BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT:

JUNE 2016

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BREVAN HOWARD

www.bhmacro.com

BH Macro Limited

Manager:

Brevan Howard Capital Management LP ("BHCM")

Administrator:

Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust")

Corporate Broker:

J.P. Morgan Cazenove

Listings:

London Stock Exchange (Premium Listing)

NASDAQ Dubai - USD Class (Secondary listing)

Bermuda Stock Exchange (Secondary listing)

Overview

BH Macro Limited ("BHM") is a closed-ended investment company, registered and incorporated in Guernsey on 17 January 2007 (Registration Number: 46235).

BHM invests all of its assets (net of short-term working capital) in the ordinary shares of Brevan Howard Master Fund Limited (the "Fund").

BHM was admitted to the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange on 14 March 2007.

Total Assets: $957 mm[1]

1. As at 30 June 2016. Source: BHM's administrator, Northern Trust.

Summary Information

BH Macro Limited NAV per Share (Calculated as at 30 June 2016)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	231.1	$20.76
EUR Shares	57.3	€20.87
GBP Shares	668.7	£21.56

BH Macro Limited NAV per Share % Monthly Change

USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007			0.10	0.90	0.15	2.29	2.56	3.11	5.92	0.03	2.96	0.75	20.27
2008	9.89	6.70	-2.79	-2.48	0.77	2.75	1.13	0.75	-3.13	2.76	3.75	-0.68	20.32
2009	5.06	2.78	1.17	0.13	3.14	-0.86	1.36	0.71	1.55	1.07	0.37	0.37	18.04
2010	-0.27	-1.50	0.04	1.45	0.32	1.38	-2.01	1.21	1.50	-0.33	-0.33	-0.49	0.91
2011	0.65	0.53	0.75	0.49	0.55	-0.58	2.19	6.18	0.40	-0.76	1.68	-0.47	12.04
2012	0.90	0.25	-0.40	-0.43	-1.77	-2.23	2.36	1.02	1.99	-0.36	0.92	1.66	3.86
2013	1.01	2.32	0.34	3.45	-0.10	-3.05	-0.83	-1.55	0.03	-0.55	1.35	0.40	2.70
2014	-1.36	-1.10	-0.40	-0.81	-0.08	-0.06	0.85	0.01	3.96	-1.73	1.00	-0.05	0.11
2015	3.14	-0.60	0.36	-1.28	0.93	-1.01	0.32	-0.78	-0.64	-0.59	2.36	-3.48	-1.42
2016	0.71	0.73	-1.77	-0.82	-0.28	3.61							2.12

EUR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007			0.05	0.70	0.02	2.26	2.43	3.07	5.65	-0.08	2.85	0.69	18.95
2008	9.92	6.68	-2.62	-2.34	0.86	2.84	1.28	0.98	-3.30	2.79	3.91	-0.45	21.65
2009	5.38	2.67	1.32	0.14	3.12	-0.82	1.33	0.71	1.48	1.05	0.35	0.40	18.36
2010	-0.30	-1.52	0.03	1.48	0.37	1.39	-1.93	1.25	1.38	-0.35	-0.34	-0.46	0.93
2011	0.71	0.57	0.78	0.52	0.65	-0.49	2.31	6.29	0.42	-0.69	1.80	-0.54	12.84
2012	0.91	0.25	-0.39	-0.46	-1.89	-2.20	2.40	0.97	1.94	-0.38	0.90	1.63	3.63
2013	0.97	2.38	0.31	3.34	-0.10	-2.98	-0.82	-1.55	0.01	-0.53	1.34	0.37	2.62
2014	-1.40	-1.06	-0.44	-0.75	-0.16	-0.09	0.74	0.18	3.88	-1.80	0.94	-0.04	-0.11
2015	3.34	-0.61	0.40	-1.25	0.94	-0.94	0.28	-0.84	-0.67	-0.60	2.56	-3.22	-0.77
2016	0.38	0.78	-1.56	-0.88	-0.38	3.25							1.52

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2007			0.11	0.83	0.17	2.28	2.55	3.26	5.92	0.04	3.08	0.89	20.67
2008	10.18	6.86	-2.61	-2.33	0.95	2.91	1.33	1.21	-2.99	2.84	4.23	-0.67	23.25
2009	5.19	2.86	1.18	0.05	3.03	-0.90	1.36	0.66	1.55	1.02	0.40	0.40	18.00
2010	-0.23	-1.54	0.06	1.45	0.36	1.39	-1.96	1.23	1.42	-0.35	-0.30	-0.45	1.03
2011	0.66	0.52	0.78	0.51	0.59	-0.56	2.22	6.24	0.39	-0.73	1.71	-0.46	12.34
2012	0.90	0.27	-0.37	-0.41	-1.80	-2.19	2.38	1.01	1.95	-0.35	0.94	1.66	3.94
2013	1.03	2.43	0.40	3.42	-0.08	-2.95	-0.80	-1.51	0.06	-0.55	1.36	0.41	3.09
2014	-1.35	-1.10	-0.34	-0.91	-0.18	-0.09	0.82	0.04	4.29	-1.70	0.96	-0.04	0.26
2015	3.26	-0.58	0.38	-1.20	0.97	-0.93	0.37	-0.74	-0.63	-0.49	2.27	-3.39	-0.86
2016	0.60	0.70	-1.78	-0.82	-0.30	3.31							1.64

Source: Fund NAV data is provided by the administrator of the Fund, International Fund Services (Ireland) Limited. BHM NAV and NAV per Share data is provided by BHM's administrator, Northern Trust. BHM NAV per Share % Monthly Change is calculated by BHCM. BHM NAV data is unaudited and net of all investment management fees (2% annual management fee and 20% performance fee) and all other fees and expenses payable by BHM. In addition, the Fund is subject to an operational services fee of 50bps per annum.

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

Data as at 30 June 2016

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited estimates as at 30 June 2016

	% of Gross Market Value*
Level 1	73.7
Level 2	25.9
Level 3	0.2
At NAV	0.2

Source: BHCM

* These estimates are unaudited and have been calculated by BHCM using the same methodology as that used in the most recent audited financial statements of the Fund. These estimates are subject to change.

Level 1: This represents the level of assets in the portfolio which are priced using unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: This represents the level of assets in the portfolio which are priced using either (i) quoted prices that are identical or similar in markets that are not active or (ii) model-derived valuations for which all significant inputs are observable, either directly or indirectly in active markets.

Level 3: This represents the level of assets in the portfolio which are priced or valued using inputs that are both significant to the fair value measurement and are not observable directly or indirectly in an active market.

At NAV: This represents the level of assets in the portfolio that are invested in other Brevan Howard funds and priced or valued at NAV as calculated by IFS.

Performance Review

The information in this section has been provided to BHM by BHCM.

Gains in interest rate trading were predominantly generated from long directional positioning in European and US rates as well as long positions in Japanese and UK interest rate volatility. European swap spread and peripheral bond trading also contributed modest gains. Gains in FX trading came from directional trading of a broad range of currency pairs including GBP, EUR and BRL, and from associated moves in implied volatility. Equity trading losses came from tactical positions in Japan and in Europe.

The acquisition by BHM of 7,812,223 Sterling shares, 861,331 Euro shares and 3,805,094 US Dollar shares pursuant to the tender offer launched by BHM on 27 April 2016 (the "Tender Offer") was executed on 27 June 2016. The repurchase of shares under the Tender Offer resulted in the NAV per share of the remaining USD shares appreciating by 2.52%, the NAV per share of the remaining Sterling shares appreciating by 2.38% and the NAV per share of the remaining Euro shares appreciating by 2.14%.

The performance review and attributions are derived from data calculated by BHCM, based on total performance data for each period provided by the Fund's administrator (International Fund Services (Ireland) Limited) and risk data provided by BHCM, as at 30 June 2016.

Performance by Asset Class

Monthly, quarterly and annual contribution (%) to the performance of BHM USD Shares (net of fees and expenses) by asset class*

2016	Rates	FX	Commodity	Credit	Equity	Discount Management & Tender Offer	Total
June 2016	0.77	0.15	0.06	-0.05	-0.19	2.87	3.61
Q1 2016	1.17	-0.82	-0.14	0.02	-1.14	0.57	-0.35
Q2 2016	0.01	-0.09	0.03	0.05	-0.39	2.90	2.47
YTD 2016	1.18	-0.91	-0.11	0.07	-1.52	3.49	2.12

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

*Data as at 30 June 2016

Methodology and Definition of Contribution to Performance:
Attribution by asset class is produced at the instrument level, with adjustments made based on risk estimates.

The above asset classes are categorised as follows:
"**Rates**": interest rates markets
"**FX**": FX forwards and options
"**Commodity**": commodity futures and options
"**Credit**": corporate and asset-backed indices, bonds and CDS
"**Equity**": equity markets including indices and other derivatives
"**Discount Management & Tender Offer**": buyback activity for discount management purposes and repurchases under the tender offer launched on 27 April 2016.

Performance by Strategy Group

Monthly, quarterly and annual contribution (%) to the performance of BHM USD Shares (net of fees and expenses) by strategy group*

2016	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Discount Management & Tender Offer	Total
June 2016	0.66	0.02	0.15	-0.01	-0.00	-0.02	-0.05	-0.00	2.87	3.61
Q1 2016	-1.10	0.01	0.56	-0.02	-0.01	-0.34	-0.02	-0.00	0.57	-0.35
Q2 2016	-0.44	-0.01	-0.24	0.01	-0.01	0.08	0.21	-0.00	2.90	2.47
YTD 2016	-1.53	0.01	0.31	-0.01	-0.01	-0.26	0.19	-0.00	3.49	2.12

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.
*Data as at 30 June 2016

Methodology and Definition of Contribution to Performance:

Strategy Group attribution is approximate and has been derived by allocating each trader book in the Fund to a single category. In cases where a trader book has activity in more than one category, the most relevant category has been selected.

The above strategies are categorised as follows:
"**Macro**": multi-asset global markets, mainly directional (for the Fund, the majority of risk in this category is in rates)
"**Systematic**": rules-based futures trading
"**Rates**": developed interest rates markets
"**FX**": global FX forwards and options
"**Equity**": global equity markets including indices and other derivatives
"**Credit**": corporate and asset-backed indices, bonds and CDS
"**EMG**": global emerging markets
"**Commodity**": liquid commodity futures and options
"**Discount Management & Tender Offer**": buyback activity for discount management purposes and repurchases under the tender offer launched on 27 April 2016.

Manager's Market Review and Outlook

The information in this section has been provided to BHM by BHCM

Market Commentary

US

Economic activity picked up in June. Hiring rebounded smartly after having stalled in May, allaying concerns that the labour market was sliding unexpectedly into recession. Taking the longer view, employment gains have slowed from a rapid pace. In the first quarter, employment expanded nearly 200,000 per month and, in the second quarter, the monthly pace was approximately 150,000. Economists' estimates of the long-term sustainable increase in employment range from 75,000 to 125,000 per month, so the current gains still represent moderate progress in absorbing slack. At the same time, the unemployment rate rose to 4.9%, but part of the increase was accounted for by a rise in job seekers. Wages appear to be increasing moderately, which is impressive compared with lacklustre productivity growth but disappointing compared with prior business cycle expansions.

Real consumption spending increased by approximately 4% annualised in the second quarter. In particular, retail sales accelerated, led by brisk online sales, but motor vehicle purchases cooled. Business investment continues to languish. Indicators suggest that spending on equipment, structures, and intellectual property like software and research and development are all weak. For example, orders for nondefense capital goods excluding aircraft contracted in the first two months of the second quarter and are running below the level of shipments, a negative indicator of future demand. Various business surveys and anecdotes point to similarly cautious business sentiment toward capex.

Inflation trends have been little changed. Core Personal Consumption Expenditures ("PCE") inflation is running at 1.6% with overall inflation somewhat slower. If the exchange value of the US Dollar and energy prices stabilise, inflation should firm in the second half of the year. In the meanwhile, one of the most remarkable features of the inflation landscape is that the Federal Reserve (the "Fed") has consistently missed its 2% inflation target during the expansion. Perhaps as a result, inflation expectations appear less well anchored. Market-based measures of inflation compensation are near record lows and surveys of consumers suggest inflation expectations are trending down, although the latest monthly readings have bounced.

The external sector presents the greatest threat to the US economy currently. Although Brexit passed with little spillover to the US, the political roadmap for both the UK and the European Union remains highly uncertain. Such uncertainty may ultimately have no significant impact on the US economy. However, risk management suggests the best course of action is to wait and see before deciding one way or another. It's still early days, but the Fed appears to be following this script. With still-solid fundamentals, the removal of policy accommodation appears warranted. However, with unthreatening wage and price inflation and unsettled international conditions, the Fed can afford to be cautious and patient in deciding the timing of the next rate increase.

UK

The UK voted to leave the European Union in the referendum on 23 June, with 51.9% of voters choosing to leave, versus 48.1% who wanted to remain. Prime Minister David Cameron, who campaigned for the UK to remain in the EU, subsequently announced his resignation and has been replaced by Theresa May as Prime Minister. Cameron has left it to his successor to enact Article 50 of the Lisbon Treaty, which would commence the legal process of the UK leaving the EU. Until then, there is no legal requirement for the UK to leave the EU. Moreover, only once Article 50 has been enacted will EU officials begin discussing both the terms in which the UK can leave the EU, as well as negotiations regarding the UK's access to the single market.

Economic data, prior to the Brexit vote, was already soft in part due to the uncertainty created by the referendum. Manufacturing output had experienced a slow-steady downward decline over the year to March, falling -2% y/y. In April, however, manufacturing output rebounded by 2.3% m/m. The outlook for the manufacturing sector is mixed as the recent fall in the currency should support growth in exports, but at the same time, the uncertainty caused by the Brexit vote will deter investment. The construction sector has struggled in recent quarters, barely growing over the past year. Furthermore, the construction PMI fell 5.2pts to 46 in June, reaching the lowest level since 2009, suggesting a fall in activity is to be expected. Retailing has remained relatively robust. Indicators on the services sector suggest that the rhythm of activity will moderate markedly. The housing market appears to have softened in recent months - although prices remain relatively robust, surveys on activity have softened considerably, likely a result of both the tax changes made in April as well as referendum uncertainty. The unemployment rate hit a new low in April, reaching 5%, however, the recent increase in jobless claims suggests that the unemployment rate may begin to rise again. In May, headline inflation recorded 0.3% y/y, with core inflation at 1.2% y/y, both well below the Bank of England's ("BoE") inflation target of 2%.

So far, there is little economic data available that reflects the state of the economy post the Brexit vote. However, due to such monumental economic and political uncertainty, the UK economy is expected to slow markedly. Reduced demand via a shock to confidence may be in part offset by the sharp fall in the exchange rate. However, in turn, the lower exchange rate will put upward pressure on the price of imported goods, lifting inflation. The BoE Governor, Mark Carney announced interest rates will remain on hold at the historic low of 0.5% for the foreseeable future following the July Monetary Policy Committee meeting ("MPC"). Looking ahead, the medium to long-term outlook of the UK economy will fundamentally depend on the decisions made regarding the UK's relationship with Europe and its access to the single-market. However, for now, growth is likely to be subdued on account of significant political and thus economic uncertainty.

EMU

Incoming data in the euro area have been consistent with a deceleration in growth in the second quarter after a good performance in Q1, mostly driven by domestic demand and favourable one-off factors. Industrial production ("IP"), construction, retail sales and car registrations are all slowing following the overshooting in the first quarter of the year. In May, IP was subdued, especially in Germany, falling substantially by 1.3%, also reflecting further contraction in construction activity. The June Purchasing Managers' Index ("PMI") surveys have indicated a further moderation in growth at the beginning of the summer driven by retail, construction and business services, while activity in manufacturing improved. Meanwhile, the labour market continued its gradual downward adjustment, with the unemployment rate falling at an average pace of 1% per year to 10.1% in May for the EMU as a whole, the lowest level since August 2011. Looking at prices, inflation remains stubbornly stuck at low levels - the euro area Harmonised Index of Consumer Prices ("HICP") inflation rate remained close to zero in June (0.1% y/y, up from -0.1% y/y in May), with core inflation at a mere 0.9% y/y.

In response to the UK's unexpected decision to leave the EU, European Central Bank ("ECB") officials stated that uncertainty could partly reverse the recent economic recovery, while they needed to "wait a little bit to see if we need to respond." The ECB allotted its first TLTRO-II operation at the end of the month. While the bank's gross take-up stood at EUR39bn, it included rolled liquidity from previous TLTROs, meaning the net take up is estimated to be much smaller at around EUR30bn, at the low end of expectations. At the same time, corporate bonds purchases under the ECB Quantitative Easing programme started on 8 June as planned, with cumulative assets purchased totalling EUR6.8bn as of 1 July. The ECB has already bought more than a trillion Euros' worth of assets under its Expanded Asset Purchases Programme which started at the end of 2014, while inflation continues to be far from its target of "below but close to 2%". The volatility created by the UK referendum induced renewed concerns about the state of banks in Italy, where the government is trying to find an acceptable deal with the EU in order to manage the large amount of non-performing loans without imposing a too large burden on creditors in light of the European state-aid regulations. On the legal side, the German Constitutional Court cleared the ECB's Outright Monetary Transactions ("OMT") programme in its final ruling, stating that the programme was legal provided certain conditions are met. More locally, the re-run of the elections in Spain saw Prime Minister Mariano Rajoy's Popular Party coming in at first place again, gaining 137 of the parliament's 350 seats, compared with 123 in the December 2015 elections. However, the elections still left him without a majority and the same difficulty he faced trying to form a coalition government after December. The Socialist Party came in second place with 85 seats (compared with 90 in December). Anti-establishment left-wing Unidos Podemos obtained 71 seats, the same result as in December.

China

Activity data in China in May/June showed mixed signs. In June, the official Purchasing Managers Index ("PMI") came out in line with expectations but the Caixin PMI fell from its prior figure to 48.6, with a fall in both orders and in their ratio to inventories. IP growth rebounded from 6.0% to 6.2% y/y, exceeding consensus forecasts. On the demand side, while retail sales accelerated, Fixed Asset Investment ("FAI") growth continued to slow on the back of further moderation in private investments. Trade data indicated a monthly drop, on a seasonally adjusted basis, across both imports and exports. Overall in Q2, GDP growth improved relative to Q1, rising from 1.2% q/q to 1.8% q/q, above the market consensus, although it remained stable in y/y terms at 6.7%. The People's Bank of China ("PBoC") has maintained a neutral monetary policy stance so as to support a recovery: the 7-day repo rate has been maintained at about 2.4% for the past month, while credit data, after showing some payback in April and May following a strong expansion in Q1, surged again in June. Still, Total Social Financing growth remained strong at 16.5% y/y in May. Investments in infrastructure and investment by State Owned Enterprises ("SOEs"), both a gauge of policy-driven growth, rebounded further in May. FX reserves in June increased by US$13.5bn, exceeding market expectations.

Japan

Economic activity in Japan appears to be drifting at the modest pace seen recently. IP continues to decline and it fell sharply in May, however, IP is a volatile series and the decline mainly puts the index back on its trend. Survey data were mixed but qualitatively unchanged. The Tankan index of actual results for all industries dipped 3 points in the second quarter but remained positive, while the forecast for the third quarter inched up. The Shoko-Chukin survey of small and medium enterprises moved up, though only to the relatively subdued levels seen in 2015. The Economy Watchers survey declined from an already weak level.

Inflation measures continue to disappoint relative to where they need to be in order to reach the Bank of Japan's ("BoJ") 2% goal. Western core prices (the CPI excluding food and energy) for Japan as a whole were flat in May on a seasonally adjusted basis and have only edged up 0.1% over the last six months. Unless they accelerate, the 12-month change at 0.7% will decline once the solid increases seen in the summer of 2015 drop out of the calculation. The Tokyo western core rate ticked up in June, but it too is up only 0.1% over the last six months. Forward-looking indicators look worse. The yen appreciated sharply against the dollar throughout June; the 14.5% appreciation over the first half of 2016 erased almost all of the depreciation seen over the second half of 2014 that had contributed significantly to the earlier acceleration in consumer prices. Meanwhile, consumer inflation expectations fell in June to their lowest level since January 2013.

Despite the ongoing deterioration in the inflation outlook, the BoJ left policy accommodation unchanged at its mid-June meeting. There is some thought that the BoJ was waiting to see the fallout from the Brexit vote. If true, however, it sends a bad signal that the BoJ thinks its ability to increase monetary accommodation is limited. That would contradict Governor Kuroda's denials that there is such a "quantitative limit".

Upper House elections were mixed in their implications for fiscal and structural reforms. Prime Minister Abe's Liberal Democratic Party ("LDP") and coalition partners added upper house seats, which should make it easier for Abe to argue that he has a mandate and to mechanically pass legislation. The LDP itself, however, just fell short of winning a majority, which would have strengthened its hand within the coalition. Including a number of like-minded smaller parties that won't be part of the coalition government, forces that favour amending Japan's constitution now have the needed two-thirds "super majority" to initiate a constitutional referendum. Some analysts worry that the government's focus will shift exclusively to amending the constitution, but that's clearly not the case presently. It appears that there is popular support for some changes, but not nearly enough support for overturning the so-called pacifist Article 9. Abe may merely tailor his efforts towards what is potentially feasible now rather than spend all his political capital.

Enquiries

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Important Legal Information and Disclaimer

BH Macro Limited (“BHM") is a feeder fund investing in Brevan Howard Master Fund Limited (the "Fund"). Brevan Howard Capital Management LP (“BHCM”) has supplied certain information herein regarding BHM’s and the Fund’s performance and outlook.

The material relating to BHM and the Fund included in this report is provided for information purposes only, does not constitute an invitation or offer to subscribe for or purchase shares in BHM or the Fund and is not intended to constitute “marketing” of either BHM or the Fund as such term is understood for the purposes of the Alternative Investment Fund Managers Directive as it has been implemented in states of the European Economic Area. This material is not intended to provide a sufficient basis on which to make an investment decision. Information and opinions presented in this material relating to BHM and the Fund have been obtained or derived from sources believed to be reliable, but none of BHM, the Fund or BHCM make any representation as to their accuracy or completeness. Any estimates may be subject to error and significant fluctuation, especially during periods of high market volatility or disruption. Any estimates should be taken as indicative values only and no reliance should be placed on them. Estimated results, performance or achievements may materially differ from any actual results, performance or achievements. Except as required by applicable law, BHM, the Fund and BHCM expressly disclaim any obligations to update or revise such estimates to reflect any change in expectations, new information, subsequent events or otherwise.

Tax treatment depends on the individual circumstances of each investor in BHM and may be subject to change in the future. Returns may increase or decrease as a result of currency fluctuations.

You should note that, if you invest in BHM, your capital will be at risk and you may therefore lose some or all of any amount that you choose to invest. This material is not intended to constitute, and should not be construed as, investment advice. All investments are subject to risk. You are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions.

THE VALUE OF INVESTMENTS CAN GO DOWN AS WELL AS UP. YOU MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED AND YOU MAY LOSE ALL OF YOUR INVESTMENT. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS.

Risk Factors

Acquiring shares in BHM may expose an investor to a significant risk of losing all of the amount invested. Any person who is in any doubt about investing in BHM (and therefore gaining exposure to the Fund) should consult an authorised person specialising in advising on such investments. Any person acquiring shares in BHM must be able to bear the risks involved. These include the following:

• The Fund is speculative and involves substantial risk.

• The Fund will be leveraged and will engage in speculative investment practices that may increase the risk of investment loss. The Fund may invest in illiquid securities.

• Past results of the Fund's investment managers are not necessarily indicative of future performance of the Fund, and the Fund's performance may be volatile.

• An investor could lose all or a substantial amount of his or her investment.

• The Fund's investment managers have total investment and trading authority over the Fund, and the Fund is dependent upon the services of the investment managers.

• Investments in the Fund are subject to restrictions on withdrawal or redemption and should be considered illiquid. There is no secondary market for investors' interests in the Fund and none is expected to develop.

• The investment managers' incentive compensation, fees and expenses may offset the Fund's trading and investment profits.

• The Fund is not required to provide periodic pricing or valuation information to investors with respect to individual investments.

• The Fund is not subject to the same regulatory requirements as mutual funds.

• A portion of the trades executed for the Fund may take place on foreign markets.

• The Fund and its investment managers are subject to conflicts of interest.

• The Fund is dependent on the services of certain key personnel, and, were certain or all of them to become unavailable, the Fund may prematurely terminate.

• The Fund's managers will receive performance-based compensation. Such compensation may give such managers an incentive to make riskier investments than they otherwise would.

• The Fund may make investments in securities of issuers in emerging markets. Investment in emerging markets involve particular risks, such as less strict market regulation, increased likelihood of severe inflation, unstable currencies, war, expropriation of property, limitations on foreign investments, increased market volatility, less favourable or unstable tax provisions, illiquid markets and social and political upheaval.

The above summary risk factors do not purport to be a complete description of the relevant risks of an investment in shares of BHM or the Fund and therefore reference should be made to publicly available documents and information.