons is interested shall be deemed to be a disclosure that the Director has an interest in any such transaction of the nature and extent so specified; and

- (B) an interest of which a Director is unaware shall not be treated as an interest of his.

3.60 A Director shall be counted in the quorum at any meeting in relation to any resolution in respect of which he has declared an interest and may vote thereon.

3.61 A Director may continue to be or become a director, managing director, manager or other officer, employee or member of any company promoted by the Company or in which the Company may be interested or with which the Company has entered into any transaction, arrangement or agreement, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager, or other officer or member of any such other company.

3.62 Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to the directors, managing directors, managers or other officers of such company).

3.63 Any Director who, by virtue of office held or employment with any other body corporate, may from time to time receive information that is confidential to that other body corporate (or in respect of which he owes duties of secrecy or confidentiality to that other body corporate) shall be under no duty to the Company by reason of his being a Director to pass such information to the Company or to use that information for the benefit of the Company, in either case where the same would amount to breach of confidence or other duty owed to that other body corporate.

### ***Borrowing powers***

3.64 The Board may not exercise the powers of the Company to incur leverage other than for the purpose of financing share repurchases or satisfying working capital requirements. The leverage of the Company may not exceed 20 per cent. of the net asset value of the Company at the time of the leverage unless approved by the Company by an ordinary resolution.

### ***Indemnity of Directors and other officers***

3.65 Subject to applicable law, the Company may indemnify any Director or a Director who has been appointed as a director of any subsidiary undertaking against any liability and may purchase and maintain for any Director or a Director who has been appointed as a director of any subsidiary undertaking insurance against any liability.

### **Untraced Shareholders**

3.66 The Company may sell any Share of a Shareholder, or any Share to which a person is entitled by transmission or death or bankruptcy at the best price reasonably obtainable, if:

- (i) for a period of twelve years no cheque or warrant sent by the Company through the post in a pre-paid letter addressed to the Shareholder or to the person entitled to the Share at his address in the Company's register of members or

otherwise the last known address given by the Shareholder or the person entitled by transmission to which cheques and warrants are to be sent has been cashed and no communication has been received by the Company from the Shareholder or the person so entitled provided that in such 12-year period the Company has paid out at least three interim or final dividends;

- (ii) the Company has at the expiration of the said period of twelve years by advertisement in a newspaper circulating in the area in which the address referred to in (i) above is located given notice of its intention to sell such Shares;
- (iii) the Company has not during the period of three months after the date of the advertisement and prior to the exercise of the power of sale received any communication from the Shareholder or person so entitled; and
- (iv) if any part of the share capital of the Company is quoted on the stock exchanges the Company has given notice in writing to the quotations department of such stock exchange of its intention to sell such Shares.

#### ***Disclosure of ownership***

3.67 The Board shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder who has any interest (whether direct or indirect) in the Shares held by the Shareholder and the nature of such interest. For these purposes, a person shall be treated as having an interest in Shares if they have any interest in them whatsoever, including but not limited to any interest acquired by any person as a result of:

- (i) entering into a contract to acquire them;
- (ii) not being the registered holder, being entitled to exercise, or control the exercise of, any right conferred by the holding of the Shares;
- (iii) having the right to call for delivery of the Shares; or
- (iv) having the right to acquire an interest in Shares or having the obligation to acquire such an interest.

3.68 The Articles provide that, where an addressee of such a notice fails to give the Company the information required by the notice within the time specified in the notice, the Company may deliver a further notice on the Shareholder holding the Shares in relation to which the default has occurred imposing restrictions on those Shares. The restrictions prevent the Shareholder holding the Shares from attending and voting at a meeting (including by proxy) and, where the default Shares represent at least 0.25 per cent. of the class of Shares concerned, any dividend shall be retained by the Company or other amount payable in respect of such Shares and, save in certain circumstances, no transfer of such Shares shall be approved for registration.

#### ***C Shares***

3.69 The Articles permit the Directors to issue C Shares on the following terms. Defined terms used in this paragraph are set out at the end of the paragraph.

- (a) The Directors are authorised to issue C Shares in any number of tranches denominated in Sterling, Euros or U.S. Dollars or such other currency class and on such other terms as they determine, each such tranche to be convertible into shares of the Company of the same currency class as that tranche (such currency class being the "Correspondent Shares").
- (b) The Directors shall, on the issue of each tranche of C Shares, determine the currency class of such tranche and the Correspondent Shares into which the C Shares of such tranche will convert, the latest Calculation Time and Conversion Time for such tranche, and the amendments, if any, to the definition of Conversion Ratio attributable to such tranche. The Directors may, in their absolute discretion change the Correspondent Shares for any tranche of C Shares to reflect any change in the currency classes of the Company's shares by notice to the holders of such tranche of C Shares.
- (c) Each tranche of C Shares, if more than one such tranche is in issue at the same time, shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

- (d) Subject to the terms of the Articles, any new shares arising on Conversion of any tranche of C Shares shall rank *pari passu* with all other Correspondent Shares.
- (e) The capital and assets of the Company shall on a winding up or on a return of capital (other than by way of a purchase of own shares by the Company) prior, in each case, to Conversion be applied as follows:
  - (i) the Correspondent Share Surplus shall be divided amongst the holders of the relevant Correspondent Shares *pro rata* to their holdings of Correspondent Shares as if the Correspondent Share Surplus comprised the assets of the Company available for distribution; and
  - (ii) the C Share Surplus attributable to each tranche of each class of C Shares shall be divided amongst the C Shareholders of such tranche of such class *pro rata* according to their holdings of C Shares of that tranche.
- (f) C Shares shall be transferable in the same manner as the Correspondent Shares.
- (g) The C Shares are issued on the terms that each tranche of C Shares shall be redeemable by the Company in accordance with the Articles.
- (h) At any time prior to conversion, the Company may, at its discretion, redeem all or any of the C Shares of a particular tranche then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject to the facility and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holder(s) of the relevant tranche of C Shares.
- (i) Without prejudice to the generality of the Articles, until Conversion the consent of the C Shareholders as a class (irrespective of whichever tranche they may be) and of the holders of all other shares of the Company as a class shall be required for, and accordingly the special rights attached to any tranche of C Shares or the other shares, as the case may be, shall be deemed to be varied, *inter alia*, by:
  - (i) any alteration to the Memorandum of Association of the Company or the Articles; or
  - (ii) any alteration, increase, consolidation, division, subdivision, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than on a Conversion or by way of reduction of share capital or share premium account or market purchase by the Company of its shares or in accordance with the Articles); or
  - (iii) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company other than a subsequent tranche of C Shares issued in accordance with the Articles or any other right to subscribe or acquire share capital of the Company; or
  - (iv) the passing of any resolution to wind up the Company; or
  - (v) the selection of any accounting reference date other than 31 December.
- (j) Until Conversion and without prejudice to its obligations under the Companies Laws, the Company shall in relation to each tranche of C Shares establish a separate Class Account for that tranche in accordance with the Articles and, subject thereto:
  - (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant tranche; and
  - (ii) allocate to the assets attributable to the C Shares of the relevant tranche such proportion of the expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant tranche including, without prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" below; and

- (iii) give appropriate instructions to the Company's administrator and manager to manage the Company's assets so that such undertakings can be complied with by the Company.
- (k) Each tranche of each class of C Shares shall be converted into Correspondent Shares at the Conversion Time in accordance with the provisions of paragraphs (l) to (q).
- (l) The Directors shall procure that within twenty Business Days after the Calculation Time:
  - (i) the Administrator or, failing which, an independent accountant selected for the purpose by the Board, shall be requested to calculate the Conversion Ratio as at the Calculation Time and the number of new shares of the relevant class to which each holder of C Shares of that tranche shall be entitled on Conversion; and
  - (ii) the auditors may, if the Directors consider it appropriate, be requested to certify that such calculations have been performed in accordance with the Articles and are arithmetically accurate;

whereupon, subject to the proviso in the definition of "Conversion Ratio", such calculations shall become final and binding on the Company and all Shareholders. If the Auditor is unable to confirm the calculations of the Administrator or the independent accountant, as described above, the Conversion shall not proceed.

- (m) The Directors shall procure that, as soon as practicable following such certification (if any), an announcement is made advising holders of C Shares of that tranche of the Conversion Time, the Conversion Ratio and the aggregate numbers of new shares to which holders of C Shares of that tranche are entitled on Conversion.
- (n) Conversion of each tranche of C Shares shall take place at the Conversion Time designated by the Directors for that tranche of C Shares. On conversion the issued C Shares of the relevant tranche shall automatically convert (by redesignation, sub-division and/or consolidation and/or a combination of both or otherwise as appropriate) into such number of new shares of the same class as the Correspondent Shares as equals the aggregate number of C Shares of the relevant tranche in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole new share).
- (o) The new shares of the relevant class arising upon Conversion shall be divided amongst the former holders of the relevant tranche of C Shares *pro rata* according to their respective former holdings of the relevant tranche of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to the new shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former C Shareholders to do any other act or thing as may be required to give effect to the same including, in the case of a share in certificated form, to execute any stock transfer form and, in the case of a share in uncertificated form, to give directions to or on behalf of the former C Shareholder who shall be bound by them.
- (p) Forthwith upon Conversion, any certificates relating to C Shares of the relevant tranche shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the shares of the relevant class which have arisen upon Conversion unless such former C Shareholder elects to hold such shares in uncertificated form.
- (q) The Company will use its reasonable endeavours to procure that, upon Conversion of each tranche of C Shares into shares, the resulting shares are admitted to trading on the Main List of the London Stock Exchange.

The following definitions are only relevant for the purposes of the foregoing:

"Calculation Time" means the earliest of:

- (i) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that they are in contemplation;
- (ii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of that tranche of C Shares;

- (iii) the close of business on the back stop date (being a date specified by the Directors) for the relevant tranche of C Shares; and
- (iv) the close of business on such date as the Directors may determine, in the event that the Directors, in their discretion, resolve that any early investment condition (as set out in the specified conversion criteria for the C Shares) for the relevant tranche of C Shares has been satisfied or that the specified percentage of assets attributable to the C Shares of the relevant class (as determined by the Directors and set out in the specified conversion criteria for the C Shares) has been invested in accordance with the Company's investment policy and that tranche of C Shares shall be converted.

"C Shares" means redeemable preference convertible shares of no par value of any tranche in the capital of the Company and convertible into the class of Correspondent Shares determined by the Directors at the time of issue;

"C Share Surplus" means, in relation to any tranche of C Shares, the net assets of the Company attributable to the C Shares of that tranche as held in the Class Account for that tranche;

"Conversion" means, in relation to any tranche of C Shares, conversion of that tranche of C Shares as described in this paragraph 3.69 above;

"Conversion Ratio" means, in relation to each tranche of C Shares, **A** divided by **B** calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C - D}{E}$$

and

$$B = \frac{F - G}{H}$$

and where:

**C** is the value of investments attributable to the relevant tranche of C Shares at the relevant Calculation Time calculated in accordance with the Articles;

**D** is the amount which (to the extent not otherwise deducted in the calculation of C) in the Directors' reasonable opinion fairly reflects the amount of the liabilities and expenses of the Company at the Calculation Time attributable to the C Shares of the relevant tranche in issue at the Calculation Time including, for the avoidance of doubt, (i) all expenses of the issue of the C Shares of the relevant tranche and any amounts representing any accrued performance fee payable to the Manager prior to the Calculation Time attributable to the C Shares of the relevant tranche (as determined by the Directors) and such amount (if any) as the Directors in their absolute discretion may determine reflects the benefit to holders of C Shares of the relevant tranche of any high watermark referable to the performance fee payable to the Manager which may subsequently reduce the amount of performance fee payable in the relevant financial period attributable to the new Shares arising on Conversion of that tranche of C Shares, (ii) any borrowings undertaken by the Company attributable to the C Shares of the relevant tranche to fund the acquisition of Investments or otherwise, (iii) the full amount of all dividends declared but not paid in respect of the C Shares of the relevant tranche, and (iv) the value of any net foreign exchange losses accruing to the Company resulting from the currency class of the Correspondent Shares in the period between C Admission and the Calculation Time as in the Directors' opinion is properly attributable to that tranche of C Shares;

**E** is the number of the C Shares of the relevant tranche in issue at the Calculation Time;

**F** is the value of investments attributable to of the relevant Correspondent Shares at the relevant Calculation Time Calculated in accordance with the Articles;

**G** is the amount which, (to the extent not otherwise deducted in the calculation of F) in the Directors' reasonable opinion, fairly reflects the amount of the liabilities and expenses of the Company at the Calculation Time attributable to the Correspondent Shares in issue at the Calculation Time including, for the avoidance of doubt, (i) any amounts

representing any accrued performance fee payable to the Manager prior to the Calculation Time attributable to the Correspondent Shares (as determined by the Directors)), (ii) any borrowings undertaken by the Company attributable to the Correspondent Shares to fund the acquisition of investments or otherwise, (iii) the full amount of all dividends declared but not paid in respect of the Correspondent Shares in issue at the Calculation Time, and (iv) the value of any net foreign exchange losses accruing to the Company resulting from the currency class of the Correspondent Shares in issue at the Calculation Time as in the Directors' reasonable opinion is properly attributable to the Correspondent Shares; and

**H** is the number of shares of the Correspondent Shares in issue at the Calculation Time of C Shares;

Provided always that:

- (i) for the purposes of this Conversion Ratio, assets denominated in currencies other than U.S. Dollars shall be converted into Euro at the closing mid-point rate of exchange between U.S. Dollars and such other currencies prevailing at the Calculation Time;
- (ii) the Directors shall make such adjustments to the value or amount of **A** and/or **B** as they shall certify to be appropriate having regard, *inter alia*, to the assets of the Company immediately prior to the Issue Date or the Calculation Time or to the reasons for the issue of the C Shares of the relevant tranche;
- (iii) in relation to any tranche of C Shares, the Directors may, as part of the terms of issue of such tranche, amend the definition of Conversion Ratio in relation to that tranche; and
- (iv) where valuations are to be made as at the Calculation Time and the Calculation Time is not a Business Day, the Directors shall apply the provisions of this definition as if the Calculation Time were the preceding Business Day;
- (v) for the purposes of the Conversion Ratio the value of A and B will be calculated in the currency of the Correspondent Shares (provided that where there is only one class of Shares in issue at the relevant Calculation Time, the value of A and B will be calculated in the currency of the Shares then in issue) and using such exchange rate(s) as the Directors may determine; and
- (vi) where the admission of C Shares takes place not later than 10 Business Days after a NAV Calculation Date the Directors may in their absolute discretion substitute for C above (and for any other valuation of the investments attributable to the C Shares of the relevant tranche used in calculating the Conversion Ratio) the gross proceeds of the issue of the relevant tranche of C Shares or, where the costs and expenses of such issue are not taken into account in calculating D above (or for any other valuation of the liabilities and expenses attributable to the C Shares of the relevant tranche in calculating the Conversion Ratio), the net proceeds and the C Shares shall be deemed to have been in issue at the Calculation Time.

"Conversion Time" means, in relation to any tranche of C Shares, a time which falls after the Calculation Time being the time at which the admission to trading on the main market for listed securities of the London Stock Exchange becomes effective of the shares into which the relevant tranche of C Shares converts, provided that such day shall not be more than 20 Business Days after the Calculation Time;

"Correspondent Shares" means the shares of the relevant currency class into which C Shares of a particular tranche are to be converted as determined by the Directors at the time of issue of the relevant tranche, subject as may subsequently be amended by the Directors to reflect any change in the currency classes of the Company's Shares;

"Force Majeure Circumstances" means in relation to any tranche of C Shares:

- (i) any political or economic circumstances or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable;
- (ii) the issue of any proceedings challenging or seeking to challenge the power of the Company or its Directors to issue the C Shares of that tranche with the rights proposed to be attached to them or to the persons to whom they are, or the terms on which they are, proposed to be issued;

- (iii) the convening of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; or
- (iv) the occurrence of, *inter alia*, the suspension of the calculation and the publication of the net asset value of the Company, the net asset value of the relevant class of shares falling below US\$25 million or the proportion of shares that are publicly held falling below 25 per cent.;

“Issue Date” means, in relation to any tranche of C Shares, the date on which the admission of that tranche of C Shares to trading on the main market for listed securities of the London Stock Exchange becomes effective or, if later, the day on which the Company receives the net proceeds of the issue of the relevant tranche of C Shares;

“Manager” means the Manager of the Company as appointed by the Board from time to time;

“Correspondent Share Surplus” means the net assets of the Company attributable to the relevant Correspondent Shares at the date of winding up or other return of capital;

References to “C Shareholders” shall be construed as references to holders for the time being of C Shares, or, if there is more than one tranche of C Shares in issue at the relevant time, C Shares of the relevant tranche.

References to the auditors certifying any matter shall be construed to mean certification of their opinion as to such matter, whether qualified or not.

#### **4. Directors’ and other interests**

- 4.1 Except as disclosed in this paragraph 4, the Company is not aware of interests of any Director, including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, such Director whether or not held through another party, in the share capital of the Company, together with any options in respect of such capital immediately following the issue.
- 4.2 As at the date hereof, except as disclosed in this paragraph 4, in so far as is known to the Company, no person is or will, immediately following the Offer, be directly or indirectly interested in 5 per cent. or more of the Company’s capital. Such Shareholders will not have different voting rights to other Shareholders. The Companies Laws imposes no requirement on Shareholders to disclose holdings of 5 per cent. (or any greater limit) or more of any class of the share capital of the Company. However, the Disclosure and Transparency Rules provide that certain persons (including Shareholders) will be obliged to notify the Company if the proportion of the Company’s voting rights which they own reaches, exceeds or falls below specific thresholds (the lowest of which will be 5 per cent.).
- 4.3 The Company is not aware of any person who directly or indirectly, jointly or severally, exercises or, immediately following the Offer, could exercise control over the Company.
- 4.4 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation. Other than as disclosed in this document, no Director is subject to any conflicts of interest between his duties to the Company and his private interests or other duties.
- 4.5 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 4.6 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors hold their office in accordance with the Articles of Association. The Directors’ appointments can be terminated with one month’s notice in accordance with the Articles of Association and without compensation. The Articles of Association provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more; (iii) written request of the other Directors; and (iv) a resolution of a majority of the Shareholders eligible to vote.
- 4.7 No members of the Administrator or the Manager have any service contracts with the Company.

4.8 The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 December in each year, which will be payable out of the assets of the Company are not expected to exceed £500,000. Each of the Directors (other than the Chairman) will receive £25,000 per year. John Hallam will also receive an additional amount of £2,500 in recognition of his role as Chairman of the Company's audit committee. The Chairman will receive £125,000 per year. Stephen Stonberg will waive any fee payable to him arising out of his services as a Director.

4.9 In addition to their directorships of the Company, the Directors hold or have held the following directorships, and are or were members of the following partnerships, within the five years ending on 23 April 2008 (being the latest practicable date prior to the publication of this Prospectus):

<b>Name</b>	<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships</b>
<b>Lord Turnbull</b>	Frontier Economics Limited Prudential Plc The British Land Company PLC	Arup Group Limited
<b>John Hallam</b>	Barclays Insurance Guernsey PCC Ltd Baring Coller Secondaries Fund Ltd Baring Coller Secondaries Fund II Ltd Bracken Partners Investments Channel Islands Ltd BSkyB Guernsey Ltd Cazenove Absolute Equity Ltd Ciel Bleu Ltd Ciel Clair Ltd Cognetas European Fund (GP) Ltd Cognetas European Fund II (GP) Ltd Develica Asia Pacific Ltd Develica Deutschland Ltd Dexion Absolute Ltd EFG Private Bank (Channel Islands) Ltd Emperor Marine Ltd Genesis Asset Managers LLP Genesis Emerging Markets Opportunities Fund Ltd Genesis Emerging Markets Opportunities Fund Ltd II Genesis Emerging Markets Opportunities Fund Ltd III HSBC Infrastructure Co Ltd Harlequin Insurance PCC Ltd Investec Premier Funds PCC Ltd LB PEP GP Ltd Lehman Brothers Private Equity Partners Ltd Les Grandes Moulins Ltd M&G Recovery Investment Co Ltd Mannequin Insurance PCC Ltd New Star RBCHedge 250 Index Exchange Traded Securities PCC Ltd Olivant Ltd Partners Group Global Opportunities Ltd Polygon Insurance PCC (Guernsey) Ltd Prodesse Investment Ltd Septup Ltd Sienna Investment Co Ltd Sienna Investment Co 2 Ltd Sienna Investment Co 3 Ltd Sienna Investment Co 4 Ltd Standard Life Investments Property Income Trust Ltd Stapleford Insurance Co Ltd Tapestry Investment Co PCC Ltd Weightman Vizards Insurance Ltd	Acumen Guaranteed Fund PCC Ltd Blue Cap (2004) Ltd Bordeaux Services (Guernsey) Ltd CEDR Investment Company Ltd Danube Property Investments Ltd EFG Eurobank Ergasias International (CI)Ltd* Electra Bridge Co Ltd Framlington Global Financial & Income Fund Ltd* Genesis Assets Managers LLP Genesis Emerging Markets Investment Co SICAV Genesis Investments Ltd Genesis Smaller Companies SICAV Genworth Mortgage Insurance Ltd Gironde Ltd* Govett Asian Income & Growth Fund Ltd* Guernsey Financial Services Commission Harbour Insurance PCC Ltd Harle Syke Ltd HedgeFirst Ltd* International Structured Guarantee Fund PCC Ltd Investec European Growth & Income Trust* Ltd Orange PCC Ltd* Partners Group Alternative Strategies PCC Ltd Phoenix Venture (Guernsey) Ltd Premier League Solutions Ltd SLI Property Income Fund Limited The 2003 Island Games Company LBG* TwentytwoColomberie Ltd

Name	Current directorships/partnerships	Past directorships/partnerships
<b>Nicholas Moss</b>	Abingdon Finance Limited Abingdon Investment Limited Absolute Return Trust Limited Bramdean Alternatives Limited CM Management Company Limited Consulta Alternative Strategy Fund PCC Limited Consulta Alternative Strategy Holdings Limited Consulta Capital Fund PCC Limited Consulta Capital Holdings Limited Consulta (Channel Islands) Limited Consulta Canadian Energy Fund Limited Consulta Collateral Fund PCC Limited Consulta Collateral Holdings Limited Consulta High Yield Fund PCC Limited Consulta High Yield Holdings Limited CORESTATE German Residential Limited Embarcadero Limited Detroit Lakes Limited Dufour Holdings Limited FIM Long-Invest Portfolio Limited FIM Long-Invest PCC Limited FIM Long-Invest Plus PCC Limited Jambalaya Trading Limited Lavenne Limited Manikar Limited Mill Valley Limited Mount Capital Fund Limited Ondas Investments Pte. Ltd Radipole Limited RE Netherlands Property Investments BV Rutley European Property Limited Rutley European Property Holdings SARL Rutley Indian Property Limited Siddeley Investments Limited Solent Capital (Guernsey) Limited Sphere Success Limited Tribelle Global Limited Virtus Directors Limited Virtus Investment Services Limited Virtus Management Limited Virtus Trust Limited Virtus Trust Corporation Limited Virtus Trust NZ Limited Woolliscrofts Limited	Arnaud Interests Limited Blackpool Farm Incorporated Brandy Limited Breguet Limited Casquets Limited Consulta Technology Fund Limited Cortec Limited Cruette Limited Ensifer Trust Company (CI) Limited Exitab S.A. Fairey Holdings Limited Falcon Asset Backed Investments Limited First Board Limited First Court Limited Fornells Limited Foxglove Incorporated Frantasia Estate Limited Guernsey Global Trust Limited Highclare Properties Limited Larkmead Properties Limited Lizard Limited Lucean Investments Limited Manchester Whiteware Corporation Limited** Maski Ventures Limited Paris Services Limited Perron Trading Inc Rothschild Corporate Admin Services Inc Rothschild Corporate Fiduciary Services Limited Rothschild Trust Canada Inc. Rothschild Trust Eastern Limited Rothschild Trust Financial Services Limited Rothschild Trust Guernsey Limited Rothschild Trust New Zealand Limited Rotshchild Ventures (Guernsey) Limited Sadelli Strategies Limited Scar Limited Second Board Limited Second Court Limited Seedcorn Management Holdings Limited Sigrist Limited St Julian's Trust Bahamas Limited (in liquidation) Street Family Group of Companies Limited Symons Family Group of Companies Limited Third Board Limited Third Court Limited Transtec Assets Limited Valention Global Limited Veteran World Holdings Limited Y2K Finance Inc.
<b>Stephen Stonberg</b>	BH Macro Limited Brevan Howard Asset Management LLP BHI Holdings Limited Brevan Howard P&C Partners Limited Coalition Development Limited	Brevan Howard Healthcare Strategies Master Fund Limited Brevan Howard Healthcare Strategies Fund Limited Brevan Howard Water Strategies Master Fund Limited Brevan Howard Water Strategies Fund Limited Brevan Howard Emerging Markets Strategies Master Fund Limited Brevan Howard Emerging Markets Strategies Fund Limited

Name	Current directorships/partnerships	Past directorships/partnerships
<b>Talmai Morgan</b>	Altius Associates GP Limited AnaCap FP GP Limited AnaCap FP GP II Limited BH Macro Limited Bourse Trust Company Limited Close European Accelerated Fund Limited European Investments (Guernsey) Limited European Investment Holdings (Guernsey) Limited EuroDekania Limited Glebe Central Cross Limited Glebe London Limited Goldman Sachs Dynamic Opportunities Limited LB PEP GP Limited Lehman Brothers Private Equity Partners Limited Peak Asia Properties Limited Prodesse Investment Limited PSource Asian Recovery Limited Queen's Walk Investment Limited Signet Global Fixed Income Strategies Limited Star Asia Finance, Limited TCR1 Limited TCR2 Limited Third Point Offshore Independent Voting Company Limited Trebuchet Finance Limited	BRIX Global Investment Limited Guernsey Financial Services Commission Guernsey Finance LBG Mayven International Limited Mayven UK plc

\* Mr Hallam was a director of this company when it was taken into a solvent members' voluntary liquidation.

\*\* Mr Moss was a director of this company when it was taken into a solvent members' voluntary liquidation.

#### 4.10 At the date of this document:

4.10.1 none of the Directors has any convictions in relation to fraudulent offences for at least the previous 5 years;

4.10.2 save as disclosed in paragraph 4.9 above, none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous 5 years which has entered into any bankruptcy, receivership or liquidation proceedings; and

4.10.3 none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous 5 years.

4.11 Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against certain charges, losses, damages, expenses and liabilities arising out of any claims made against him in connection with the performance of his duties as a director of the Company.

4.12 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

#### 4.13 **Related party interests in the Company**

Lord Turnbull, John Hallam and Talmai Morgan and/or members of their immediate family (or entities acting on their behalf), intend to subscribe for Shares in the Offer with an aggregate value of approximately £50,000, US\$50,000 and US\$50,000 respectively. Certain Brevan Howard group senior management and their connected persons (or entities acting on their behalf) intend to subscribe for Shares in the Offer with an aggregate value of up to approximately US\$5 million. In addition, the Brevan Howard Master Fund, and other funds managed by the Brevan Howard group, may take positions (but have not as of the date of this document and are not obliged to) in respect of the share capital of the Company.

## 5. Material Contracts

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since its incorporation and are, or may be, material or that contain any provision under which the Company has any obligation or entitlement which is or may be material to the Company as at the date of this document.

### 5.1 *Placing Agreement*

The Company, the Directors and the Manager have entered into a Placing Agreement dated 28 April 2008 with the Sponsor and the Banks. Under the terms of the Placing Agreement, subject to the satisfaction or waiver by the Joint Bookrunners (on behalf of the Banks), of certain conditions, the Banks have severally agreed to use reasonable endeavours to procure purchasers for, or failing which each of Morgan Stanley and Dresdner have agreed to purchase, certain of the Shares, in each case at the Offer Price.

The Placing Agreement contains, amongst others, the following provisions:

- (a) The Company has appointed Dexion and Morgan Stanley as joint bookrunners, Dresdner as co-lead manager and Morgan Stanley as sponsor.
- (b) The obligation of the Company to issue the Shares and the obligation of the Banks under the Placing Agreement are conditional upon certain conditions that are typical for an agreement of this nature being fulfilled. These conditions include, amongst others, (i) the execution of a purchase memorandum between the Banks, the Manager and the Company setting out the number of Shares of each class to be issued pursuant to the Offer; and (ii) that Admission occurs on or before 8.00 a.m on 29 May 2008 or such other time or date as the Company and each of the Joint Bookrunners may agree in writing.
- (c) Morgan Stanley will act as stabilisation manager and the Company has granted to Morgan Stanley the Over-allotment Option pursuant to which Morgan Stanley may purchase, or procure purchasers for, up to such number of Shares of each class equal to approximately 10 per cent. of the total number of Shares of such class to be issued or sold pursuant to the Offer (excluding any exercise of the Over-allotment Option) at the Offer Price for the purposes of covering over-allocations, if any, in connection with the Offer and short positions resulting from stabilisation transactions. The Over-allotment Option may be exercised from the date of the commencement of conditional dealings for a period of 30 days thereafter.
- (d) Each of the Company and the Manager has agreed that the Banks are entitled to a commission (the “**Placing Commission**”) in connection with the Offer which has been structured such that it essentially varies incrementally depending on the gross proceeds raised in the Offer. The maximum Placing Commission which may become due and payable to the Placement Agents pursuant to this structure is payable when the gross proceeds of the Offer are in excess of US\$875 million. In these circumstances, the Placement Agents receive a commission of 2.428 per cent. of the gross proceeds of the Offer up to US\$875 million and a commission representing 4 per cent. of the gross proceeds of the Offer in excess of US\$875 million (in each case subject to a lower rate of commission when payable in respect of proceeds raised in the Offer from existing clients of Brevan Howard). The Company will bear the expenses of the Offer up to a maximum amount equal to one per cent. of the gross proceeds of the Offer. To the extent that the expenses (including the Placing Commission) are in excess of this amount, such expenses will be borne by the Manager.
- (e) The Manager has agreed to pay or cause to be paid (together with any applicable value added tax) certain costs, charges, fees and expenses of, or in connection with, or incidental to, amongst other things, the admission of the Shares to the Official List, admission to trading on the London Stock Exchange, the Banks’ out of pocket expenses and the fees and disbursements of the Banks’ counsel in connection with the transactions contemplated in the Placing Agreement. In addition, the Company and the Manager have, in certain circumstances and subject to certain exceptions, agreed to pay to and reimburse the Banks in respect of all and any SDRT (if applicable) and any other similar tax charge or duty and any related costs, fines, penalties or interest.

- (f) Each of the Company and the Manager have given certain customary warranties to the Banks including, amongst others, warranties in relation to the business, the accounting records and the legal compliance of the Company, the Manager, the Brevan Howard Global Opportunities Master Fund and the Initial Funds and in relation to the information contained in the Prospectus. The Directors have also provided certain limited warranties in respect of, *inter alia*, information contained in the Prospectus, subject to limitations on their liability. The Company and, in certain circumstances and subject to certain limitations, the Manager have agreed to indemnify the Sponsor and the Banks and members of their respective groups on a joint and several basis and on terms which are standard for a document of this type, including, without limitation, against certain liabilities, including in respect of the accuracy of the information contained in this Prospectus, losses arising from a breach of the Placing Agreement and in respect of certain other losses suffered or incurred in connection with the Offer.
- (g) The Company has undertaken, subject to certain exceptions in the Placing Agreement, among other things, not to issue, offer, pledge, sell or contract to sell, issue or grant options, rights, warrants in respect of, or otherwise dispose of, directly or indirectly, any Shares (or any interest therein or in respect thereof) or any other securities exchangeable for or convertible into or substantially similar to the Shares or enter into any transaction with the same economic effect as, or agree to do, any of the foregoing for a period of 6 months after Admission, without first obtaining the prior written consent of the Joint Bookrunners (acting on behalf of the Banks)
- (h) The Manager has agreed with each of the Banks and the Company, for a period of two years from the date of the Placing Agreement, not to establish, manage or promote any closed-ended listed publicly-traded fund whose investment policy or strategy is primarily to invest its assets directly or indirectly into (and thereby provide exposure) to a range of Brevan Howard Underlying Funds.
- (i) The Placing Agreement is governed by English law.

## 5.2 **Management Agreement**

The Company is party to a Management Agreement with the Manager dated 28 April 2008, pursuant to which the Manager is appointed to manage, on a discretionary basis, all of the assets and investments of the Company.

For the provision of services under the Management Agreement, the Manager is entitled to receive a Management Fee equal to 0.5 per cent. of the Net Asset Value of the Company. Such annual fee is calculated and payable monthly in arrear.

The Company will reimburse the Manager any reasonable legal fees and expenses incurred by the Manager in connection with its services under the Management Agreement and such other expenses as may be agreed in writing between the Company and the Manager from time to time.

The Manager will not be liable for any loss arising from errors of fact or judgment or any action taken (or omitted to be taken) by it or any of its directors, officers or employees howsoever arising except to the extent that any such error, action or omission is a result of a material breach of the Management Agreement or the gross negligence, wilful default or fraud of the Manager or by its directors, officers or employees. The Company will indemnify the Manager and its directors, officers and employees (each an “**indemnified person**”) against all liabilities, obligations, losses, damages, suits and expenses which may be incurred or asserted against the indemnified person other than those resulting from the gross negligence, wilful default or fraud of or material breach of the Management Agreement by the indemnified person.

Either party may terminate the Management Agreement on the giving of 24 months’ written notice to the other party, or alternatively the Company may terminate the Management Agreement on 90 days’ notice by payment to the Manager of amount equal to the aggregate of the Management Fee and the basic management fees that would otherwise have been payable by the Brevan Howard Underlying Funds in which the Brevan Howard Global Opportunities Master Fund is, at the time of termination, invested in respect of assets invested by the Brevan Howard Global Opportunities Master Fund during such 24 month period (and are not so paid) (such amount to be calculated for the whole of such period by reference to the portion of the net asset value of each relevant Brevan Howard Underlying Fund attributable to the Brevan Howard Global Opportunities Master Fund’s investment prevailing immediately prior to the date of termination). The Company may terminate the Management Agreement on the giving of 30 days’ written notice to the Manager if the way that Brevan Howard Global Opportunities Master Fund invests results in a material breach of the Company’s published investment policy, and

90 days' written notice to the Manager if the Manager has committed a material breach of its obligations and, if such breach is capable of being remedied, has not been remedied within 30 days of receipt of written notice from the Company requiring such remedy. The Company may also, in certain circumstances, terminate the Management Agreement forthwith at no cost to the Company by notice in writing to the Manager, including, *inter alia*, if BHOML ceases to be manager of the Brevan Howard Global Opportunities Master Fund, where the Manager has been fraudulent or grossly negligent in performing its duties, the occurrence of an insolvency, winding up or administration event of BHOML, the loss by BHOML of its regulatory authority, the winding up of the Company following an unsuccessful continuation vote, or the occurrence of a significant adverse change in the management or operations of BHOML.

If the date on which a Class Closure Resolution is passed is within seven years of Admission, the Management Agreement provides that the Manager is entitled to be paid an amount equal to that portion of the costs and expenses of the Offer that were borne by the Manager and attributable to each Share of the relevant class.

In addition, the Management Agreement provides that the Manager is entitled to be paid an amount equal to the costs and expenses of the Offer (up to a maximum of 4 per cent. of the gross proceeds of the Offer) but without double recovery of any amounts previously paid pursuant to the prior paragraph if the Management Agreement is terminated by the Company during the period ending on the seventh anniversary of Admission: (a) without cause; (b) on the basis of a resolution being passed to wind-up the Company; or (c) because the Brevan Howard Global Opportunities Master Fund NAV on any Brevan Howard Global Opportunities Master Fund NAV Calculation Date is more than 25 per cent. lower than the average Brevan Howard Global Opportunities Master Fund NAV over the previous 12 Brevan Howard Global Opportunities Master Fund NAV Calculation Dates. If the Management Agreement is terminated pursuant to clause (c) above, provided such event occurs within two years of the date of Admission, the Company shall pay the Manager an amount equal to the aggregate of the Management Fee and the basic management fees that would otherwise have been payable by the Brevan Howard Underlying Funds in which the Brevan Howard Global Opportunities Master Fund is, at the time of termination, invested in respect of assets invested by the Brevan Howard Global Opportunities Master Fund during such 24 month period (and are not so paid) (such amount to be calculated for the whole of such period by reference to the portion of the net asset value of each relevant Brevan Howard Underlying Fund attributable to the Brevan Howard Global Opportunities Master Fund's investment prevailing immediately prior to the date of termination) less the aggregate amount of management fees payable by such Brevan Howard Underlying Funds prior to termination.

The Manager is entitled to treat the Management Agreement as terminated if the Company requests redemption of all or part of any of the Company's holding in Brevan Howard Global Opportunities Master Fund Shares other than in the circumstances set out below. If the Manager terminates the Management Agreement in such circumstances it is entitled to be paid an amount equal to the aggregate of the Management Fee and the basic management fees that would otherwise have been payable by the Brevan Howard Underlying Funds in which the Brevan Howard Global Opportunities Master Fund is, at the time of termination, invested in respect of assets invested by the Brevan Howard Global Opportunities Master Fund during the 24 months following the date of such notice (and are not so paid) (such amount to be calculated for the whole of such period by reference to the portion of the net asset value of each relevant Brevan Howard Underlying Fund attributable to the Brevan Howard Global Opportunities Master Fund's investment prevailing immediately prior to the date of termination). The Company may request redemption without such consequences:

- if the Management Agreement is terminated by the Company;
- to the extent required to enable the Company to satisfy the costs of its share repurchases and discount management policy or to give effect to any resolutions passed by the Shareholders in connection with the Company's discount management provisions;
- to the extent required to enable the Company to meet its operating expenses or interest, principal or other payment obligations under any credit facility taken for the purpose of funding share repurchases or satisfying working capital requirements;
- if there is introduced by the Company or the Brevan Howard Global Opportunities Master Fund any new material fee payable to the Manager, which is payable directly by the Company or indirectly by the Company and its shareholding in the Brevan Howard Global Opportunities Fund but is not payable at the date of the Management Agreement;
- if the Brevan Howard Global Opportunities Master Fund NAV per share on any Brevan Howard Global Opportunities Master Fund NAV Calculation Date is more than 25 per cent. lower than the average Brevan Howard Global

Opportunities Master Fund NAV per share on any of the previous 12 Brevan Howard Global Opportunities Master Fund NAV Calculation Dates;

- following a Class Closure Resolution;
- to the extent required to enable the Company to fund any liabilities it may incur, including any costs incurred in respect of such liabilities, in connection with any claim that is made against it pursuant to the Placing Agreement; and
- if at any time the way that the Brevan Howard Global Opportunities Master Fund invests results in a material breach of the Company's published investment policy and, if such breach is capable of being remedied, has not been remedied within 30 days of receipt by the Brevan Howard Global Opportunities Master Fund of written notice from the Company requiring such remedy.

The Manager may charge or assign the benefit of its rights under the Management Agreement as security to third parties. The Management Agreement is governed by English law.

### 5.3 Administration Agreement

The Company is a party to an Administration Agreement with Northern Trust International Fund Administration Services (Guernsey) Limited dated 24 April 2008 pursuant to which the Administrator provides day-to-day administration of the Company and acts as secretary, registrar and administrator to the Company including maintenance of the share register of the Company, maintenance of accounts, preparing interim and annual accounts of the Company and calculating the Net Asset Value of the Shares.

For the provision of the services under the Administration Agreement, the Administrator is entitled to receive a fee of 0.03 per cent. on the first US\$1 billion of net assets of the Company and 0.01 per cent. thereafter calculated as at the last valuation day in each month (as produced by the Administrator), subject to a minimum fee of £115,000 per annum payable monthly in arrear (the parties may by agreement revise these fees from time to time). The Company will also reimburse the Administrator monthly for disbursements and reasonable out of pocket expenses incurred by the Administrator on behalf of the Company.

The Administrator may delegate the whole or any part of its functions under the Administration Agreement to any delegate, sub-contractor or agent approved in writing by the Company and its Directors.

The Administration Agreement, which is governed by the laws of the Island of Guernsey, may be terminated by either party serving on the other party 90 days' written notice. The Administration Agreement may be terminated immediately if: (i) in the event of the winding up of or the appointment of an administrator, examiner or receiver to the other or upon the happening of a like event at the direction of an appropriate regulatory agency or court of competent jurisdiction except voluntary liquidation for the purposes of a reconstruction, amalgamation or merger; (ii) if the either party shall commit any material breach of the provisions of the Administration Agreement and shall, if capable of remedy, not have remedied the same within thirty days after the service of notice requiring it to be remedied (in such cases such right of termination lies with the non-defaulting party); (iii) if the continued performance of the Administration Agreement for any reason ceases to be lawful; (iv) if the Administrator is no longer permitted or qualified to perform its obligations pursuant to any applicable law (including the Protection of Investors (Bailliwick of Guernsey) Law, 1987, as amended) or regulation (including in circumstances where the Administrator ceases to hold the relevant licence, consent, permit or registration to carry on the Administrator's activities). In the event that any of the foregoing occurs, the Administrator shall inform the Company without undue delay; (v) if a party is declared to be *en état de désastre* under the laws of Guernsey; or (vi) if the Administrator is or is deemed to be resident for tax purposes elsewhere than in Guernsey or has a permanent establishment or other taxable presence elsewhere than in Guernsey.

The Administrator will generally not be liable for any loss, cost, expense or damage suffered by the Company or otherwise arising directly as a result of or in the proper course of discharge by the Administrator of its duties under the Administration Agreement in the absence of negligence, fraud, bad faith or wilful default. The Company will indemnify the Administrator against all actions, proceedings, claims and demands which may be made against, suffered or incurred by the Administrator in respect of any loss or damage suffered or alleged to have been suffered by any party in connection with the proper performance by the Administrator of its duties under the Administration Agreement otherwise than as a result of some act of negligence, fraud, bad faith or wilful default on the part of the Administrator.

#### 5.4 **Subscription agreement**

The Company has agreed to subscribe for Brevan Howard Global Opportunities Master Fund Shares and the Brevan Howard Global Opportunities Master Fund has undertaken to allot such shares by means of a subscription agreement entered into between the Brevan Howard Global Opportunities Master Fund and the Company on 28 April 2008 (the "**Subscription Agreement**"). The Subscription Agreement will be unconditional immediately on Admission. Pursuant to the Subscription Agreement, the Company has provided certain indemnities to the Brevan Howard Global Opportunities Master Fund and others and made certain representations including that it has the power and authority to subscribe for the class A US\$ shares, class A Euro shares and/or class A Sterling shares in the Brevan Howard Global Opportunities Master Fund and is otherwise eligible to subscribe pursuant to relevant laws and regulations.

The Subscription Agreement is governed by Cayman Islands law.

#### 5.5 **Receiving Agent Agreement**

The Company is party to a Receiving Agent Agreement with Computershare Investor Services PLC (the "**Receiving Agent**") dated 25 April 2008 whereby the Receiving Agent will act as receiving agent to the Offer for Subscription. The agreement contains certain standard indemnities from the Company in favour of the Receiving Agent. The Receiving Agent's liabilities under this agreement are subject to a financial limit.

The Receiving Agent Agreement is governed by English law.

### 6. **Related party transactions**

The Company has not entered into any related party transactions since incorporation.

### 7. **Litigation**

Since its incorporation the Company is not, nor has been, involved in any governmental, legal or arbitration proceedings nor, so far as the Company is aware, are there any governmental, legal or arbitration proceedings pending or threatened by or against the Company which may have, or have since incorporation had, a significant effect on the Company's financial position or profitability.

### 8. **Financial information**

- 8.1 KPMG Channel Islands Limited, 20 New Street, St. Peter Port, Guernsey GY1 4AN, Channel Islands has been the only auditor of the Company since its incorporation. The annual report and accounts of the Company will be prepared in US Dollars according to US GAAP.
- 8.2 The Company's accounting period will terminate on 31 December of each year, with the first year end on 31 December 2008.
- 8.3 The Company has not commenced operations since its incorporation on 25 February 2008 and no financial statements of the Company have been made as at the date of this document.

8.4 The Company is of the opinion, taking into account the minimum gross proceeds of US\$250 million, that the working capital available to the Company is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

8.5 As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

## **9. No significant change**

There has been no significant change in the trading or financial position of the Company since its incorporation.

## **10. Third party sources**

Where information contained in this document has been sourced from third parties, the Company confirms that such information has been accurately reproduced and, as far as the Company is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

## **11. Investment Restrictions**

The Company is subject to the following investment restrictions:

- it may not invest its assets in any entity other than the Brevan Howard Global Opportunities Master Fund;
- for so long as required by the Listing Rules, it will at all times seek to ensure that the Brevan Howard Global Opportunities Master Fund invests and manages its assets in a way which is consistent with the Company's object of spreading risk and in accordance with the Company's investment policy set out in Part I of this document;
- for so long as required by the Listing Rules, it must not conduct a trading activity which is significant in the context of the Company and its group as a whole;
- for so long as required by the Listing Rules, not more than 10 per cent. of the value of its total assets will be invested in other UK-listed closed-ended investment funds, except for those which themselves have published investment policies to invest not more than 15 per cent. of their total assets in other UK-listed closed-ended investment funds; and
- any investment restrictions that may be imposed by Guernsey law, although as at the date of this document no such restrictions exist.

The Company must at all times comply with the published investment policy and any material change to its investment will only be made with the approval of the Shareholders.

## **12. General**

12.1 The Manager is or may be a promoter of the Company.

12.2 The Company does not own any premises and does not lease any premises.

## **13. Documents available for inspection**

13.1 Copies of the following documents will be available for inspection at the registered office of the Company and the offices of Freshfields Bruckhaus Deringer, legal counsel to the Company, during normal business hours on any weekday (Saturdays and public holidays excepted) until the date of Admission:

- (a) the Memorandum and Articles of the Company;

- (b) the memorandum of association and articles of association of the Brevan Howard Global Opportunities Master Fund; and
- (c) this Prospectus.

13.2 In addition, copies of this Prospectus are available free of charge from the registered office of the Company and the offices of the Administrator and the Banks. Copies of this Prospectus are also available from the Document Viewing Facility, UK Listing Authority, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

# Part X

## Additional Information on Brevan Howard Global Opportunities Master Fund

### 1. The Brevan Howard Global Opportunities Master Fund

- 1.1 The Brevan Howard Global Opportunities Master Fund was incorporated as an exempted company with limited liability in the Cayman Islands under the Cayman Companies Law (2007 Revision) on 3 March 2008 with registered number 205885.
- 1.2 The registered office of the Brevan Howard Global Opportunities Master Fund is at the offices of Maples Corporate Services Limited, Ugland House, 113 South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands.
- 1.3 The Brevan Howard Global Opportunities Master Fund is not regulated by the FSA or any other equivalent EU regulator.

### 2. Share capital of the Brevan Howard Global Opportunities Master Fund

- 2.1 The authorised share capital of the Brevan Howard Global Opportunities Master Fund on incorporation was:  
  
50,000,000 ordinary shares of €0.01 par value;  
  
75,000,000 ordinary shares of US\$0.01 par value; and  
  
50,000,000 ordinary shares of £0.01 par value.
- 2.2 Neither the Cayman Companies Law nor the articles of association of the Brevan Howard Global Opportunities Master Fund confer any rights of pre-emption in favour of existing investors in respect of unissued share capital.
- 2.3 Save as disclosed in this paragraph 2, since the date of its incorporation, the Brevan Howard Global Opportunities Master Fund has not approved any increase in its authorised share capital and has not authorised the issue of any loan capital.

### 3. Memorandum and articles of association of the Brevan Howard Global Opportunities Master Fund

The memorandum of association of the Brevan Howard Global Opportunities Master Fund provides that the objects of the Brevan Howard Global Opportunities Master Fund include carrying on business as an investment company. The objects of the Brevan Howard Global Opportunities Master Fund are set out in full in clause 3 of its memorandum of association.

The articles of association of the Brevan Howard Global Opportunities Master Fund contain provisions, *inter alia*, to the following effect:

#### **Share capital of the Brevan Howard Global Opportunities Master Fund**

- 3.1 The authorised share capital of the Brevan Howard Global Opportunities Master Fund is currently represented by:  
  
50,000,000 ordinary shares of €0.01 par value;  
  
100,000,000 ordinary shares of US\$0.01 par value; and  
  
50,000,000 ordinary shares of £0.01 par value.

- 3.2 On written request by a shareholder of the Brevan Howard Global Opportunities Master Fund, the Brevan Howard Global Opportunities Master Fund must, subject to the applicable redemption notice period and any suspension of redemptions, redeem its ordinary shares on any Brevan Howard Global Opportunities Master Fund Redemption Date. The redemption period for class A shares of the Brevan Howard Global Opportunities Master Fund is 7 days or such shorter period as is determined by the directors of the Brevan Howard Global Opportunities Master Fund from time to time. The timing and pricing of all redemptions will be subject to the ability of the Brevan Howard Global Opportunities Master Fund to make a corresponding withdrawal from the underlying investment funds in which it is invested. Where the Brevan Howard Global Opportunities Master Fund is unable to make a corresponding withdrawal for the full amount requested by a shareholder, the shareholder may only secure a part redemption at the time and redemption price to the extent that the Brevan Howard Global Opportunities Master Fund is able to satisfy such a request from funds immediately available to it (if any) or redemption or withdrawal of its investment in Brevan Howard Underlying Funds. The Brevan Howard Global Opportunities Master Fund will have discretion, acting in good faith and with a view to satisfying redemption requests in a reasonable manner, as to which Brevan Howard Underlying Funds it makes withdrawals from and the proportion of withdrawals it makes from a particular Brevan Howard Underlying Fund.

In the event that the shareholder only secures a part redemption on any redemption day, ordinary shares which are not redeemed but which would otherwise have been redeemed will be redeemed on the next following redemption day (subject to any further deferral if the Company does not have sufficient funds to satisfy the deferred requests on such following redemption day) in priority to any other ordinary shares for which redemption requests have been received for such following redemption day. Ordinary shares will be redeemed at the redemption price prevailing on the redemption day on which they are redeemed. No notice is required for redemption of class B shares of the Brevan Howard Global Opportunities Master Fund.

- 3.3 The Brevan Howard Global Opportunities Master Fund Directors may declare a temporary suspension of the calculation of the Brevan Howard Global Opportunities Master Fund NAV and redemptions of its ordinary shares in the circumstances described in Part II of this document.

#### ***Dividends of the Brevan Howard Global Opportunities Master Fund***

- 3.4 The directors of the Brevan Howard Global Opportunities Master Fund have discretion as to whether to declare dividends or other distributions out of the profits or share premium account of the Brevan Howard Global Opportunities Master Fund. The directors of the Brevan Howard Global Opportunities Master Fund may resolve to accumulate the income or profits arising or accruing to the Brevan Howard Global Opportunities Master Fund and for so long as such resolution remains in effect, no dividend will be declared or paid. Dividends may be paid in cash or in specie.
- 3.5 Any dividend unclaimed after a period of six years from the date of declaration of such dividend will be forfeited and will revert to the Brevan Howard Global Opportunities Master Fund.

#### ***Distribution on winding-up***

- 3.6 On a winding up, investors in the Brevan Howard Global Opportunities Master Fund will be entitled to the surplus assets remaining after payment of all the creditors of the Brevan Howard Global Opportunities Master Fund.

#### ***Brevan Howard Global Opportunities Master Fund voting***

- 3.7 Investors in the Brevan Howard Global Opportunities Master Fund have the right to receive notice of and to attend and vote at general meetings of the Brevan Howard Global Opportunities Master Fund. Each holder of shares being present in person or by proxy at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every share held by him.
- 3.8 Subject to any special rights previously conferred on the holders of any shares or class of shares, any share in the Brevan Howard Global Opportunities Master Fund may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether as to dividend, voting, return of capital or otherwise, as the Brevan Howard Global Opportunities Master Fund at any time by ordinary resolution may determine and subject to and in default of such resolution, as the directors of the Brevan Howard Global Opportunities Master Fund may determine.

- 3.9 The rights attaching to the shares of each class may be varied with the consent in writing of the holders of three-fourths of the issued shares of the relevant class or with the sanction of a three-fourths majority resolution of Shareholders of the relevant class passed at a separate meeting.

***Transfer of Brevan Howard Global Opportunities Master Fund Shares***

- 3.10 Subject to the provisions of the articles of association of the Brevan Howard Global Opportunities Master Fund, any investor in the Brevan Howard Global Opportunities Master Fund may transfer all or any of his shares in the Brevan Howard Global Opportunities Master Fund by instrument of transfer in any usual or common form or any other form which the directors of the Brevan Howard Global Opportunities Master Fund may approve. The instrument of transfer of any shares in the Brevan Howard Global Opportunities Master Fund shall be signed by or on behalf of the transferor (and in the case of a partly paid share by the transferee also).
- 3.11 The board of the Brevan Howard Global Opportunities Master Fund has absolute discretion to decline to register any transfer of any share and a transfer of shares will not (unless the directors of the Brevan Howard Global Opportunities Master Fund determine otherwise) be registered if as a consequence of such a transfer the transferor or the transferee would hold a number of shares the value of which is less than the minimum subscription level (or such other amount as the directors of the Brevan Howard Global Opportunities Master Fund may determine).

***Notice of general meeting of the Brevan Howard Global Opportunities Master Fund***

- 3.12 Investors in the Brevan Howard Global Opportunities Master Fund who are entitled to receive notices of any general meeting will be given not less than 14 days' notice specifying the time and place of the meeting and specifying also, in the case of any special business, the general nature of the business to be transacted.
- 3.13 Notwithstanding the above, with the approval of a majority together holding not less than 95 per cent. in nominal value of the shares giving the right to attend and vote at the meeting, such a meeting may be convened by shorter notice.

***Alteration of capital and purchase of Brevan Howard Global Opportunities Master Fund shares***

- 3.14 The Brevan Howard Global Opportunities Master Fund may from time to time by ordinary resolution increase its share capital by such sum to be divided into shares of such class and amount as the resolution may prescribe.
- 3.15 The Brevan Howard Global Opportunities Master Fund may from time to time, subject to the provisions of the Cayman Companies Law, purchase its own shares (including any redeemable shares) provided that the manner of purchase has been authorised by general meeting and make payment for such purchase in any manner authorised by the Cayman Companies Law.
- 3.16 The Brevan Howard Global Opportunities Master Fund may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; subdivide all or any of its shares into shares of a smaller amount than is fixed by the memorandum of association of the Brevan Howard Global Opportunities Master Fund (subject to the Cayman Companies Law); or cancel any shares which at the date of the resolution have not been taken or agreed to be taken and diminish the amount of its authorised share capital by the amount of shares so cancelled.
- 3.17 The Brevan Howard Global Opportunities Master Fund may by special resolution reduce its share capital, any capital redemption reserve fund or any capital redemption reserve fund or any share premium account in any manner and with and subject to any authority and consent required by law.

***Borrowing Powers of the Brevan Howard Global Opportunities Master Fund***

- 3.18 The directors of the Brevan Howard Global Opportunities Master Fund may exercise all the powers of the Brevan Howard Global Opportunities Master Fund to borrow money and to charge its assets.

#### ***Number of Brevan Howard Global Opportunities Master Fund directors***

- 3.19 Unless otherwise determined by ordinary resolution of the Brevan Howard Global Opportunities Master Fund, there is no minimum or maximum number of directors of the Brevan Howard Global Opportunities Master Fund.

#### ***Appointment of Brevan Howard Global Opportunities Master Fund directors***

- 3.20 The directors may at any time appoint any person to be a director either to fill a casual vacancy or as an addition to the existing directors. Any director so appointed shall be eligible for re-election at the next annual general meeting following his appointment. The Shareholders may by ordinary resolution, determined on a headcount, appoint or remove any director.
- 3.21 A director shall not be required to hold any shares in the Brevan Howard Global Opportunities Master Fund in order to qualify to be a director.
- 3.22 There is no age limit at which a director is required to retire.
- 3.23 The office of director shall be vacated if the director resigns his office by written notice, if he shall have absented himself from meetings of the board for a consecutive period of 12 months and the board resolves that his office shall be vacated, if he becomes insolvent or compounds with his creditors, if he is requested to resign by a majority of his co-directors, or if he becomes prohibited by law from being a director.

#### ***Brevan Howard Global Opportunities Master Fund directors' remuneration***

- 3.24 The directors shall be remunerated for their services at such rate as the board shall determine. The directors shall also be entitled to be paid all reasonable travelling, hotel and incidental expenses properly and reasonably incurred by them in attending and returning from general meetings, board or committee meetings or otherwise in connection with the performance of their duties.

#### **4. Administrative, management and supervisory bodies and senior management of the Brevan Howard Global Opportunities Master Fund**

##### ***4.1 Brevan Howard Global Opportunities Master Fund Administrator***

The Brevan Howard Global Opportunities Master Fund Administrator is International Fund Services (Ireland) Limited, 3<sup>rd</sup> Floor, Bishop's Square, Redmond's Hill, Dublin 2, Ireland, telephone +353 (1) 707 5417/5237.

The Brevan Howard Global Opportunities Master Fund Administrator is registered with as an approved fund administration company in Ireland. The Brevan Howard Global Opportunities Master Fund Administrator provides administrative services for a number of corporations and partnerships throughout the world and is a wholly owned subsidiary of State Street Corporation.

##### ***4.2 Brevan Howard Global Opportunities Master Fund founders***

Maples Corporate Services Limited, Uglan House, 113 South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands acted as the subscriber to the Memorandum of Association of the Brevan Howard Global Opportunities Master Fund and were issued one share, which was subsequently repurchased by the Brevan Howard Global Opportunities Master Fund on the issue by it of further shares.

#### **5. Directors' and other interests**

- 5.1 The directors of the Brevan Howard Global Opportunities Master Fund do not directly hold any shares in the Brevan Howard Global Opportunities Master Fund.
- 5.2 The Cayman Companies Law imposes no requirement on investors in the Brevan Howard Global Opportunities Master Fund to disclose their shareholdings to any person. None of the investors in the Brevan Howard Global Opportunities

Master Fund has voting rights attached to the shares they hold that are different from the voting rights attached to the other shares in the Brevan Howard Global Opportunities Master Fund.

- 5.3 James Vernon and Gunther Thumann are directors of a number of Brevan Howard entities as listed later in this Part X. Other than as disclosed in this Prospectus, no director of the Brevan Howard Global Opportunities Master Fund is subject to any conflicts of interest between his duties to the Brevan Howard Global Opportunities Master Fund and his private interests or other duties. Under the articles of the Brevan Howard Global Opportunities Master Fund, a Brevan Howard Global Opportunities Master Fund Director may, however, enter into any contract or arrangement with the Brevan Howard Global Opportunities Master Fund, and such contract or arrangement shall neither be avoided, nor may the Brevan Howard Global Opportunities Master Fund Director be held liable to account to the Brevan Howard Global Opportunities Master Fund, because of such contract or arrangement, provided the Brevan Howard Global Opportunities Master Fund Director discloses the nature of his interest to the board of directors of the Brevan Howard Global Opportunities Master Fund at the earliest opportunity.
- 5.4 No loan has been granted to, nor any guarantee provided for the benefit of, any director by the Brevan Howard Global Opportunities Master Fund.
- 5.5 The Brevan Howard Global Opportunities Master Fund has entered into a fee agreement with Queensgate Bank & Trust Company Ltd. in relation to the provision of services as directors by Karla Bodden and Dennis Hunter and provides for a fee to be payable upon termination. The terms of the termination fee are to be agreed at the relevant time. No other director of the Brevan Howard Global Opportunities Master Fund has a service contract with the Brevan Howard Global Opportunities Master Fund, nor are any such contracts proposed. Karla Bodden, Dennis Hunter, Gunther Thumann, Jonas Rinné and James Vernon were each appointed as directors of the Brevan Howard Global Opportunities Master Fund by the subscriber to the Brevan Howard Global Opportunities Master Fund's Memorandum of Association on 9 April 2008. The directors of the Brevan Howard Global Opportunities Master Fund hold office in accordance with the Brevan Howard Global Opportunities Master Fund's articles of association. The directors' appointments can be terminated in accordance with the Brevan Howard Global Opportunities Master Fund's articles of association and without compensation.
- 5.6 No members of the Brevan Howard Global Opportunities Master Fund Administrator or the Manager have any service contracts with the Brevan Howard Global Opportunities Master Fund.
- 5.7 James Vernon and Gunther Thumann are directors of a number of Brevan Howard entities as listed in their list of directorships later in this Part X. The aggregate remuneration and benefits in kind of the directors in respect of the Brevan Howard Global Opportunities Master Fund's accounting period ending on 31 December which are payable out of the assets of the Brevan Howard Global Opportunities Master Fund are not expected to exceed US\$100,000 per year. Each of the directors of the Brevan Howard Global Opportunities Master Fund is paid a fee of US\$12,000 per year save for James Vernon who will receive US\$5,000 per year.

5.8 For the purposes of this Prospectus, the business address of each of the Brevan Howard Global Opportunities Master Fund Directors is the registered office of the Brevan Howard Global Opportunities Master Fund. In addition to their directorships of the Brevan Howard Global Opportunities Master Fund, the directors hold or have held the following directorships, and are or were members of the following partnerships, within the 5 years ending on 23 April 2008 (being the latest practicable date prior to the publication of this Prospectus):

<b>Name</b>	<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships</b>
<b>Karla Bodden</b>	Skye Holdings Ltd. Ugland House (Cayman) Ltd. Ugland House Ltd. Tilly Nominees Limited Karla Investments Ltd. Queensgate Fund Managers Queensgate Bank & Trust Company Ltd. Forest Investments Limited South Church Holdings Ltd. Joho Fund, Ltd. Queensgate Group Ltd. Harbour View Investments Ltd. World Union - Cayman Limited QT Alternatives, LLC Tilly Secretaries Limited Tilly Directors Limited Maverick Levered Fund, Ltd. Gator Investments Ltd. Maverick Levered Master Fund, Ltd Maverick Fund II, Ltd. QCR Funding, Inc Caystar Corp VII Starwood Thailand Corporation QZ Offshore II, Ltd. Spheroid Offshore, Ltd Scotia Investments Calabar Holdings The 1998 Primary Brinson Partnership Fund Offshore Series Company Ltd. The 1998 Secondary Brinson Partnership Fund Offshore Series Company Ltd. The 1999 Primary Brinson Partnership Fund Offshore Series Company Ltd. The 1996 Brinson Partnership Fund Offshore Series Company Ltd. Saguaro Offshore Ltd The 2000 Primary Brinson Partnership Fund Offshore Series Company Ltd. The 2000 Primary Brinson Non-U.S. Partnership Fund Offshore Series Company Ltd. CQS Convertible and Quantitative Strategies Master Fund Limited CQS Convertible and Quantitative Strategies Feeder Fund Limited Delos Fund, Ltd Maverick Levered Corp., Ltd Absolute Return Strategies Fund, Limited D. & M. Stop Loss Fonds Arabus Holdings Limited Basalt Investments, Ltd SOF-VI International Holdings GP, Corp. Alternative Portfolio Limited The 2001 Primary Brinson Partnership Fund Offshore Series Company Ltd.	Rio Grande Management Ltd. Nile Management Ltd. Limpopo Management Ltd. Nyasa Holdings Ltd. Argus Advisors Ltd. Thames Management Ltd. Hudson Management Ltd. St. Lawrence Management Ltd. Indus Management Ltd. Rhone Management Ltd. Anchor Fund Ltd Clinton Structured Products Fund, Ltd. Clinton Structured Products Master Fund, Ltd. A.U. Tank Two Ltd. Clearview Ltd. Diversified Assets Limited ADA Ltd. Fosxar Ltd. EuroMac Limited Far East Property (Holdings) Inc. Nina Holdings Ltd. Bentley Holdings Ltd. Overseas Receivables Credit Acceptance Ltd. River Investments Limited A.C.M Serenity Fund AU Bulk Two Limited Global Diversified Alternative Fund Ltd. Global Diversified Alternative Ltd. Altonco International Ltd. C2C Consultants, Ltd. Q III-A, Ltd. Universal Trust Company Ltd. FinVest Capital Limited NuVest Limited Multi-Advisor Navigator Fund European Pearl Investment Limited RAM Europe Limited RMF Private Equity Partners 2001 Ltd. Alpha Hedge Fund Ltd. UBS Alpha Hedge Fund UAM Equity Series 2 Trinity Fund (For Global Equity) Ltd. Arden Strategic Offshore Advisers, Ltd. Brevan Howard Cayman Limited Brevan Howard General Partner Limited Brevan Howard Offshore Management Limited MOT Fund Coast Opportunity Fund, Ltd. Armada Fund Limited Primicia Fund, Ltd. Primicia Master Fund, Ltd. Abington Biomedical Fund, Ltd. Sabre Market Neutral Fund Limited DSND Subsea Holding Inc.

Name	Current directorships/partnerships	Past directorships/partnerships
	<p>UAM Bond Series 1 Trinity Fund (For Global Bond) Ltd.  UAM Equity Series1 Trinity Fund (For Global Equity) Ltd.  SOF-VI A GP, Corp.  Nezu Cayman Fund, Ltd.  Indus Japan Fund, Ltd  SOF-VI International Advisors Corp.  RE Fund IV Brazil Investment Corp.  RE Fund IV Foreign Investment Corp.  RE Fund IV North America Investment Subsidiary Cor  RE Fund IV North America Investment Corp.  ACM High Grade Strategy Master Fund  Glenview Capital Partners (Cayman), Ltd  The 2001 Primary Brinson Non-US Partnership Fund Offshore Series Company Ltd.  Starwood Capital Group GP, Corp. - Starwood Intern QVDM Fund, Inc.  Maverick Fund Ltd. &amp; LDC  Little Cayman Holdings Ltd.  Canyon Capital CDO 2001-1, Ltd.  Canyon Capital Arbitrage Fund (Cayman), Ltd.  Canyon Capital Arbitrage Master Fund, Ltd.  Dynavest  Q Appreciation Fund A, Ltd.  The Clinton Arbitrage Portfolio Limited  The Clinton Arbitrage Fund, Ltd.  Q Appreciation Fund A-1, Ltd.  QAF III Holdings, Ltd.  Q-BLK Alternative Specialised Fund, Ltd.  Q Appreciation Fund B, Ltd.  Quellos Tune Fund, Ltd.  Q-BLK Global Restructuring Fund, Ltd.  NTM Investments Ltd.  Lorica Fund, Ltd.  French River Offshore Limited  NewQuant Offshore Ltd. I  NewQuant Offshore Ltd. II  Special Offshore Ltd. E  Scott's Cove Special Credits Offshore Fund I Limited  Scott's Cove Special Credits Offshore Fund II Limited  Scott's Cove Special Credits Master Fund Inc.  Global Supply Ltd.  Zazove Convertible Arbitrage Fund, Ltd.  Q-BLK (CRT) Fund, Ltd.  The 2002 Primary Brinson Non-US Partnership Fund Offshore Series Company Ltd.  The 2002 Primary Brinson Partnership Fund Offshore Series Company Ltd.  Rum Holdings Ltd.  Zao Fund, Ltd  Bennett Offshore Restructuring Fund, Inc.  Delos Fund II, Ltd.  Clinton Global Investment Fund, Ltd.  Clinton Global Investment Master Fund , Ltd.  The 2002 Secondary Brinson Partnership Fund Offshore Series Company Ltd.  OLZ PanFinancial  Whangarei Investments Ltd.</p>	<p>Candlewood CommTech Offshore Fund, Ltd.  Colima Ltd.  DSND Coreco Inc.  Guggenheim Partners Equity Opportunity Fund II (Cayman) Ltd.  Guggenheim Partners Select Multi-Strategy Fund (Cayman) Ltd.  Karsch Capital, Ltd  The Canyon Value Realization Fund (Cayman), Ltd.  OSV Global Strategy Fund, Ltd.  OSV Master Global Strategy Fund, Ltd.  Spyre Diversified Fund SPC  Radcliffe Offshore Investors SPC, Ltd.  Radcliffe SPC, Ltd.  O'Connor Proprietary Multi-Strategy Limited  Q-BLK Appreciation Fund, Inc.  QIP, Ltd.  Q-BLK Strategic Partners II, Ltd.  A&amp;Q Absolute Strategies Limited  ABN AMRO Structured Alternative Strategies Fund  Q-BLK Alpha Engine, Ltd.  J-Fund Limited  J-Fund II Limited  SAC Nominees Ltd.  Astin V Feeder Fund Limited  Astin V Master Fund Limited  Bernstein Global Opportunities Hedge Fund Ltd.  Castletop Offshore I, Ltd.  QM AIS Portfolio, Ltd.  Q-BLK Strategic Partners, Inc.  Morgan Stanley Select Investment Strategies Limited  KBC Alpha Fund spc  KBC Alpha Master Fund spc  KBC Alpha Series Feeder Fund spc  KBC Plan Fund spc  Clinton Alpha-Beta Fund, Ltd.  Clinton Alpha-Beta Master Fund, Ltd.  All FX Fund  Clinton Quantitative Equity Strategies Fund, Ltd.  Clinton Quantitative Equity Strategies Master Fund, Ltd.  Q-BLK Equity Edge Portfolio, Ltd.  Petros Offshore Fund, Ltd  Tortuga, Ltd.  Clinton Event Driven Fund, Ltd.  Clinton Event-Driven Master Fund, Ltd.  OSV Currency Plus Fund  OSV Master Currency Plus Fund  OSV Master Currency Fund  OSV Currency Fund  Indus Asia Pacific Fund, Ltd  ACM Bernstein Absolute Return Fund  ACM Bernstein Advanced Value Fund  UAM Trinity Fund (For Global Bond) Series-D Ltd.  UAM Trinity Fund (For Global Equity) Series D Ltd.  Clinton MultiStrategy Fund, Ltd.  Arden Advantage Advisers, Ltd.  Morgan Stanley Offshore Leveraged Fixed Income Fund Ltd.</p>

Name	Current directorships/partnerships	Past directorships/partnerships
	<p>The 2002 Secondary Brinson Non-US Partnership Fund Offshore Series Company Ltd. Artemis Holdings Indus Event Driven Fund, Ltd. Maverick Stable Fund, Ltd. Sabre Style Arbitrage Fund Limited QZIG Offshore Ltd. Harley-Davidson of Grand Cayman Ltd. Quantitative Strategy Fund Zazove Offshore Hedged Convertible Fund, Ltd. Kaitaia Holdings Ltd. Quantitative Enhanced Decisions Offshore Fund, Ltd CQS Capital Structure Arbitrage Feeder Fund Limited CQS Capital Structure Arbitrage Master Fund Limited Guggenheim Partners Prism Fund II (Cayman) Ltd. BlueTrack Asset Funding Limited Guggenheim Partners Prism Fund (Cayman) Ltd. Coast Diversified Fund II (Hub), Ltd. Coast Diversified Fund II, Ltd. Coast Diversified Fund II - Alternative (Hub), Ltd. Coast Diversified Fund II - Alternative, Ltd. AECF Fund, Ltd. Brevan Howard Fund Limited Brevan Howard Master Fund Limited QIF A, Ltd. QIF F, Ltd. QIF D, Ltd. QIF C, Ltd. QIF B, Ltd. Brava Ltd. Coultry Directors Ltd. Grand River Offshore Limited Exemplar Capital Management, Ltd. Zazove Offshore High Yield Convertible Fund, Ltd. Guggenheim Partners Prism Opportunity Fund (Cayman) Ltd. QW Fund, Ltd. Sabre Asian Absolute Return Fund Whitebeam Emerging Markets Fund Whitebeam Emerging Markets Master Fund Refeb Investors II, Ltd. Guggenheim Partners Equity Opportunity Fund (Cayman) Ltd. Kapitalo Investments Fund Limited Refeb Investors IIA, Ltd. ACM Diversified Asset Strategy Plus Fund Quattro Multi-Strategy Offshore Fund, Ltd. Sunflower Fund Ltd. Quattro Offshore Fund, Ltd. Quattro Fund, Ltd. Glenview Capital Master Fund, Ltd. Midway Market Neutral International Fund, Ltd. Midway Market Neutral International Master Fund, Ltd. Guggenheim Partners Prism Opportunity Fund II (Cayman) Ltd. Guggenheim Partners Investment Fund (Cayman) Ltd. Intermediate Duration Segregated Portfolio Fixed Income Opportunities Strategy Sub-Fund Westoe Investments Ltd.</p>	<p>The Allometry Global Growth Fund Limited Thunder Bay Dynamic Motives Offshore Fund, Ltd. Thunder Bay Dynamic Motives Master Fund, Ltd. Garelane Securities Ltd. Garelane Holdings Ltd. KBC Leveraged Pacific Fund of Funds Pico Ltd. Quellos Specialized Appreciation Fund, Ltd. Sun &amp; Fun Company MPF Three Limited UAM Bond Series 2 - Trinity Fund Ltd. Landscape Holdings Ltd. Ulysses Fund Ltd. A.C.M. Research Fund ACM Market Neutral Research Fund ACM Market Neutral Research Master Fund Driehaus Long/Short Advantage Fund, Ltd. Crest Limited Sand Point Holdings Ltd. Active Fund CQS Equity Opportunities Feeder Fund Limited CQS Equity Opportunities Master Fund Limited Clinton Absolute Return Fund, Ltd. Clinton Absolute Return Master Fund, Ltd. Clinton Special Opportunities Fund, Ltd. Clinton Special Opportunities Master Fund, Ltd. REC Holdings Ltd. Caystar Ltd. Sunshine Fund, Ltd. Clinton Global Fixed Income Fund, Ltd. Clinton Global Fixed Income Master Fund, Ltd. Clinton Riverside Convertible Fund, Ltd. Quellos LF, Ltd. Clinton Riverside Convertible Portfolio Limited Sarita Shipping Ltd. Nordic Aviation Holdings Ltd. Candlewood Offshore Fund, Ltd First Dallas International, Ltd. Bernstein Offshore Fund SPC Acorn Fund Limited Queensgate Group Pension Fund Gryphon Investments, Inc. OWWS Limited QZ Offshore, Ltd. Shamrock Capital, Inc. ACM High Grade Strategy Fund ACM Strategic High Grade Fund Security Capital Ltd. Mud Creek Offshore Limited Banesto Finance Ltd. Coco Fund Ltd. ACM Bernstein Absolute Return Credit Strategy Fund ACM Bernstein Absolute Return Credit Strategy Master Fund Clinton Asset-Backed Fund, Ltd. Clinton Asset-Backed Master Fund, Ltd. Odean Investments Limited Lege Artis Fund Ltd. Market Neutral Equity Strategy Sub-Fund Heliair Leasing Limited</p>

Name	Current directorships/partnerships	Past directorships/partnerships
	CQS Directional Opportunities Feeder Fund Limited CQS Directional Opportunities Master Fund Limited Joho Asia Growth Fund, Ltd. The BGI Multi-Strategy Fund Limited The BGI Multi-Strategy Fund (Euro) Limited The BGI Multi-Strategy Fund (Sterling) Limited Bernstein Institutional Global Diversified Hedge Fund Ltd.	Clinton Diversified Futures Fund, Ltd. Clinton Diversified Futures Master Fund, Ltd. Brevan Howard Strategic Opportunities Fund Limited Brevan Howard Strategic Opportunities Master Fund Limited
	Indus Japan Master Fund, Ltd. The BGI External Alpha Fund I Limited BGI EOS Limited The BGI Short Horizon Fund Ltd. Mayon Ltd The BGI Multi-Strategy (U.S. Institutional) Fund Limited Atyartha Global Opportunities Fund Cobbs Wharf Offshore Fund, Ltd. European Pearl Fund Limited Safdie Latam Fund Global Ascent 31 Ltd. Global Ascent Ltd. Global Ascent 31 (Yen) Ltd. Global Ascent 31 (Japan) Ltd. Guggenheim Advisors Select Fund II (Cayman) Ltd. Q-BLK Charitable Concentrated Portfolio, Ltd. Q-BLK Concentrated Holdings, Ltd. Brevan Howard Equity Strategies Master Fund Limited Brevan Howard Equity Strategies Fund Limited Asia Alpha Advantage Fund Ltd. Indus Europe Master Fund, Ltd. Indus Europe Fund, Ltd. AllianceBernstein Global Diversified Strategies Ltd. - Master Fund B Indus Event Driven Master Fund, Ltd Indus Structured Finance Fund, Ltd. The BGI Alpex Fund (Europe 1) Limited The BGI Alpex Fund (Japan I) Limited The BGI Alpex Fund (UK I) Limited The BGI Alpex Fund (US I) Limited Q-BLK Emerging Markets Opportunities Fund, Ltd. Guggenheim Advisors-Iridian Fund (Cayman) Ltd. Q-BLK Emerging Markets Opportunities Fund, Ltd. QDOM Fund, Ltd. Investment Partners (B), Ltd. CQS ABS Feeder Fund Limited CQS ABS Master Fund Limited Global Ascent (Sterling) Ltd. CQS Directional Credit Master Fund Limited CQS Directional Credit Feeder Fund Limited Brevan Howard Asia Fund Limited Brevan Howard Asia Master Fund Limited CCP Quantitative Fund CCP Quantitative Master Fund Limited Cantab Capital (Cayman) Limited Willowside Investments Limited Oakside Investments Limited Investment Partners (C), Ltd. QRA SR, Ltd. Dean Investments Ltd. Indus Global Strategies Master Fund, Ltd. Q-BLK Private Capital II (Institutional), Ltd.	

Name	Current directorships/partnerships	Past directorships/partnerships
	<p>AllianceBernstein Global Diversified Strategies (USD Managed) Ltd. - Hedge Fund C</p> <p>AllianceBernstein Global Diversified Strategies Ltd. - Master Fund A</p> <p>AllianceBernstein Global Diversified Strategies (USD Managed) Ltd. - Hedge Fund A</p> <p>AllianceBernstein Global Diversified Strategies - Market Neutral (USD Managed) Ltd. - Hedge Fund B</p> <p>AllianceBernstein Global Diversified Strategies - Market Neutral (USD Managed) Ltd. - Hedge Fund A</p> <p>AllianceBernstein Global Diversified Strategies - Market Neutral Ltd. - Master Fund B</p> <p>AllianceBernstein Global Diversified Strategies - Market Neutral Ltd. - Master Fund A</p> <p>AllianceBernstein Global Diversified Strategies - Market Neutral (USD Managed) Ltd. - Hedge Fund C</p> <p>AllianceBernstein Currency High Alpha Fund (Sterling) Ltd.</p> <p>AllianceBernstein Currency High Alpha Fund (Canadian Dollar) Ltd.</p> <p>AllianceBernstein Global Diversified Strategies - Market Neutral Ltd. - Master Fund C</p> <p>AllianceBernstein Global Diversified Strategies (Euro Managed) Ltd. - Hedge Fund C</p> <p>AllianceBernstein Global Diversified Strategies (Sterling Managed) Ltd. - Hedge Fund C</p> <p>AllianceBernstein Currency High Alpha Fund (US Dollar) Ltd.</p> <p>AllianceBernstein Global Diversified Strategies (Euro Managed) Ltd. - Hedge Fund A</p> <p>AllianceBernstein Global Diversified Strategies (Sterling Managed) Ltd. - Hedge Fund A</p> <p>AllianceBernstein Global Diversified Strategies Ltd. - Master Fund C</p> <p>AllianceBernstein Global Diversified Strategies (USD Managed) - Hedge Fund B</p> <p>Global Ascent (UK Equity) Ltd.</p> <p>Global Ascent (Euro) Ltd.</p> <p>Indus Global Strategies Fund, Ltd.</p> <p>Alpen Fund Limited</p> <p>Sanford C. Bernstein Advanced Value Offshore Fund Ltd.</p> <p>Bernstein Global Opportunities Hedge Fund Ltd.</p> <p>Sanford C. Bernstein Advanced Value Offshore Master Fund Ltd.</p> <p>AllianceBernstein Global Diversified Strategies (Euro Managed) Ltd. - Hedge Fund B</p> <p>AllianceBernstein Global Diversified Strategies (Sterling Managed) Ltd. - Hedge Fund B</p> <p>Artemis Holdings Fixed Income Plus</p> <p>CQS Diversified Fund (SPC) Limited</p> <p>CQS Asia Feeder Fund Limited</p> <p>CQS Asia Master Fund Limited</p> <p>AllianceBernstein Global Opportunities (Euro Managed) Hedge Fund Ltd.</p> <p>Bernstein Global Opportunities (Sterling Managed) Hedge Fund Ltd.</p> <p>AllianceBernstein Market Neutral Strategy Ltd. - CAMN-A1</p> <p>3575 Fund, Ltd.</p>	

Name	Current directorships/partnerships	Past directorships/partnerships
	FORT Global Offshore Fund, SPC	
	AllianceBernstein Global Opportunities Master Fund Ltd	
	Brevan Howard Emerging Markets Strategies Master Fund Limited	
	Brevan Howard Emerging Markets Strategies Fund Limited	
	The BGI External Alpha Fund II Limited	
	The BGI AlpEx™ Fund (Canada I) Limited	
	The BGI AlpEx™ Fund (Australia I) Limited	
	Pygar Fund (Cayman), Ltd.	
	Pygar Master Fund (Cayman), Ltd.	
	Northwater Portable Alpha U.S. Bond Fund	
	Northwater Portable Alpha U.S. Equity Fund	
	Bernstein Multi-Strategy Fixed Income Master Fund Ltd.	
	Bernstein Multi-Strategy Fixed Income Hedge Fund Ltd.	
	QPA, Ltd.	
	QPA, Ltd.	
	Q-BLK Yukon Fund, Ltd.	
	Q-BLK Yukon Fund, Ltd.	
	BGI Eos (US Dollars) Ltd.	
	BGI Eos (Euros) Ltd.	
	Q-BLK Relative-Value Fund, Ltd.	
	Emerging Strategies Limited	
	Q-BLK ARS III - Institutional, Ltd.	
	Morgan Stanley Select Investment Strategies Limited	
	Brevan Howard P&C Fund Limited	
	Brevan Howard P&C Master Fund Limited	
	East River Offshore Limited	
	Hippocrates Fund, Ltd.	
	Maverick Long Enhanced, Ltd.	
	Maverick Long Enhanced Fund, Ltd.	
	Maverick Neutral Levered Fund, Ltd.	
	Maverick Neutral Levered, Ltd.	
	Maverick Neutral, Ltd.	
	Maverick Neutral Levered (Plans), Ltd.	
	Maverick Neutral (Plans), Ltd.	
	Maverick Long, Ltd.	
	Maverick Long Fund, Ltd.	
	Maverick Neutral Fund, Ltd.	
	Global Alternatives, Ltd.	
	Indus EnterAsia Fund, Ltd.	
	Indus EnterAsia Master Fund, Ltd.	
	Somerset Special Opportunities Offshore Fund Ltd.	
	QIP, Ltd.	
	QM AIS Portfolio, Ltd.	
	Q-BLK Alpha Engine, Ltd.	
	Q-BLK Appreciation Fund, Inc.	
	Q-BLK ARS III, Ltd.	
	Q-BLK Strategic Partners II, Ltd.	
	Q-BLK Strategic Partners, Inc.	
	Indus Shin Event Driven Fund, Ltd	
	Indus Shin Event Driven Master Fund, Ltd.	
	Brevan Howard Strategic Opportunities Fund Limited	
	Investment Opportunities Fund II, Ltd	
	Investment Opportunities Fund I, Ltd	
	The BGI Bluegrass Fund Ltd.	
	Intermountain Portfolio, Ltd.	

Name	Current directorships/partnerships	Past directorships/partnerships
	Intermountain Fund, Ltd.	
	Brevan Howard Water Strategies Fund Limited	
	Brevan Howard Water Strategies Master Fund Limited	
	Brevan Howard Healthcare Strategies Fund Limited	
	Brevan Howard Healthcare Strategies Master Fund Limited	
	Key Alternative Fund	
	World Momentum Equity Fund	
	Total Return (Offshore) Fund	
	AllianceBernstein Global Diversified Strategies Market Neutral (AUD Managed) Ltd.	
	Enhancement Fund Limited	
	Northwater Five-Year Market-Neutral Fund Limited	
	Clinton Madison Fund, Ltd.	
	Clinton Madison Master Fund, Ltd.	
	Winterset Capital Offshore Fund, Ltd	
	BGI Apex US II Fund Ltd.	
	Indus Omni Fund, Ltd	
	Indus Omni Master Fund, Ltd	
	KBC CDP Pan Asia Strategies Fund, Ltd.	
	BGI Multi-Strategy (Liquidity) Fund Limited	
	Intermountain Pension Portfolio, Ltd.	
	Intermountain Pension Fund	
	Brevan Howard Multi-Strategy Fund Limited	
	QRA II Parallel Offshore, Ltd.	
	BGI Emerging Markets Strategic Insights Fund Ltd.	
	Brevan Howard Strategic Opportunities Feeder Fund Limited	
	QRA II Parallel Offshore, Ltd.	
	BHMF Investments Limited	
	CQS Credit Volatility and Correlation Feeder Fund Limited	
	CQS Credit Volatility and Correlation Master Fund Limited	
	Q-BLK (1880) Fund, Ltd.	
	Brevan Howard Fund Limited	
	Brevan Howard Master Fund Limited	
	Brevan Howard Asia Fund Limited	
	Brevan Howard Asia Master Fund Limited	
	Brevan Howard Equity Strategies Fund Limited	
	Brevan Howard Equity Strategies Master Fund Limited	
	Brevan Howard Emerging Markets Strategies Fund Limited	
	Brevan Howard Emerging Markets Strategies Master Fund Limited	
	Brevan Howard Strategic Opportunities Fund Limited	
	Brevan Howard Strategic Opportunities Feeder Fund Limited	
	Brevan Howard Healthcare Strategies Fund Limited	
	Brevan Howard Healthcare Strategies Master Fund Limited	
	Brevan Howard Water Strategies Fund Limited	
	Brevan Howard Water Strategies Master Fund Limited	
	Brevan Howard India Opportunities Fund Limited	
	Brevan Howard India Opportunities Master Fund Limited	
	Brevan Howard India Opportunities Fund Limited	
	Brevan Howard India Opportunities Master Fund Limited	
	Brevan Howard Multi-Manager Master Fund Limited	
	Brevan Howard Multi-Manager Fund Limited	

Name	Current directorships/partnerships	Past directorships/partnerships
<b>Dennis Hunter</b>	<p>Sunbright Holdings Ltd.  Masric Limited  Skye Holdings Ltd.  Ugland House Ltd.  Queensgate Bank &amp; Trust Company Ltd.  Queensgate Group Ltd.  Tilly Nominees Limited  Ugland House (Cayman) Ltd.  The Lion Fund Limited  Karla Investments Ltd.  Pacific Securities Corporation  Maverick Fund Ltd. &amp; LDC  Queensgate Fund Managers  Q-BLK Appreciation Fund, Inc.  Q-BLK Strategic Partners, Inc.  Heritage Trust Company, The  South Church Holdings Ltd.  The Varde Fund (Cayman) Limited  Joho Fund, Ltd.  Harbour View Investments Ltd.  World Union - Cayman Limited  QT Alternatives, LLC  Tilly Directors Limited  Tilly Secretaries Limited  Maverick Levered Fund, Ltd.  Q-BLK Alpha Engine, Ltd.  Gator Investments Ltd.  Maverick Levered Master Fund, Ltd  Maverick Fund II, Ltd.  SCF Finance Ltd.  QCR Funding, Inc  Caystar Corp VII  Starwood Thailand Corporation  Starwood Asia Holdings LLC  Queensgate Group Pension Fund  QM AIS Portfolio, Ltd.  QZ Offshore II, Ltd.  Spheroid Offshore, Ltd  Q-BLK Equity Edge Portfolio, Ltd.  OSV Currency Fund  NET invest (Overseas) Ltd.  CGI Whitehall Universal Portfolio Fund Limited  Calabar Holdings  Scotia Investments  The 1996 Brinson Partnership Fund Offshore Series  Company Ltd.  The 1998 Primary Brinson Partnership Fund Offshore  Series Company Ltd.  The 1998 Secondary Brinson Partnership Fund  Offshore Series Company Ltd.  The 1999 Primary Brinson Partnership Fund Offshore  Series Company Ltd.  Saguaro Offshore Ltd  The 2000 Primary Brinson Partnership Fund Offshore  Series Company Ltd.  The 2000 Primary Brinson Non-U.S. Partnership Fund  Offshore Series Company Ltd.  Allonge Holdings Ltd.  CQS Convertible and Quantitative Strategies Master  Fund Limited</p>	<p>Rio Grande Management Ltd.  Nile Management Ltd.  Limpopo Management Ltd.  Nyasa Holdings Ltd.  Argus Advisors Ltd.  Thames Management Ltd.  Indus Management Ltd.  Rhone Management Ltd.  Hudson Management Ltd.  St. Lawrence Management Ltd.  Anchor Fund Ltd  Clinton Structured Products Master Fund, Ltd.  Clinton Structured Products Fund, Ltd.  Ironwood International Ltd.  41 Charles Street Limited</p> <p>A.U. Tank Two Ltd.  CC Asia Trading I LDC  Clearview Ltd.  Diversified Assets Limited  Cronos Containers (Cayman) Ltd.  ADA Ltd.  Equilink Limited  HK8 Limited  Foszar Ltd.  HH (1994) Limited  FBL Company Limited  HH Limited  EuroMac Limited  Aspect Trading Fund  Far East Property (Holdings) Inc.  Forest Investments Limited  Nina Holdings Ltd.  Bentley Holdings Ltd.  Overseas Receivables Credit Acceptance Ltd.  River Investments Limited  Israel Venture Partners Limited  Israel Venture Partners 2000 Ltd.  Israel Venture Partners 2000 (SP) Ltd.  AU Bulk Two Limited  Global Diversified Alternative Fund Ltd.  Global Diversified Alternative Ltd.  AUB Arbitrage Fund  AUB Global Equity Fund  AUB Managed Master Fund  AUB Global Bond Fund  AUB Global High Yield Fund  AUB Global Growth Fund  Altonco International Ltd.  C2C Consultants, Ltd.  Arden Endowment Advisers, Ltd.  Q III-A, Ltd.</p>

Name	Current directorships/partnerships	Past directorships/partnerships
	<p>CQS Convertible and Quantitative Strategies Feeder Fund Limited  Delos Fund, Ltd  RE Fund IV Brazil Investment Corp.  Attalus Multi-Strategy Fund, Ltd.  4C Associates - Grand Cayman Limited  Maverick Levered Corp., Ltd  Absolute Return Strategies Fund, Limited  Attalus Long-Short Equity Fund, Ltd.  AUS Shipping Ltd.  ProgressNow! (Overseas) Ltd.  D. &amp; M. Stop Loss Fonds  Karsch Capital, Ltd  Basalt Investments, Ltd  The 2001 Primary Brinson Partnership Fund  Offshore Series Company Ltd.  Alternative Portfolio Limited  UAM Bond Series 1 Trinity Fund (For Global Bond) Ltd.  UAM Equity Series1 Trinity Fund (For Global Equity) Ltd.  Nezu Cayman Fund, Ltd.  SOF-VI A GP, Corp.  Indus Japan Fund, Ltd  Indus Asia Pacific Fund, Ltd  SOF-VI International Advisors Corp.  RE Fund IV North America Investment Subsidiary Cor  RE Fund IV Foreign Investment Corp.  RE Fund IV North America Investment Corp.  Andreas Ugland and Sons Ltd.  ACM High Grade Strategy Master Fund  Glenview Capital Partners (Cayman), Ltd  The 2001 Primary Brinson Non-US Partnership Fund  Offshore Series Company Ltd.  Starwood Capital Group GP, Corp. - Starwood Intern  QVDM Fund, Inc.  Paul Associates II International Limited  Equitek Global Technology Fund (Cayman)  Clinton MultiStrategy Fund, Ltd.  Clinton Multistrategy Master Fund, Ltd.  The Sesame Fund  Apache Global Opportunity Fund  Little Cayman Holdings Ltd.  Canyon Capital CDO 2001-1, Ltd.  Equitek Capital Limited  Canyon Capital Arbitrage Fund (Cayman), Ltd.  Canyon Capital Arbitrage Master Fund, Ltd.  The Canyon Value Realization Fund (Cayman), Ltd.  Dynavest  Q Appreciation Fund A, Ltd.  Tortuga, Ltd.  The Clinton Arbitrage Portfolio Limited  The Clinton Arbitrage Fund, Ltd.  Q Appreciation Fund A-1, Ltd.  QAF III Holdings, Ltd.  Q-BLK Alternative Specialised Fund, Ltd.  Q Appreciation Fund B, Ltd.  Quattro Offshore Fund, Ltd.  Quattro Fund, Ltd.  Morgan Stanley Select Investment Strategies Limited  Quellos Tune Fund, Ltd.  Q-BLK Global Restructuring Fund, Ltd.  Paul Capital Partners VII International Limited  NTM Investments Ltd.  Software Solutions International Ltd.  Lorica Fund, Ltd.</p>	<p>Yolanda Investments Ltd.*  Universal Trust Company Ltd.  Concordia (F) Managed Account (1) Limited  HBV Managed Account (1) Limited  Aspect Diversified Managed Account (1) Limited  Beta Hedge International Managed Account Limited  Concordia (C) Managed Account Limited  Ascend Managed Account Limited  UT Technology Managed Account Limited  Clinton Fixed Income Managed Account Limited  Optimal Japan Managed Account Limited  Buethe Crabel Managed Account Limited  Sharmac Managed Account Limited  FinVest Capital Limited  NuVest Limited  CSFB Alternative Capital Management LLC  Multi-Advisor Navigator Fund  European Pearl Investment Limited  RAM Europe Limited  Credit Suisse Fund Management (Cayman) Ltd.  RMF Private Equity Partners 2001 Ltd.  Alpha Hedge Fund Ltd.  UBS Alpha Hedge Fund  Crestline Event Arbitrage Offshore Fund, Ltd.  TCS Capital International, Ltd.  TCS Capital International III, Ltd.  Arden Strategic Offshore Advisers, Ltd.  Brevan Howard Offshore Management Limited  Brevan Howard Cayman Limited  Brevan Howard General Partner Limited  Brevan Howard Holdings Limited  Paul Capital Partners IV Annex Limited  MOT Fund  Coast Opportunity Fund, Ltd.  Armada Fund Limited  Clinton Convertible Managed Trading Account (1) Limited  Liontrust International (Cayman) Limited  Liontrust Absolute Return Fund Limited  Chesapeake Select II Ltd.  Chesapeake Select Ltd.  Southways Managed Account (1) Limited  Eurovalue Limited  Phoenix-Arden Offshore Advisers, Ltd.  Primicia Fund, Ltd.  Primicia Master Fund, Ltd.  UAM Equity Series 2 Trinity Fund (For Global Equity) Ltd.  Abington Biomedical Master Fund, Ltd  Abington Biomedical Fund, Ltd.  Stena Ugland Aframax Shuttle Ltd.  Sabre Market Neutral Fund Limited  DSND Subsea Holding Inc.  Hanover Square Capital Partners Ltd.  Candlewood CommTech Offshore Fund, Ltd.  Colima Ltd.  DSND Coreco Inc.  Arden Investment Partners, Ltd  Westberry Ltd.  SAC Nominees Ltd.</p>

Name	Current directorships/partnerships	Past directorships/partnerships
	<p>Q-BLK Strategic Partners II, Ltd.  QIP, Ltd.  French River Offshore Limited  OSV Master Currency Fund  NewQuant Offshore Ltd. II  NewQuant Offshore Ltd. I  Special Offshore Ltd. E  Scott's Cove Special Credits Master Fund Inc.  Scott's Cove Special Credits Offshore Fund I Limited  Scott's Cove Special Credits Offshore Fund II Limited  Global Supply Ltd.  Zazove Convertible Arbitrage Fund, Ltd.  Paul Capital Partners VII - G International Ltd.  Q-BLK (CRT) Fund, Ltd.  The 2002 Primary Brinson Non-US Partnership Fund Offshore Series Company Ltd.  The 2002 Primary Brinson Partnership Fund Offshore Series Company Ltd.  Rum Holdings Ltd.  Zao Fund, Ltd  A&amp;Q Absolute Strategies Limited  Bennett Offshore Restructuring Fund, Inc.  Delos Fund II, Ltd.  AllianceBernstein Global Diversified Strategies (USD Managed) - Hedge Fund B  The 2002 Secondary Brinson Partnership Fund Offshore Series Company Ltd.  Calibre One Fund / Calibre One Limited  Midway Market Neutral International Fund, Ltd.  Midway Market Neutral International Master Fund, Ltd.  OLZ PanFinancial  KBC Alpha Master Fund spc  KBC Alpha Series Feeder Fund spc  KBC Alpha Fund spc  The 2002 Secondary Brinson Non-US Partnership Fund Offshore Series Company Ltd.  Whangarei Investments Ltd.  Artemis Holdings  Indus Event Driven Fund, Ltd.  Maverick Stable Fund, Ltd.  Sabre Style Arbitrage Fund Limited  QZIG Offshore Ltd.  Quantitative Strategy Fund  Zazove Offshore Hedged Convertible Fund, Ltd.  Kaitaia Holdings Ltd.  Quantitative Enhanced Decisions Offshore Fund, Ltd  J-Fund II Limited  Guggenheim Partners Prism Fund II (Cayman) Ltd.  BlueTrack Asset Funding Limited  Guggenheim Partners Prism Fund (Cayman) Ltd.  Coast Diversified Fund II (Hub), Ltd.  Coast Diversified Fund II, Ltd.  Coast Diversified Fund II - Alternative (Hub), Ltd.  Coast Diversified Fund II - Alternative, Ltd.  AECF Fund, Ltd.  Global Alternatives, Ltd.  Brevan Howard Fund Limited  Brevan Howard Master Fund Limited  Bernstein Global Opportunities Hedge Fund Ltd.  QIF D, Ltd.  QIF C, Ltd.  QIF B, Ltd.</p>	<p>Astin V Feeder Fund Limited  Astin V Master Fund Limited  Castletop Offshore I, Ltd.  Clinton Alpha-Beta Master Fund, Ltd.  Clinton Alpha-Beta Fund, Ltd.  All FX Fund  Petros Offshore Fund, Ltd  Rhone Investors Limited  Chesapeake Select 3XL Ltd.  ACM Bernstein Absolute Return Fund  ACM Bernstein Advanced Value Fund  UAM Analytic US Market Neutral Fully Hedged Trust  UAM Trinity Fund (For Global Bond) Series-D Ltd.  UAM Trinity Fund (For Global Equity) Series D Ltd.  GEM Investment Fund  Arden Advantage Advisers, Ltd.  Big Sky Global Vision-Plus Fund, Ltd.  Quellos ARS III - Opportunity Portfolio, Ltd.  Morgan Stanley Offshore Leveraged Fixed Income Fund Ltd.  The Allometry Global Growth Fund Limited  Thunder Bay Dynamic Motives Offshore Fund, Ltd.  Thunder Bay Dynamic Motives Master Fund, Ltd.  O'Connor Proprietary Multi-Strategy Limited  Quellos ARS (Pension) III-Opportunity Portfolio, Ltd.  Quellos Relative-Value-Opportunity Portfolio, Ltd.  Garelane Holdings Ltd.  Garelane Securities Ltd.  Paul Capital Top Tier Investment II International Limited  OSV Currency Plus Fund  OSV Master Currency Plus Fund  Camomille Global Opportunities Fund  Camomille Global Opportunities Master Fund  Pico Ltd.  Synthesis Fund (Offshore), Ltd.  Cayman Sands Holdings Ltd.  Quellos Specialized Appreciation Fund, Ltd.  ABN AMRO Structured Alternative Strategies Fund  Sun &amp; Fun Company  MPF Three Limited  Clinton Absolute Return Master Fund, Ltd.  Camomille Global Macro Master Fund  Camomille Global Macro Fund  UAM Bond Series 2 - Trinity Fund Ltd.  Landscape Holdings Ltd.  Maritima Davila International Ltd.  Ulysses Fund Ltd.  ACM Market Neutral Research Fund  ACM Market Neutral Research Master Fund  Driehaus Long/Short Advantage Fund, Ltd.  JB Alpha FX Trading Master Fund  JB Alpha FX Trading Fund  Raytheon - AIS Emerging Strategies Fund  Crest Limited  Sand Point Holdings Ltd.  Hyperglobal Fund L.D.C.  NetIQ Ireland Limited  Active Fund  CQS Equity Opportunities Feeder Fund Limited  CQS Equity Opportunities Master Fund Limited</p>

Name	Current directorships/partnerships	Past directorships/partnerships
	QIF F, Ltd.	Tower Long/Short Equities Ltd.
	QIF E, Ltd.	Clinton Absolute Return Fund, Ltd.
	QIF E, Ltd.	Aspect US Institutional Fund Limited
	QIF A, Ltd.	Thunder Bay Multi Strategy Motives Master Fund, Ltd.
	KBC Plan Fund spc	Thunder Bay Multi Strategy Motives Offshore Fund, Ltd.
	Clinton Event-Driven Master Fund, Ltd.	Thunder Bay Surveyor Fund, Ltd.
	Brava Ltd.	Thunder Bay Al-Hudda Fund, Ltd.
	Global Ascent Ltd.	REC Holdings Ltd.
	Coultry Directors Ltd.	Caystar Ltd.
	Clinton Quantitative Equity Strategies Fund, Ltd.	West Broadway Managed Account (1) Limited
	Clinton Quantitative Equity Strategies Master Fund, Ltd.	Sunshine Fund, Ltd.
	Grand River Offshore Limited	Radcliffe SPC, Ltd.
	Venture Management SPF, Ltd.	Radcliffe Offshore Investors SPC, Ltd.
	Exemplar Capital Management, Ltd.	Clinton Global Fixed Income Master Fund, Ltd.
	Zazove Offshore High Yield Convertible Fund, Ltd.	Clinton Global Fixed Income Fund, Ltd.
	The 12 Capital Yen Fund Ltd.	Clinton Riverside Convertible Fund, Ltd.
	Regents Park General Partner Limited	Trinity Fund, Ltd.
	Regents Park Relative Value Master Fund	Radcliffe Institutional Investors SPC, Ltd.
	Regents Park (Cayman) Limited	Quellos LF, Ltd.
	Sabre Asian Absolute Return Fund	Clinton Riverside Convertible Portfolio Limited
	Global Ascent 31 (Yen) Ltd.	Sarita Shipping Ltd.
	Global Ascent 31 Ltd.	Nordic Aviation Holdings Ltd.
	Guggenheim Partners Prism Opportunity Fund (Cayman) Ltd.	
	O.S.S. Overseas Ltd.	Candlewood Offshore Fund, Ltd
	QW Fund, Ltd.	CGI Whitehall Universal Fund, Ltd.
	Refeb Investors II, Ltd.	First Dallas International, Ltd.
	Guggenheim Partners Equity Opportunity Fund (Cayman) Ltd.	KBC Leveraged Pacific Fund of Funds
	Kapitalo Investments Fund Limited	Calibre Two Fund / Calibre Two Limited
	Harley-Davidson of Grand Cayman Ltd.	Driehaus International Recovery Hub Fund, Ltd.
	Refeb Investors IIA, Ltd.	Bernstein Offshore Fund SPC
	ACM Diversified Asset Strategy Plus Fund	Acorn Fund Limited
	Quattro Multi-Strategy Offshore Fund, Ltd.	Maverick Long Enhanced (Plans), Ltd.
	Sunflower Fund Ltd.	Gryphon Investments, Inc.
	OSV Global Strategy Fund, Ltd.	OWWS Limited
	Glennview Capital Master Fund, Ltd.	QZ Offshore, Ltd.
	Julius Baer apex Strategy Fund, SPC	Shamrock Capital, Inc.
	Guggenheim Partners Prism Opportunity Fund II (Cayman) Ltd.	ACM High Grade Strategy Fund
	Guggenheim Partners Investment Fund (Cayman) Ltd.	ACM Strategic High Grade Fund
	Driehaus International Small Cap Growth Fund, Ltd.	Julius Baer Hedge Fund of Funds SPC 1X Segregated Portfolio
	Barnet Partners Ltd.	Julius Baer Hedge Fund of Funds Master Fund Ltd
	Indus Pacific Smaller Companies Fund, Ltd.	Security Capital Ltd.
	Indus Pacific Smaller Companies Master Fund, Ltd.	Mud Creek Offshore Limited
	Intermediate Duration Segregated Portfolio	Maverick Long (Plans) Ltd.
	Fixed Income Opportunities Strategy Sub-Fund	Banesto Finance Ltd.
	KBC Alpha Plus Fund spc	Coco Fund Ltd.
	Sanford C. Bernstein Advanced Value Offshore Master Fund Ltd.	Quantitative Enhanced Decisions Offshore Fund II, Ltd.
	QDOM Fund, Ltd.	ACM Bernstein Absolute Return Credit Strategy Fund
	Sanford C. Bernstein Advanced Value Offshore Fund Ltd.	ACM Bernstein Absolute Return Credit Strategy Master Fund
	J-Fund III SPC	Clinton Event Driven Fund, Ltd.
	Global Ascent 31 (Japan) Ltd.	Clinton Asset-Backed Fund, Ltd.
	Merrendale Holdings Ltd.	Clinton Asset-Backed Master Fund, Ltd.
	Coast Diversified Unlevered Fund II - Alternative, Ltd.	Odean Investments Limited
	Coast Diversified Unlevered Fund II, Ltd.	Lege Artis Fund Ltd.
	Guggenheim Partners Select Multi-Strategy Fund (Cayman) Ltd.	Market Neutral Equity Strategy Sub-Fund
		J-Fund Limited
		Heliar Leasing Limited

Name	Current directorships/partnerships	Past directorships/partnerships
	Guggenheim Partners Equity Opportunity Fund II (Cayman) Ltd.	Clinton Diversified Futures Fund, Ltd.
	Zazove Offshore Aggressive Growth Fund, Ltd.	Clinton Diversified Futures Master Fund, Ltd.
	GCM Little Arbor Master Fund, Ltd.	Brevan Howard Strategic Opportunities Master Fund Limited
	GCM Little Arbor Partners (Cayman), Ltd.	Brevan Howard Strategic Opportunities Fund Limited
	Northwater Five-Year Market-Neutral Fund Limited	
	QPA, Ltd.	
	OSV Master Global Strategy Fund, Ltd.	
	Spyre Diversified Fund SPC	
	Julius Baer Hedge Fund of Funds SPC 2X Segregated Portfolio	
	DS (2004-7) Limited	
	DS (2004-10) Limited	
	Blues Holdings Limited	
	Westoe Investments Ltd.	
	Q-BLK ARS III, Ltd.	
	Q-BLK ARS III - Institutional, Ltd.	
	Q-BLK Relative-Value Fund, Ltd.	
	Indus Asia Pacific Master Fund, Ltd.	
	Pygar Fund (Cayman), Ltd.	
	Pygar Master Fund (Cayman), Ltd.	
	Bernstein Multi-Strategy Fixed Income Hedge Fund Ltd.	
	Bernstein Multi-Strategy Fixed Income Master Fund Ltd	
	Maverick Neutral Levered Fund, Ltd.	
	Maverick Neutral Fund, Ltd.	
	Maverick Neutral, Ltd.	
	Maverick Neutral Levered, Ltd.	
	Maverick Long, Ltd.	
	Maverick Long Fund, Ltd.	
	Emerging Strategies Limited	
	Enhancement Fund Limited	
	Cairn Capital Credit Opportunities Feeder Fund Limited	
	Cairn Capital Credit Opportunities Master Fund Limited	
	Maverick Neutral (Plans), Ltd.	
	Maverick Neutral Levered (Plans), Ltd.	
	The BGI Multi-Strategy Fund Limited	
	Cairn Capital Credit Opportunities On-Shore Feeder Fund LLC	
	Clinton Special Opportunities Fund, Ltd.	
	Clinton Special Opportunities Master Fund, Ltd.	
	The BGI Multi-Strategy Fund (Euro) Limited	
	The BGI Multi-Strategy Fund (Sterling) Limited	
	Bernstein Institutional Global Diversified Hedge Fund Ltd.	
	Alternative Option Premium (AOP) Fund Limited	
	Maverick Long Enhanced, Ltd.	
	Maverick Long Enhanced Fund, Ltd.	
	CQS Directional Opportunities Feeder Fund Limited	
	CQS Directional Opportunities Master Fund Limited	
	Autoport Limited	
	Ugland Finance Limited	
	Joho Asia Growth Fund, Ltd.	
	KBC Absolute Return Fund Spc	
	Indus Japan Master Fund, Ltd.	
	The BGI External Alpha Fund I Limited	
	BGI EOS Limited	
	National Laborers Alternative Investment Fund, Ltd.	
	The BGI Short Horizon Fund Ltd.	
	Attalus Enhanced Index Fund, Ltd.	
	Mayon Ltd	
	The BGI Multi-Strategy (U.S. Institutional) Fund Limited	

Name	Current directorships/partnerships	Past directorships/partnerships
	Atyartha Global Opportunities Fund	
	Cobbs Wharf Offshore Fund, Ltd.	
	Safdie Latam Fund	
	Karsch Capital II, Ltd.	
	Rhythm Fund, Ltd.	
	KBC AIM Master Fund spc	
	KBC AIM Feeder Fund spc	
	Guggenheim Advisors Select Fund II (Cayman) Ltd.	
	Q-BLK Charitable Concentrated Portfolio, Ltd.	
	Q-BLK Concentrated Holdings, Ltd.	
	Babson Capital Loan Strategies Offshore Fund, Ltd.	
	Brevan Howard Equity Strategies Master Fund Limited	
	Brevan Howard Equity Strategies Fund Limited	
	Asia Alpha Advantage Fund Ltd.	
	The 32 Capital Fund Ltd.	
	The 32 Capital Master Fund SPC Ltd.	
	The 12 Capital Fund SPC Ltd.	
	The 32 Capital Yen Fund Ltd.	
	AllianceBernstein Global Diversified Strategies Ltd. - Master Fund B	
	Indus Europe Fund, Ltd.	
	Indus Europe Master Fund, Ltd.	
	AllianceBernstein Global Opportunities Master Fund Ltd	
	Indus Event Driven Master Fund, Ltd	
	Indus Structured Finance Fund, Ltd.	
	Clinton Statistical Arbitrage Master Fund (2X), Ltd.	
	Asia Lion Fund Limited	
	Clinton Equity Strategies Fund, Ltd	
	Clinton Equity Strategies Fund, Ltd	
	Clinton Equity Strategies Master Fund, Ltd.	
	CQS Capital Structure Arbitrage Master Fund Limited	
	CQS Capital Structure Arbitrage Feeder Fund Limited	
	The BGI Alpex Fund (Japan I) Limited	
	The BGI Alpex Fund (UK I) Limited	
	The BGI Alpex Fund (US I) Limited	
	The BGI Alpex Fund (Europe 1) Limited	
	Q-BLK Emerging Markets Opportunities Fund, Ltd.	
	Guggenheim Advisors-Iridian Fund (Cayman) Ltd.	
	Investment Partners (B), Ltd.	
	CQS ABS Feeder Fund Limited	
	CQS ABS Master Fund Limited	
	Global Ascent (Sterling) Ltd.	
	CQS Directional Credit Master Fund Limited	
	CQS Directional Credit Feeder Fund Limited	
	Brevan Howard Asia Fund Limited	
	Brevan Howard Asia Master Fund Limited	
	CCP Quantitative Fund	
	CCP Quantitative Master Fund Limited	
	Cantab Capital (Cayman) Limited	
	Willowside Investments Limited	
	Oakside Investments Limited	
	Investment Partners (C), Ltd.	
	QRA SR, Ltd.	
	Dean Investments Ltd.	
	Indus Global Strategies Master Fund, Ltd.	
	Q-BLK Private Capital II (Institutional), Ltd.	
	AllianceBernstein Global Diversified Strategies (Euro Managed) Ltd. - Hedge Fund B	
	AllianceBernstein Global Diversified Strategies (USD Managed) Ltd. - Hedge Fund C	
	AllianceBernstein Global Diversified Strategies - Market	

Name	Current directorships/partnerships	Past directorships/partnerships
	Neutral (USD Managed) Ltd. - Hedge Fund B AllianceBernstein Global Diversified Strategies - Market Neutral (USD Managed) Ltd. - Hedge Fund A AllianceBernstein Global Diversified Strategies (Sterling Managed) Ltd. - Hedge Fund B AllianceBernstein Global Diversified Strategies - Market Neutral Ltd. - Master Fund B AllianceBernstein Global Diversified Strategies - Market Neutral Ltd. - Master Fund A AllianceBernstein Global Diversified Strategies - Market Neutral (USD Managed) Ltd. - Hedge Fund C AllianceBernstein Currency High Alpha Fund (Sterling) Ltd. AllianceBernstein Currency High Alpha Fund (Canadian Dollar) Ltd. AllianceBernstein Global Diversified Strategies - Market Neutral Ltd. - Master Fund C AllianceBernstein Global Diversified Strategies (Euro Managed) Ltd. - Hedge Fund C AllianceBernstein Global Diversified Strategies (Sterling Managed) Ltd. - Hedge Fund C AllianceBernstein Currency High Alpha Fund (US Dollar) Ltd. AllianceBernstein Global Diversified Strategies (Euro Managed) Ltd. - Hedge Fund A AllianceBernstein Global Diversified Strategies (Sterling Managed) Ltd. - Hedge Fund A AllianceBernstein Global Diversified Strategies Ltd. - Master Fund C AllianceBernstein Global Diversified Strategies Ltd. - Master Fund A AllianceBernstein Global Diversified Strategies (USD Managed) Ltd. - Hedge Fund A Global Ascent (UK Equity) Ltd. Global Ascent (Euro) Ltd. Indus Global Strategies Fund, Ltd. Blue Oak Diversified Fund Alpen Fund Limited Artemis Holdings Fixed Income Plus CQS Diversified Fund (SPC) Limited CQS Asia Feeder Fund Limited CQS Asia Master Fund Limited AllianceBernstein Global Opportunities (Euro Managed) Hedge Fund Ltd. Bernstein Global Opportunities (Sterling Managed) Hedge Fund Ltd. AllianceBernstein Market Neutral Strategy Ltd. - CAMN-A1 3575 Fund, Ltd. FORT Global Offshore Fund, SPC Brevan Howard Emerging Markets Strategies Fund Limited Brevan Howard Emerging Markets Strategies Master Fund Limited The BGI AlpEx™ Fund (Australia I) Limited The BGI External Alpha Fund II Limited The BGI AlpEx™ Fund (Canada I) Limited Ugland Kambara Bulk Ltd. Northwater Portable Alpha U.S. Bond Fund Northwater Portable Alpha U.S. Equity Fund Glenview Offshore Opportunity Master Fund, Ltd.	

Name	Current directorships/partnerships	Past directorships/partnerships
	BGI Eos (US Dollars) Ltd	
	BGI Eos (Euros) Ltd.	
	Q-BLK Yukon Fund, Ltd.	
	Glenview Offshore Opportunity Fund, Ltd.	
	Babson Credit Strategies Offshore Fund, Ltd.	
	Brevan Howard P&C Master Fund Limited	
	Brevan Howard P&C Fund Limited	
	Triple A Holdings, Ltd.	
	East River Offshore Limited	
	Hippocrates Fund, Ltd.	
	Clinton Levered Multistrategy (2X) Fund, Ltd.	
	Indus EnterAsia Fund, Ltd.	
	Indus EnterAsia Master Fund, Ltd.	
	Clinton Tiered Multistrategy Fund, Ltd	
	Cairn Capital Short-Biased Credit Master Fund Limited	
	Cairn Capital Short-Biased Credit Fund Limited	
	Somerset Special Opportunities Offshore Fund Ltd.	
	Clinton Lexington Fund Ltd	
	Indus Shin Event Driven Fund, Ltd	
	Indus Shin Event Driven Master Fund, Ltd.	
	Brevan Howard Strategic Opportunities Fund Limited	
	LT Ugland Bulk Ltd.	
	Investment Opportunities Fund I, Ltd	
	Investment Opportunities Fund II, Ltd	
	The BGI Bluegrass Fund Ltd.	
	Intermountain Portfolio, Ltd.	
	Intermountain Fund, Ltd.	
	Brevan Howard Water Strategies Master Fund Limited	
	Brevan Howard Water Strategies Fund Limited	
	Key Alternative Fund	
	Total Return (Offshore) Fund	
	World Momentum Equity Fund	
	Brevan Howard Healthcare Strategies Fund Limited	
	Brevan Howard Healthcare Strategies Master Fund Limited	
	Clinton Magnolia Fund, Ltd.	
	Clinton Magnolia Master Fund, Ltd.	
	Cairn Capital Structured Credit Fund Limited	
	Cairn Capital Structured Credit Master Fund Limited	
	AllianceBernstein Global Diversified Strategies Market Neutral (AUD Managed) Ltd.	
	Clinton Madison Fund, Ltd.	
	Clinton Madison Master Fund, Ltd.	
	GCM Credit Opportunity Fund, Ltd.	
	Lan Xiang China Fund	
	Winterset Capital Offshore Fund, Ltd	
	BGI Alpex US II Fund Ltd.	
	OSV Global Strategy Fund 2, Ltd.	
	Cayman Motor Museum Ltd.	
	Indus Omni Fund, Ltd	
	Indus Omni Master Fund, Ltd	
	KBC CDP Pan Asia Strategies Fund, Ltd.	
	BGI Multi-Strategy (Liquidity) Fund Limited	
	Intermountain Pension Portfolio, Ltd.	
	Intermountain Pension Fund	
	Brevan Howard Multi-Strategy Fund Limited	
	Blue Oak Multi Strategy Fund	
	RLP Holdings Ltd.	
	QRA II Parallel Offshore, Ltd.	
	Blue Oak Capital Management	
	BGI Emerging Markets Strategic Insights Fund Ltd.	

Name	Current directorships/partnerships	Past directorships/partnerships
	Brevan Howard Strategic Opportunities Feeder Fund Limited CQS Credit Volatility and Correlation Feeder Fund Limited CQS Credit Volatility and Correlation Master Fund Limited Q-BLK (1880) Fund, Ltd. Brevan Howard Fund Limited Brevan Howard Master Fund Limited Brevan Howard Asia Fund Limited Brevan Howard Asia Master Fund Limited Brevan Howard Equity Strategies Fund Limited Brevan Howard Equity Strategies Master Fund Limited Brevan Howard Emerging Markets Strategies Fund Limited Brevan Howard Emerging Markets Strategies Master Fund Limited Brevan Howard Strategic Opportunities Fund Limited Brevan Howard Strategic Opportunities Feeder Fund Limited Brevan Howard Healthcare Strategies Fund Limited Brevan Howard Healthcare Strategies Master Fund Limited Brevan Howard Water Strategies Fund Limited Brevan Howard Water Strategies Master Fund Limited Brevan Howard India Opportunities Fund Limited Brevan Howard India Opportunities Master Fund Limited Brevan Howard India Opportunities Fund Limited Brevan Howard India Opportunities Master Fund Limited Brevan Howard Multi-Manager Master Fund Limited Brevan Howard Multi-Manager Fund Limited	
Gunther Thumann	Brevan Howard Asia Fund Limited Brevan Howard Asia Master Fund Limited BH Holdings Limited Brevan Howard Emerging Markets Strategies Fund Limited Brevan Howard Emerging Markets Strategies Fund Limited Brevan Howard Employment Services Limited Brevan Howard Equity Strategies Fund Limited Brevan Howard Equity Strategies Master Fund Limited Brevan Howard Fund Limited Brevan Howard General Partner Limited Brevan Howard General Partner (Jersey) Limited Brevan Howard General Partner (Strategic Investment) Limited Brevan Howard GP LLC Brevan Howard Group Holdings Limited Brevan Howard Holdings Limited Brevan Howard (Hong Kong) Limited Brevan Howard Inc Brevan Howard (India) Limited Brevan Howard India Opportunities Fund Limited Brevan Howard India Opportunities Master Fund Limited Brevan Howard Investment Products Limited Griffin Limited Brevan Howard Master Fund Limited Brevan Howard Nominees Limited Brevan Howard (Monaco) SAM Brevan Howard Multi-Strategy Fund Limited Brevan Howard Multi-Strategy Master Fund Limited Brevan Howard Offshore Management Limited Brevan Howard P&C Master Fund Limited	Currabeg Consulting Ltd. (Ireland) EC Euro Consulting GmbH Thumann Research Ltd

Name	Current directorships/partnerships	Past directorships/partnerships
	Brevan Howard P&C Fund Limited Brevan Howard P&C Partners Limited Brevan Howard Strategic Opportunities Fund Limited Brevan Howard (Singapore) Private Limited Endeavour Resources Ltd Endeavour Strategic Management Ltd Master Fund Limited Tarchon Fund of Funds	
<b>James Vernon</b>	BH Holdings Limited BHI Holdings Limited Brevan Howard Asia Fund Limited Brevan Howard Asia Master Fund Limited Brevan Howard Asset Management LLP Brevan Howard Emerging Markets Strategies Fund Limited Brevan Howard Emerging Markets Strategies Master Fund Limited Brevan Howard Employment Services Limited Brevan Howard Equity Strategies Fund Limited Brevan Howard Equity Strategies Master Fund Limited Brevan Howard Fund Limited Brevan Howard Fund Services Limited Brevan Howard General Partner (Jersey) Limited Brevan Howard General Partner Limited Brevan Howard Group Holdings Limited Brevan Howard GP LLC Brevan Howard Healthcare Strategies Fund Limited Brevan Howard Healthcare Strategies Master Fund Limited Brevan Howard Holdings Limited Brevan Howard (Jersey) LP Brevan Howard Master Fund Limited Brevan Howard Nominees Limited Brevan Howard P&C Fund Limited Brevan Howard P&C Master Fund Limited Brevan Howard Services Limited Brevan Howard Strategic Opportunities Fund Limited Brevan Howard US Asset Management LP Brevan Howard Water Strategies Fund Limited Brevan Howard Water Strategies Master Fund Limited Lodge Adventure Investments Ltd Vernon Furbsco Ltd Brevan Howard Strategic Opportunities Feeder Fund Limited Brevan Howard Multi-Strategy Master Fund Limited Brevan Howard Multi-Strategy Fund Limited Brevan Howard Multi-Manager Master Fund Limited Brevan Howard Multi-Manager Fund Limited Brevan Howard India Opportunities Master Fund Limited Brevan Howard India Opportunities Fund Limited	Brevan Howard (Hong Kong) Limited Brevan Howard Employment Services Limited Brevan Howard Offshore Management Limited Craymont Consultants Limited
<b>Jonas Rinné</b>	Endeavour Resources Limited Endeavour Strategic Management Limited IPM Informed Portfolio Management IPM Informed Portfolio Management BV Fotograf Ole Jais AB Brevan Howard Fund Limited Brevan Howard Master Fund Limited Brevan Howard Asia Fund Limited Brevan Howard Asia Master Fund Limited Brevan Howard Equity Strategies Fund Limited Brevan Howard Equity Strategies Master Fund Limited	None

Name	Current directorships/partnerships	Past directorships/partnerships
	Brevan Howard Emerging Markets Strategies Fund Limited Brevan Howard Emerging Markets Strategies Master Fund Limited Brevan Howard Strategic Opportunities Fund Limited Brevan Howard Strategic Opportunities Feeder Fund Limited Brevan Howard Healthcare Strategies Fund Limited Brevan Howard Healthcare Strategies Master Fund Limited Brevan Howard Water Strategies Fund Limited Brevan Howard Water Strategies Master Fund Limited Brevan Howard India Opportunities Fund Limited Brevan Howard India Opportunities Master Fund Limited Brevan Howard India Opportunities Fund Limited Brevan Howard India Opportunities Master Fund Limited Brevan Howard Multi-Manager Master Fund Limited Brevan Howard Multi-Manager Fund Limited	

- 5.9 At the date of this Prospectus:
- 5.9.1 none of the directors of the Brevan Howard Global Opportunities Master Fund has any convictions in relation to fraudulent offences for at least the previous 5 years;
- 5.9.2 none of the directors of the Brevan Howard Global Opportunities Master Fund was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous 5 years which has entered into any bankruptcy, receivership or liquidation proceedings; and
- 5.9.3 none of the directors of the Brevan Howard Global Opportunities Master Fund have been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.
- 5.10 The Brevan Howard Global Opportunities Master Fund will maintain directors' and officers' liability insurance on behalf of the Brevan Howard Global Opportunities Master Fund at the expense of the Brevan Howard Global Opportunities Master Fund.
- 5.11 The directors of the Brevan Howard Global Opportunities Master Fund are listed in Part II of this document and for the purposes of the Prospectus the business address of the Directors is the registered office of the Brevan Howard Global Opportunities Master Fund.
- 5.12 There are no family relationships between any of the directors of the Brevan Howard Global Opportunities Master Fund.

## 6. Material contracts of the Brevan Howard Global Opportunities Master Fund

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Brevan Howard Global Opportunities Master Fund, prior to the date of this Prospectus and are, or may be, material or contain a provision under which the Brevan Howard Global Opportunities Master Fund has an obligation or entitlement which is or may be material to the Brevan Howard Global Opportunities Master Fund as at the date of this Prospectus:

### 6.1 *Management agreement*

A management agreement dated 28 April 2008 (the "**Brevan Howard Global Opportunities Master Fund Management Agreement**") between (1) BHOML and (2) the Brevan Howard Global Opportunities Master Fund. The Brevan Howard Global Opportunities Master Fund Management Agreement will continue in force until terminated by any party on 90 days' notice in writing to the other parties. It may be terminated forthwith by any party on immediate written notice if another party commits any material breach of its obligations under the Brevan Howard Global Opportunities Master Fund Management Agreement and fails to remedy the breach within 30 days of receipt of written notice requiring the same, or if another party is dissolved or otherwise enters into insolvency proceedings. BHOML will generally not be liable in respect of the negligence, wilful default or fraud of: (i) any person through whom transactions in investments are effected; (ii) any custodians having custody or possession of the assets of the Brevan Howard Global Opportunities Master Fund; or (iii) any clearance or settlement system. In addition, BHOML will not be liable for any

loss suffered by the Brevan Howard Global Opportunities Master Fund arising from errors of fact or judgment or any action taken (or omitted to be taken) except to the extent that such error or action (or omission thereof) is due to BHOML's negligence, wilful default or fraud, or that of its directors or employees, and will not be responsible for any loss of opportunity as a result of which the value of the Brevan Howard Global Opportunities Master Fund portfolio could have increased, or for any decline in the value of the portfolio, except to the extent that loss or decline is due to the fraud, wilful default or negligence on the part of BHOML or any of its directors or employees. The Brevan Howard Global Opportunities Master Fund has agreed to indemnify BHOML and its members and employees against all liabilities incurred by it in its capacity as investment manager other than liabilities arising out of the fraud, wilful default or negligence on the part of BHOML or that of its members or employees.

## 6.2 Administration agreement

The Brevan Howard Global Opportunities Master Fund is party to an Administration Services Agreement (the "**Agreement**") with International Fund Services (Ireland) Limited ("**IFS**") dated 24 April 2008, pursuant to which IFS provides trade settlement support, fund accounting services and fund administration services, including, for example, the calculation of the net settlement balance with each broker/dealer, provision of daily compliance reports and the maintenance of shareholder registers.

For the provision of the services under the Agreement, where IFS provides administration for Brevan Howard Underlying Funds, the Brevan Howard Global Opportunities Master Fund shall by paying its fee via its investments in such Brevan Howard Underlying Funds and therefore no fees will be charged directly to the Brevan Howard Global Opportunities Master Fund except to the extent that the Brevan Howard Global Opportunities Master Fund invests in Brevan Howard Underlying Funds that are administered by IFS. For the Brevan Howard Global Opportunities Master Fund NAV that pertains to the aggregate net investments that are not invested in the Brevan Howard Underlying Funds managed by IFS, IFS is entitled to receive a service fee calculated on a monthly basis, of 1/12 of 0.10 per cent. on the first US\$500 million; 0.08 per cent. on the next US\$500 million; and 0.06 per cent. on the balance in excess of US\$1 billion. The Brevan Howard Global Opportunities Master Fund is also responsible for all out-of-pocket expenses (e.g. postage, telefax charges) incurred by IFS on its behalf in respect of each month.

The Agreement, which is governed by the laws of Ireland, commenced on 24 April 2008 and will continue in full force and effect through 30 April 2009. Either party may terminate the Agreement by serving 90 days' prior notice on the other party. The Brevan Howard Global Opportunities Master Fund may terminate the appointment of IFS at any time if IFS (i) commits any breach of its obligations under the Agreement (ii) goes into liquidation or if a receiver is appointed of any of the assets of IFS; (iii) at any time IFS becomes a resident for tax purposes in the USA.

In no event will IFS be liable for incidental, indirect, special or consequential damages suffered by the Brevan Howard Global Opportunities Master Fund and/or others, whether or not the possibility of such damage was disclosed to IFS or could have been reasonably foreseen by IFS and whether asserted on the basis of contract, tort or otherwise. Further IFS will not be liable for any inaccuracy of any report, computation, or other document or information produced by IFS pursuant to the Agreement, unless such inaccuracy is the result of the fraud, negligence or wilful misconduct of IFS.

The Brevan Howard Global Opportunities Master Fund will indemnify, hold harmless and defend IFS from and against losses incurred by IFS in connection with its provision of services pursuant to the Agreement provided that the Brevan Howard Global Opportunities Master Fund shall not be liable to IFS for losses resulting directly from the fraud, negligence or wilful misconduct of IFS under the Agreement.

## 7. Service providers

### 7.1 Auditors

The auditors of the Brevan Howard Global Opportunities Master Fund are KPMG Cayman Islands, whose address is PO Box 493, Century Yard, George Town, Grand Cayman, KY1-1106, Cayman Islands.

## 8 Audit and remuneration committees

The Brevan Howard Global Opportunities Master Fund has not so far established an audit or remuneration committee as the board of the Brevan Howard Global Opportunities Master Fund is satisfied that any relevant issues can be properly considered by the board of the Brevan Howard Global Opportunities Master Fund.

## 9. Related Party Transactions

James Vernon is a director of BH Holdings Limited, Brevan Howard Nominees Limited and BHI Holdings Limited which are entities related to the Manager. Gunther Thumann is a director of a number of entities each of which are listed in his list of directorships in this Part X.

## **10. Litigation**

Since the incorporation of the Brevan Howard Global Opportunities Master Fund, it has not been involved in any governmental, legal or arbitration proceedings nor, so far as it is aware, are there any governmental, legal or arbitration proceedings pending or threatened by or against it which may have, or since its incorporation have had, a significant effect on its financial position or profitability.

## **11. No significant change**

- 11.1 There has been no significant change in the trading or financial position of the Brevan Howard Global Opportunities Master Fund since its incorporation.
- 11.2 The Brevan Howard Global Opportunities Master Fund has not commenced operations since its incorporation on 3 March 2008 and no financial statements of the Brevan Howard Global Opportunities Master Fund have been prepared as at the date of this document.

# Part XI

## Definitions and Glossary

The following definitions are not intended as technical explanations, but to assist investors in understanding certain terms used in this document:

“**Administration Agreement**” means the administration agreement between the Company and the Administrator, dated 24 April 2008;

“**Administrator**” means Northern Trust International Fund Administration Services (Guernsey) Limited;

“**Admission**” means admission to the Official List and/or admission to trading on the London Stock Exchange, as the context may require, of the Shares becoming effective in accordance with the Listing Rules and/or the LSE Admission Standards as the context may require;

“**Articles of Association**” or “**Articles**” means the articles of association of the Company, which will be in force at Admission;

“**BaFin**” means the German Bundesanstalt für Finanzdienstleistungsaufsicht;

“**Banks**” means the Joint Bookrunners and the Co-Lead Manager;

“**Base Class**” means shares denominated in U.S. Dollars or such other class of shares as the Directors shall determine from time to time;

“**BHAM**” means Brevan Howard Asset Management LLP;

“**BHAMF**” means Brevan Howard Asia Master Fund Limited;

“**BHESMF**” means Brevan Howard Equity Strategies Master Fund Limited;

“**BHFL**” means Brevan Howard Fund Limited, whose share capital comprises class A shares that are listed (but not traded) on the Irish Stock Exchange and class B shares that are unlisted;

“**BH Global**” or the “**Company**” means BH Global Limited, a company incorporated in Guernsey with registered number 48555 as a closed-ended investment company and whose registered office and principal place of business is Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 3QL;

“**BHKK**” means Brevan Howard (Hong Kong) Limited;

“**BHIL**” means Brevan Howard (Israel) Limited;

“**BHLP**” means Brevan Howard Fund L.P.;

“**BH Macro**” means BH Macro Limited;

“**BHOML**” means Brevan Howard Offshore Management Limited;

“**BHUSAM**” means Brevan Howard US Asset Management LP;

“**Board**” or “**Directors**” means the directors of the Company;

“**bottom-up**” means an investment strategy where investments are considered based simply on their own merit, without regard for the sectors they are part of or the current economic conditions;

“**Brevan Howard**” or “**Brevan Howard group**” means the group of affiliated entities employing over 339 personnel (including over 100 investment professionals) across its offices in Dublin, Hong Kong, Jersey, London, New York, Tel Aviv, Tokyo, Washington, Singapore, Bermuda and Mumbai;

**“Brevan Howard Global Opportunities Master Fund”** means Brevan Howard Global Opportunities Master Fund Limited;

**“Brevan Howard Global Opportunities Master Fund Administrator”** means the administrator of the Brevan Howard Global Opportunities Master Fund from time to time being currently IFS;

**“Brevan Howard Global Opportunities Master Fund Directors”** means the directors of Brevan Howard Global Opportunities Master Fund as set out in Part II of this document;

**“Brevan Howard Global Opportunities Master Fund Euro Shares”** means the class A Euro shares of the Brevan Howard Global Opportunities Master Fund;

**“Brevan Howard Global Opportunities Master Fund NAV”** means the value of the assets of the Brevan Howard Global Opportunities Master Fund less its liabilities determined in accordance with the principles set out in Part II of this document;

**“Brevan Howard Global Opportunities Master Fund NAV Calculation Date”** means the business day immediately preceding a Brevan Howard Global Opportunities Master Fund Redemption Date or a Brevan Howard Global Opportunities Master Fund Subscription Date, as the case may be, and/or such other day or days as the directors of the Brevan Howard Global Opportunities Master Fund may from time to time determine; and “business day” has the meaning given in the definition of Brevan Howard Global Opportunities Master Fund Redemption Date;

**“Brevan Howard Global Opportunities Master Fund NAV per share”** means the value of each Brevan Howard Global Opportunities Master Fund Share held by the Company in the Brevan Howard Global Opportunities Master Fund determined in accordance with the principles set out in Part II of this document;

**“Brevan Howard Global Opportunities Master Fund Redemption Date”** means the first business day of each month and such other day or days as the Brevan Howard Global Opportunities Master Fund Directors may from time to time determine; and for this purpose, “business day” means any day on which banks are open for business in London and New York and/or such other place or places as the directors of the Brevan Howard Global Opportunities Master Fund may from time to time determine;

**“Brevan Howard Global Opportunities Master Fund Shares”** means the €, US\$ and £ denominated class A shares to be held by the Company in the Brevan Howard Global Opportunities Master Fund which will comprise Brevan Howard Global Opportunities Master Fund Euro Shares, Brevan Howard Global Opportunities Master Fund US\$ Shares and Brevan Howard Global Opportunities Master Fund Sterling Shares;

**“Brevan Howard Global Opportunities Master Fund Sterling Shares”** means the class A Sterling shares of the Brevan Howard Global Opportunities Master Fund;

**“Brevan Howard Global Opportunities Master Fund Subscription Date”** means such day as the Brevan Howard Global Opportunities Master Fund Directors may from time to time determine;

**“Brevan Howard Global Opportunities Master Fund US\$ Shares”** means the class A US Dollar shares of the Brevan Howard Global Opportunities Master Fund;

**“Brevan Howard Master Fund”** or **“BHMF”** means Brevan Howard Master Fund Limited;

**“Brevan Howard Master Fund Directors”** means the directors of Brevan Howard Master Fund;

**“Brevan Howard Master Fund Euro Shares”** means the class B Euro shares of the Brevan Howard Master Fund;

**“Brevan Howard Master Fund NAV”** means the value of the assets of the Brevan Howard Master Fund less its liabilities determined in accordance with the principles set out in Part II of this document;

**“Brevan Howard Underlying Funds”** means together the Initial Funds and the other Brevan Howard-managed funds that may, in the future, form part of the investment portfolio of the Brevan Howard Global Opportunities Master Fund;

“**Business Day**” means a day on which the London Stock Exchange and banks in Guernsey and Dublin are normally open for business;

“**Cayman Companies Law**” means the Cayman Islands Companies Law (2007 Revision);

“**CEA**” means the US Commodity Exchange Act, as amended;

“**certificated**” or “**certificated form**” means not in uncertificated form;

“**CFTC**” means the US Commodity Futures Trading Commission;

“**Class Account**” means a class account in respect of a class of Brevan Howard Master Fund Shares established in the books of the Brevan Howard Master Fund;

“**Class Closure Resolution**” means a special resolution (which must be passed by three quarters of those holders of Shares of the Affected Class voting at such meeting) approving the terms of a tender offer to repurchase the Shares of the Affected Class;

“**Co-Lead Manager**” means Dresdner;

“**Code**” means the US Internal Revenue Code of 1986, as amended;

“**Combined Code**” means the Principles of Good Governance and Code of Best Practice as published by the Financial Reporting Council;

“**Companies Laws**” mean the Companies (Guernsey) Law 1994, as amended and where relevant the proposed Companies (Guernsey) Law, 2008 due to come into force on or about 1 July 2008;

“**CREST**” means the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as Operator pursuant to the Regulations;

“**Dexion**” means Dexion Capital plc;

“**Dexion Capital (Guernsey)**” means Dexion Capital (Guernsey) Limited;

“**DFSA**” means the Dubai Financial Services Authority;

“**Disclosure and Transparency Rules**” means the disclosure rules and the transparency rules under Part VI Financial Services and Markets Act 2000;

“**Discount Management Period**” means any rolling period of 365 days (or, in any leap year, 366 days) following Admission;

“**Dresdner**” means Dresdner Bank AG, London Branch;

“**EEA**” means European Economic Area;

“**ERISA**” means the US Employee Retirement Income Security Act of 1974, as amended;

“**Euroclear**” means Euroclear UK and Ireland Limited;

“**Euro Shares**” means ordinary shares of no par value in the capital of the Company designated as Euro Shares;

“**Exchange Act**” means the US Securities Exchange Act of 1934, as amended;

“**FSA**” means the UK Financial Services Authority;

“**FSMA**” means the Financial Services and Markets Act 2000;

**“global macro”** means a hedge fund strategy that bases its holdings, such as long and short positions in various income, currency and futures markets primarily on overall economic and political views of various countries;

**“Initial Funds”** means each of the following funds: Brevan Howard Master Fund, Brevan Howard Equity Strategies Master Fund, Brevan Howard Asia Master Fund, Brevan Howard Emerging Markets Strategies Master Fund and Brevan Howard Strategies Opportunities Fund, into which the assets of the Brevan Howard Global Opportunities Master Fund are proposed to be initially allocated on the Master Fund Launch Date;

**“Initial Funds Investment Date”** means the date on which the assets of the Brevan Howard Global Opportunities Master Fund will be invested in to the Initial Funds and which is currently expected to occur on or around 1 June 2008;

**“Investment Company Act”** means the US Investment Company Act of 1940;

**“Investment Managers”** means Brevan Howard Asset Management LLP, Brevan Howard (Hong Kong) Limited, Brevan Howard US Asset Management LP, Brevan Howard (Israel) Limited and Brevan Howard (Singapore) Limited and any other person appointed by the Manager as an investment manager over any part of the assets of the Brevan Howard Master Fund from time to time;

**“IFS”** means International Fund Services (Ireland) Limited;

**“Irish Stock Exchange”** means The Irish Stock Exchange Limited;

**“ISA”** means an individual savings account;

**“Joint Bookrunners”** means Dexion and Morgan Stanley;

**“LIBOR”** means the London Inter-Bank Offered Rate. The relevant LIBOR rate for each class of shares is the LIBOR rate in the relevant currency for each class of shares;

**“Listing Rules”** means the listing rules made by the UK Listing Authority under section 73A Financial Services and Markets Act 2000;

**“London Stock Exchange”** or **“LSE”** means London Stock Exchange plc;

**“LSE Admission Standards”** means the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the Official List;

**“Management Agreement”** means the management agreement between the Company and the Manager, a summary of which is set out in the paragraph 5.2 of Part IX of this document;

**“Management Fee”** means the management fee payable by the Company to the Manager as described in Parts I and IX of this document;

**“Manager”** means Brevan Howard Offshore Management Limited;

**“Master Fund Launch Date”** means the Business Day following Admission when the Brevan Howard Global Opportunities Master Fund Shares will be issued to the Company;

**“Memorandum”** or **“Memorandum of Association”** means the memorandum of association of the Company, which will be in force at Admission;

**“Moody’s”** means Moody’s Investors Service, Inc.;

**“Morgan Stanley”** means Morgan Stanley & Co. International plc;

**“MSCI”** means MSCI Barra;

“**Murex**” means a software programme licensed to BHAM by Murex S.A., which provides record-keeping, portfolio and scenario analysis, risk management, valuation and other tools;

“**NAV Calculation Date**” means the last Business Day in March, June, September and December (with the first NAV Calculation Date being 30 September 2008);

“**NAV per Share**” means the Net Asset Value per Share of each class;

“**Net Asset Value**” or “**NAV**” means the value of the assets of the Company less its liabilities;

“**Offer**” means the Offer for Subscription and the Placing;

“**Offer for Subscription**” means the offer for subscription of Sterling Shares as described in this document;

“**Offer Price**” means €10 per Euro Share, US\$10 per US Dollar Share and £10 per Sterling Share;

“**Offer Size Statement**” means the offer size statement expected to be published on or about 23 May 2008 by the Company detailing the number of Euro Shares, US Dollar Shares and Sterling Shares which are the subject of the Offer;

“**Official List**” means the list maintained by the UK Listing Authority pursuant to Part VI of the Financial Services and Markets Act 2000;

“**Ordinance**” means the Companies (Purchase of Own Shares) Ordinance 1998;

“**Over-allotment Option**” means the option to be granted by the Company to Morgan Stanley, pursuant to which Morgan Stanley may require the Company to issue additional Shares at the Offer Price to cover over-allotments, if any, made in connection with the Offer and to cover any short positions resulting from such over-allotments and/or from sales of Shares effected by it during the stabilising period;

“**PEP**” means a personal equity plan;

“**Placing**” means the placing of Shares by the Banks pursuant to the terms of the Placing Agreement as further described in this document;

“**Placing Agreement**” means the underwriting agreement among the Company, the Directors, the Manager and the Banks dated 28 April 2008;

“**Plan Investor**” means (i) an “employee benefit plan” that is subject to Title I of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to section 4975 of the U.S. Code, (iii) entities whose underlying assets are considered to include “plan assets” of any plan, account, or arrangement described in preceding clause (i) or (ii), or (iv) any governmental plan, church plan, non-U.S. plan or other investor whose purchase or holding of shares would be subject to any Similar Law;

“**Prospectus**” means this document;

“**Prospectus Directive**” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State;

“**Prospectus Rules**” means the Prospectus rules made by the UK Listing Authority under section 73(A) Financial Services and Markets Act 2000;

“**Public Application Form**” means the application form for use in connection with the Offer for Subscription attached at the end of this document or any application form for use in connection with the Offer for Subscription otherwise published by or on behalf of the Company;

“**Qualifying Investors**” means those shareholders described in Part VI of this document under the heading “Trail Commission”;

“**Receiving Agent**” means Computershare Investor Services PLC;

“**Receiving Agent Agreement**” means the agreement between the Company and the Receiving Agent for the provisions of receiving agent services dated 25 April 2008;

“**Recognised Exchange**” means within the meaning of the law of the country concerned relating to exchanges in the European Union, the Organisation for Economic Co-operation and Development, Hong Kong, Singapore and South Africa, NASDAQ, NASDAQ Europe, the market in US government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York, the market in transferable securities conducted by primary dealers and secondary dealers which are regulated by the US Securities and Exchange Commission and by the National Association of Securities Dealers and the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan and any other regulated exchange or market agreed by the Irish Stock Exchange;

“**Registrar**” means Northern Trust International Fund Administration Services (Guernsey) Limited, or such other person or persons from time to time appointed by the Company;

“**Regulations**” means the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755);

“**relative value**” means an investment strategy that looks for low-priced companies with strong fundamentals;

“**RIS**” means a regulatory information services provider;

“**RiskMetrics™**” means a proprietary software programme utilised in the evaluation of risks;

“**SDRT**” means UK stamp duty and stamp duty reserve tax;

“**Securities Act**” means the US Securities Act of 1933, as amended;

“**SFC**” means Hong Kong Securities and Futures Commission;

“**Shareholder**” means a holder of Shares;

“**Shares**” means the Sterling Shares and/or Euro Shares and/or US Dollar Shares (and/or shares of no par value in the Company denominated in such other currencies as the Directors may determine at the time of issue) as the context requires;

“**Sharpe Ratio**” means a statistic that measures the performance of a fund adjusted for risk. The higher the ratio, the better the performance for a given level of risk;

“**short selling**” means, and “**short sold**” refers to, the selling of a security that the seller does not own, or any sale that is completed by the delivery of a security borrowed by the seller;

“**short squeeze**” means the steep increase in the price of a security as a result of speculative purchases by investors of a security that has been the subject of significant short selling, forcing the party that has sold short to purchase from such investors at elevated prices;

“**Specified Credit Rating**” a minimum credit rating of ‘A’ for long-term debt from the credit agency of Moody’s or Standard & Poor’s and a minimum of ‘P-2’ or ‘A-1’, respectively for short term debt from those same agencies;

“**spot price**” means the current price at which a particular instrument can be bought and sold at a specified time and place;

“**S&P**” means Standard & Poor’s, a division of the McGraw-Hill Companies, Inc.;

“**Sterling Shares**” means ordinary shares of no par value in the capital of the Company designated as Sterling Shares;

“**stop loss**” means a simple concept designed to limit losses on shares. The investor sets a rule that when a share price falls to a certain level, he will sell the shares, no matter what and stop loss may refer to a stop loss order, stock or commodity market order to close a position if/when losses reach a threshold;

“**swap**” means an agreement to exchange one set of cash flows for another;

“**Taxes Act**” means the Income and Corporation Taxes Act 1988, as amended;

“**top-down**” mean an investment strategy which first finds the best sectors or industries to invest in, and then searches for the best investments within those sectors or industries;

“**total assets**” means the total assets of the Company which, for the avoidance of doubt shall include any drawn down borrowings, less current liabilities (other than principal monies borrowed and excluding contingent liabilities);

“**UK Listing Authority**” means the Financial Services Authority as the competent authority for listing in the United Kingdom;

“**uncertificated form**” or “**in uncertificated form**” means recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;

“**US Dollar Shares**” means ordinary shares of no par value in the capital of the Company designated as US Dollar Shares;

“**US GAAP**” means accounting principles generally accepted in the United States;

# Terms and Conditions of Public Application under the Offer for Subscription

## Introduction

Only Sterling Shares will be available under the Offer for Subscription. If you apply for Sterling Shares in the Offer for Subscription, you will be agreeing with the Company, the Registrar and Computershare Investor Services PLC (the “**Receiving Agent**”) as follows:

## Offer to Subscribe for Sterling Shares

- 1 Applications must be made on the public application form (“**Public Application Form**”) attached at the end of this Prospectus. Applications will not be accepted prior to the receipt of the Company of the COBO consent which is expected to be received on or around 30 April 2008. By completing and delivering a Public Application Form, you, as the applicant, and, if you sign the Public Application Form on behalf of another person or a corporation, that person or corporation:
  - 1.1 offer to subscribe for the number of Shares specified in your Public Application Form (being a minimum number of 5,000 or such lesser amount as the Company may, in its absolute discretion determine to accept) at £10.00 per Share on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of Public Application and the Memorandum and Articles of Association of the Company (as amended);
  - 1.2 agree that, in consideration of the Company and the Receiving Agent agreeing that they will not, prior to the date of Admission, allot any Sterling Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon dispatch by post to or, in the case of delivery by hand, on receipt by the Receiving Agent of your Public Application Form;
  - 1.3 undertake to pay the amount specified in Box 2 of your Public Application Form in full and in Sterling on application by cheque and warrant that the remittance accompanying your Public Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive a share certificate for the Shares applied for in certificated form or be entitled to commence dealing in Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund to you at your risk of any proceeds of the remittance which accompanied your Public Application Form, without interest);
  - 1.4 agree, that where on your Public Application Form a request is made for Shares to be deposited into a CREST Account, the Receiving Agent may in its absolute discretion amend the form so that such Shares may be issued in certificated form registered in the name(s) of the holder(s) specified in your Public Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in receiving your remittance in cleared funds);
  - 1.5 agree, in respect of applications for Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 1.4 to issue Shares in certificated form) that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Public Application Form may become entitled and monies returnable may be retained by the Receiving Agent:
    - 1.5.1 pending clearance of your remittance;

- 1.5.2 pending investigation of any suspected breach of the warranties contained in paragraphs 8.1, 8.2, 8.6, 8.8, 8.9 or 8.10 below or any other suspected breach of these Terms and Conditions of Public Application; or
- 1.5.3 pending any verification of identity which is, or which the Receiving Agent or the Company considers may be, required for the purposes of the UK Money Laundering Regulations 2007 and The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law 1999, as amended and/or The Criminal Justice (Proceeds of Crime) (Financial Services Business) (Bailiwick of Guernsey) Regulations 2007, as amended,

and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;

- 1.6 agree, on the request of the Receiving Agent, to disclose promptly in writing to it such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which it may consider appropriate;
- 1.7 agree that if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time in the opinion of the Receiving Agent following a request therefor, the Receiving Agent or the Company may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be re-allotted and your application monies will be returned to you at your risk to the bank or other account on which the cheque or other remittance accompanying the application was drawn without interest;
- 1.8 agree that you are not applying on behalf of a person engaged in money laundering;
- 1.9 undertake to ensure that, in the case of an application signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Public Application Form;
- 1.10 undertake to pay interest at the rate described in paragraph 4 below if the remittance accompanying your Public Application Form is not honoured on first presentation;
- 1.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Shares for which your application is accepted or, if you have completed Box 7, to deliver the number of Shares for which your application is accepted into CREST, and/or a crossed cheque for any monies returnable, by post to your address (or that of the first named applicant) as set out in your Public Application Form (and I/we agree that where the monies returnable are less than the Offer Price of the relevant Share applied for such amounts may be retained by the Company and donated to a charity nominated by the Company);
- 1.12 confirm that you have read and complied with paragraph 15;
- 1.13 agree that your Public Application Form is addressed to the Company and that any application may be rejected in whole or in part; and
- 1.14 acknowledge that the offer to the public of Sterling Shares is being made only in the United Kingdom and represent that you are a United Kingdom resident (unless you are able to provide such evidence as the Company may, in its absolute discretion, require that you are entitled to apply for Shares and be allotted Shares without compliance by the Company or any of its advisers with any regulatory, filing or other requirements or restrictions).

#### **Acceptance of your offer**

- 2 The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) either:
  - 2.1 by notifying the UK Listing Authority of the basis of allocation (in which case the acceptance will be on that basis); or
  - 2.2 by notifying acceptance to the Company.

- 3 The basis of allocation will be determined by the Company. The right is reserved notwithstanding the basis so determined to reject in whole or in part and/or scale down any application in such manner as the Company in its entire discretion may determine. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Public Application or not in all respects completed or delivered in accordance with the instructions accompanying the Public Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of a Public Application Form where you have agreed with them in some other manner to apply in accordance with these Terms and Conditions of Public Application. The Company reserves the right (but shall not be obliged) to accept Public Application Forms and accompanying remittances which are received otherwise than in accordance with these terms and conditions.
- 4 The right is reserved to present all cheques for payment on receipt by the Receiving Agent and to retain documents of title and surplus application monies pending clearance of successful applicants' cheques. The Company may require you to pay interest or its other resulting costs (or both) if the cheque accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Company to be the interest on the amount of the cheque from the date on which the basis of allocation under the Offer for Subscription is publicly announced, until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Company for the relevant currency plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

### Conditions

- 5 The contracts created by the acceptance of applications (in whole or in part) under the Offer for Subscription will be conditional upon:
- 5.1 Admission in accordance with the rules of the UK Listing Authority and the Admission and Disclosure Standards of the London Stock Exchange by 8.00 a.m. on 29 May 2008 (or such later time or date, as the Company and the Joint Bookrunners may agree); and
- 5.2 the Placing Agreement referred to in paragraph 5.1 of Part X of the Prospectus becoming unconditional and the obligations of the Joint Bookrunners thereunder not being terminated.
- 6 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

### Return of application monies

- 7 If any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest by returning your cheque, or by crossed cheque in favour of the first named applicant, by post at the risk of the person(s) entitled thereto provided that where such amount to be returned is less than the Offer Price for a Share, such amount shall not be returned but instead shall be retained by the Company and paid to a charity nominated by the Company. In the meantime, application monies will be retained by the Receiving Agent in a separate account. Any interest earned (if any) on such account shall be retained for the benefit of the Company.

### Warranties

- 8 By completing a Public Application Form, you:
- 8.1 warrant that, if you sign the Public Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Public Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor;
- 8.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, warrant

that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Registrar or the Receiving Agent or any of their respective officers, agents or employees acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Offer for Subscription in respect of your application;

- 8.3 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- 8.4 agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- 8.5 acknowledge that no person is authorised in connection with the Offer for Subscription to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Registrar or the Receiving Agent;
- 8.6 warrant that you are not under the age of 18 on the date of your application;
- 8.7 agree that all documents and monies sent by post to, by, from or on behalf of the Company, the Registrar or the Receiving Agent will be sent at your risk and in the case of documents and returned monies to be sent to you may be sent to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in your Public Application Form;
- 8.8 warrant that you are not applying as, or as nominee or agent of, a person who is or may be a person mentioned in any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depository receipts and clearance services);
- 8.9 confirm that you have reviewed the restrictions contained in paragraphs 15 and 16 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein; and
- 8.10 confirm that you are not a US Person as defined in Regulation S under the United States Securities Act of 1933, as amended (the "**Securities Act**") and would not be considered a US Person under Rule 4.7 of the United States Commodity Exchange Act.

## Money Laundering

- 9 You agree to comply with the requirements of the UK Money Laundering Regulations 2007 or The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law 1999 as amended and The Criminal Justice (Proceeds of Crime) (Financial Services Business) (Bailiwick of Guernsey) Regulations 2007 as amended.

Under the UK Money Laundering Regulations 2007, the Receiving Agent may be required to check the identity of persons who subscribe for in excess of the sterling equivalent of Euro 15,000.00 of Shares.

The Receiving Agent may therefore undertake electronic searches for the purposes of verifying identity. To do so the Receiving Agent may verify the details against the Applicant's identity, but also may request further proof of identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

Payments must be made by cheque or bankers' draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or bankers' drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or bankers' drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they

have a sole or joint title to the funds, should be made payable to “Computershare Investor Services PLC re BH Global Limited”. Third party cheques will not be accepted with the exception of building society cheques or bankers’ drafts where the building society or Bank has confirmed the name of the account holder by stamping endorsing the cheque/bankers’ draft to such effect.

The account name should be the same as that shown on the application.

Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.

- 10 In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker’s draft or money order you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker’s draft or money order and ensure the bank or building society adds its stamp and is also signed by an authorised person at the bank and their capacity stated.
- 11 If you are making the application as agent for one or more persons, you should provide evidence with the Public Application Form that you are subject to the EU Money Laundering Directive (Directive 2005/66/EC), confirming your regulated status and naming the regulatory authority of your home state.
- 12 For the purpose of Guernsey’s money laundering regulations, a person making an application for Shares will not be considered as forming a business relationship with either the Company, the Registrar or with the Receiving Agent but will be considered as effecting a one-off transaction with either the Company or with the Receiving Agent.
- 13 The person(s) submitting an application for Shares will ordinarily be considered to be acting as principal in the transaction unless the Receiving Agent determines otherwise, whereupon you may be required to provide the necessary evidence of identity of the underlying beneficial owner(s).
- 14 You should endeavour to have the declaration contained in Box 8 of the Public Application Form signed by an appropriate firm as described in that Box. If you cannot have that declaration signed then you must provide with the Public Application Form the identity documentation detailed in Box 9 of the Public Application Form for each underlying beneficial owner.

#### **Overseas investors**

- 15 Without prejudice to the acknowledgement and representation referred to in paragraph 1.14 above, if you receive a copy of the Prospectus or a Public Application Form in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you, nor should you, in any event, use a Public Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to you or a Public Application Form could lawfully be used without contravention of any registration or other legal requirements. It is your responsibility, if you are outside the United Kingdom wishing to make a Public Application for Shares under the Offer for Subscription, to satisfy yourself as to full observance of the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 16 None of the Shares have been or will be registered under the Securities Act or with any securities regulatory authority of any state or other political subdivision of the United States. Accordingly, the Shares may not be offered, sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons. If you subscribe for Shares you will, unless the Company and the Receiving Agent agree otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person and that you are not subscribing for such Shares for the account of any US Person and will not offer, sell, renounce, transfer or deliver, directly or indirectly, such Shares in the United States or to any US Person. No application will be accepted if it bears an address in the United States.

#### **The Data Protection (Bailiwick of Guernsey) Law 2001**

- 17 Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001, (the “**DP Law**”) the Company and/or the Registrar, may hold personal data (as defined in the DP Law) relating to past and present Shareholders.

- 18 Such personal data held is used by the Registrar to maintain the Company's register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends and redemption proceeds to Shareholders and the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may not be retained on record for longer than is necessary for the purpose held.
- 19 The countries referred to above include but need not be limited to, those in the European Economic Area or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States of America.
- 20 By becoming registered as a holder of Shares a person becomes a data subject (as defined in the DP Law) and each applicant consents to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

#### Miscellaneous

- 21 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Shares and the Offer for Subscription.
- 22 The rights and remedies of the Company, the Registrar and the Receiving Agent under these Terms and Conditions of Public Application are in addition to any rights and remedies, which would otherwise be available to any of them, and the exercise or partial exercise of one will not prevent the exercise of others.
- 23 The Company reserves the right to delay the closing time of the Offer for Subscription from 11.00 a.m. on 21 May 2008 by giving notice to the UK Listing Authority. In this event, the revised closing time will be published in such manner as the Company determines subject, and having regard, to the requirements of the UK Listing Authority.
- 24 The Company may terminate the Offer for Subscription in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer for Subscription will lapse and any monies will be returned to you at your risk.
- 25 You authorise the Company or any person authorised by it, as your agent, to do all things necessary to effect registration of any Shares subscribed by you into your name(s) and authorise any representative of the Receiving Agent to execute and/or complete any document required therefor.
- 26 You agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer for Subscription shall be governed by and construed in accordance with English law and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances and contracts in any other manner permitted by law or in any court of competent jurisdiction.
- 27 The dates and times referred to in these Terms and Conditions of Public Application may be altered by the Company so as to be consistent with the Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- 28 Shares which remain unapplied for under the Offer for Subscription may be placed with institutional and other investors at the relevant Offer Price.
- 29 **You acknowledge that (i) an investment in the Company carries a high degree of risk and should be regarded as a long term investment particularly as regards the Company's investment objective and policy and (ii) the value of an investment in the Company may go down as well as up and you may not get back the amount originally invested.**
- 30 Save where the context requires otherwise, terms used in these Terms and Conditions of Public Application bear the same meaning as where used in the Prospectus.

# Notes on how to Complete the Public Application Form

Applications should be returned so as to be received by Computershare Investor Services PLC at Corporate Actions Projects, Bristol, BS99 6AH by 11.00 a.m. on 21 May 2008.

*All Applicants should read notes 1-10. Note 6 should be read by Joint Applicants.*

## **1 Application**

**Fill in (in figures) the number of Shares for which you wish to apply.**

Your application must be for a minimum aggregate subscription of £50,000 (or such lesser amount as the Company may in its absolute discretion determine).

Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required.

If you are not a financial intermediary you are strongly advised to seek independent financial advice before subscribing Shares.

## **2 Amount Payable**

Fill in (in figures) the amount payable at £10.00 per Share. This should be for the number of Shares referred to in Box 1 multiplied by £10.00 per Share (the "Base Amount") (minimum £50,000).

## **3 Personal Details**

**Fill in (in block capitals) the full name and address of the applicant.**

If this application is being made jointly with other persons, please read Note 6 before completing Box 3.

## **4 Signature**

**The applicant named in Box 3 must date and sign Box 4.**

The Public Application Form may be signed by another person on your behalf if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

## **5 Cheque/Banker's Draft Details**

Attach a cheque or banker's draft for the exact amount shown in Box 2 to your completed Public Application Form.

Your cheque or banker's draft must be made payable to "Computershare Investor Services PLC re BH Global Limited" and crossed "A/C Payee".

Your payment must relate solely to this application. No receipt will be issued.

Your cheque or banker's draft must be drawn in Sterling on an account at a bank branch in the United Kingdom, the Channel Islands or the Isle of Man and must bear a United Kingdom bank sort code number in the top right hand corner.

Any monies returned will be sent by cheque crossed "A/C Payee" in favour of the first-named applicant.

## **6 Joint Applicants**

If you make a joint application, you will not be able to transfer your Shares into an ISA. If you are interested in transferring your Shares into an ISA, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Boxes 3 and 4 must be completed by one applicant. All other persons who wish to join in the application must complete and sign Box 6. You must be able to give the confirmations, agreements, acknowledgements and representations contained in the Terms and Conditions of Public Application for each such person.

Another person may sign on behalf of any joint applicant if that other person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection. Certificates, cheques and other correspondence will be sent to the address in Box 3.

## **7 CREST**

If you wish to register your Shares directly into your CREST account, you should insert the relevant details in Box 7.

## **8 Reliable Introducer Declaration**

Applications will be subject to Guernsey's verification of identity requirements. This will involve you providing the verification of identity documents listed in Box 9 of the Application Form UNLESS you can have the declaration provided at Box 8 of the Application Form given and signed by a firm acceptable to the Registrar and the Company. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in Box 8 of the Application Form completed and signed by a suitable firm.

## **9 Identity Information**

Applicants need only consider Box 9 of the Application Form if the declaration in Box 8 cannot be completed. Notwithstanding that the declaration in Box 8 has been completed and signed the Receiving Agent reserves the right to request of you the identity documents listed in Box 9 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are requested in Box 9, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

## **10 Contact Details**

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in Box 3 on behalf of the first-named holder. If no details are provided here but an intermediary is identified in Box 8, the Receiving Agent will contact the intermediary. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

## **INSTRUCTIONS FOR DELIVERY OF COMPLETED PUBLIC APPLICATION FORMS**

Completed Public Application Forms should be returned, by post to Computershare Investor Services PLC at Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received by no later than 11.00 a.m. on 21 May 2008, together in each case with payment in full in respect of the application. If you post your Public Application Form, you are recommended to use first class post and to allow at least 3 days for delivery. Public Application Forms received after this date may be returned.



# Public Application Form

Please send the completed form by post to Computershare Investor Services PLC at Corporate Actions Projects, Bristol, BS99 6AH, or by hand (during normal business hours, only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS13 8AE, so as to be received no later than 11.00 a.m. on 21 May 2008.

**Important – before completing this form, you should read the notes on how to complete the Public Application Form set out in the Prospectus.**

If you have any questions relating to the completion and return of the Application Form, please call Computershare Investor Services PLC on 0870 707 1720. Please note that calls to the Shareholder Helpline may be monitored or recorded and the Shareholder Helpline will not be able to provide any advice on the Offer or give any personal legal, financial or tax advice.

## 1 Application

I/We offer to subscribe for Shares at £10.00 each (minimum £50,000) (in each case in multiples of 1000 shares) in the number set out below fully paid subject to the Terms and Conditions of Public Application set out in the Prospectus dated 28 April 2008 and subject to the Memorandum and Articles of Association of the Company (as amended).

£
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## 2 Amount Payable

I/We enclose an amount equal to the number of Shares set out in Box 1 multiplied by £10.00 per Share:

£
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## 3 Personal Details (Please Use Block Capitals)

Mr, Mrs, Ms or Title	Forenames (in full)
Surname	
Address (in full)	
	Post Code

## 4 Signature

Dated	Signature:
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## 5 Cheque/Banker's Draft Details

Attach your cheque or banker's draft for the exact amount shown in Box 2 made payable to "Computershare Investor Services PLC re BH Global Limited" and crossed "A/C Payee".

BOX 6 MUST ONLY BE COMPLETED BY JOINT APPLICANTS (SEE NOTE 6).

**6 Joint Applicants (Please Use Block Capitals)**

Mr, Mrs, Ms or Title	Mr, Mrs, Ms or Title	Mr, Mrs, Ms or Title
Forenames (in full)	Forenames (in full)	Forenames (in full)
Surname	Surname	Surname
Signature	Signature	Signature

**7 Crest Details (only complete this section if you wish to register your application directly into your CREST Account)**

CREST Participant ID	<input type="text"/>
CREST Member Account ID	<input type="text"/>

**8 Reliable Introducer Declaration**

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in Box 9 of this form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established firm or an established law firm or accountancy firm) (the "firm") which is itself subject in its own country to operation of 'know your customer' and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom and Guernsey. Acceptable countries include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

**DECLARATION: To the Company, and the Receiving Agent**

With reference to the holder(s) detailed in Boxes 3 and/or 6, and all persons signing at Box 4 and/or Box 6 (collectively "the subjects") WE HEREBY DECLARE:

- we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in the United Kingdom and Guernsey;
- we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
- we confirm the accuracy of the names and residential/business address(es) of the holder(s) given in Box 3 and/or 6 and if a CREST Account is cited at Box 7 that the owner thereof is named in Box 3 and/or 6;
- having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Shares mentioned; and
- where the payor and holder(s) are different person we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

**Signature**

Dated	Signature:
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**9 Identity Information**

	Holders			

**A. For each holder being an individual enclose:**

- (1) a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and [ ] [ ] [ ] [ ]
- (2) certified copies of at least two of the following documents which purport to confirm that the address given in Box 3 is that person’s residential address: a recent gas, electricity, water or telephone (not mobile) bill – a recent bank statement – a council rates bill – or similar document issued by a recognised authority; and [ ] [ ] [ ] [ ]
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and [ ] [ ] [ ] [ ]
- (4) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary; and [ ] [ ] [ ] [ ]
- (5) details of the name and address of their personal bankers from which the Receiving Agent may request a reference, if necessary. [ ] [ ] [ ] [ ]

**B. For each holder being a company (a “holder company”) enclose:**

- (1) a certified copy of the certificate of incorporation of the holder company; and [ ] [ ] [ ] [ ]
- (2) the name and address of the holder company’s principal bankers from which the Receiving Agent may request a reference, if necessary; and [ ] [ ] [ ] [ ]
- (3) a statement as to the nature of the holder company’s business, signed by a director; and [ ] [ ] [ ] [ ]
- (4) a list of the names and residential addresses of each director of the holder company; and [ ] [ ] [ ] [ ]
- (5) for each director provide documents and information similar to that mentioned in A above; and [ ] [ ] [ ] [ ]
- (6) a copy of the authorised signatory list for the holder company; and [ ] [ ] [ ] [ ]

(7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a "beneficiary company"), also complete D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

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**C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4).**

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**D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:**

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(1) a certified copy of the certificate of incorporation of that beneficiary company; and

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(2) a statement as to the nature of that beneficiary company's business signed by a director; and

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(3) the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and

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(4) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

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The Receiving Agent reserves the right to ask for additional documents and information.

**10 Contact Details**

To ensure the efficient and timely processing of this application please enter below the contact details of a person Computershare Investor Services PLC may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Box 4 on behalf of the first-named holder. If no details are entered here and Computershare Investor Services PLC requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contract name:	Telephone no:
Contract address:	Fax no:
	E-mail address:

Signed..... Date .....2008

[Authorised Signatory]



