BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT:
MAY 2016

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MONTHLY SHAREHOLDER REPORT: MAY 2016

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: $1,330 mm[1]

1. Estimated as at 31 May 2016. Source: BHM's administrator, Northern Trust.

Summary Information

BH Macro Limited NAV per Share (Estimated as at 31 May 2016)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	304.2	$20.03
EUR Shares	76.9	€20.21
GBP Shares	948.8	£20.87

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	-0.29*								-1.46*

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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	-0.40*								-1.69*

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	-0.31*								-1.63*

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.

*Based on estimated NAVs as at 31 May 2016

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited estimates as at 31 May 2016

	% of Gross Market Value*
Level 1	73.7
Level 2	26.1
Level 3	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.

Performance Review

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

Losses in interest rate trading from long positions in Japanese volatility as well as from long US directional positioning were partially offset by gains from directional trading in Europe as well as European swap spread and peripheral bond trading. FX gains from tactical and volatility trading in sterling were offset from losses in emerging market currency trading. Trading across other currency pairs contributed small gains.

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 31 May 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	Total
May 2016	-0.28	0.03	0.01	0.02	-0.09	0.02	-0.29
Q1 2016	1.17	-0.82	-0.14	0.02	-1.14	0.57	-0.35
QTD 2016	-0.76	-0.24	-0.03	0.08	-0.20	0.03	-1.11
YTD 2016	0.40	-1.06	-0.17	0.10	-1.33	0.60	-1.46

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

*Based on estimated NAVs as at 31 May 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**": buyback activity for discount management purposes

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	Total
May 2016	-0.48	-0.01	-0.01	0.06	-0.00	0.04	0.09	-0.00	0.02	-0.29
Q1 2016	-1.10	0.01	0.56	-0.02	-0.01	-0.34	-0.02	-0.00	0.57	-0.35
QTD 2016	-1.10	-0.03	-0.39	0.02	-0.00	0.09	0.26	-0.00	0.03	-1.11
YTD 2016	-2.18	-0.01	0.16	0.01	-0.01	-0.25	0.24	-0.00	0.60	-1.46

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

*Based on estimated NAVs as at 31 May 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**": buyback activity for discount management purposes

Manager's Market Review and Outlook

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

Market Commentary

US

Growth improved in May while the labour market slowed, reversing the pattern seen since the start of the year. Real GDP growth is tracking above 2% (annualised rate) in the current quarter, a noticeable albeit unspectacular improvement on the soft patch seen in the last two quarters. The improvement has been driven by consumer spending and housing, two areas of strength in the economy. However, business investment and net exports continue to be areas of weakness.

Job gains disappointed in May, currently at their weakest pace since 2010, and the participation rate dropped abruptly for the second month in a row. The drop in the participation rate left the unemployment rate at a cycle low of 4.7%. However, broader measures of labour market slack were unchanged. Wage gains remain moderate, suggesting that there is still at least some slack even at such a low unemployment rate. The news could be read in two different ways. As the economy comes into full employment, job gains are supposed to slow. However, the slowdown in the last two months has been sharp and widespread, so the question is whether the labour market is facing downside risks. After all, business sentiment and capex have been poor for some time and the worry is that hiring is beginning to wane at the same time.

Inflation is low. After seeing a pick-up in core inflation at the start of the year, recent prints have solidified the run rate at 1.6% over the last year. If import and energy prices stabilise, then the prospects appear favourable for a steady improvement in core inflation in the second half of the year. However, such an outcome is highly dependent on the exchange value of the US Dollar. In May, the US Dollar appreciated more than 3% on a broad trade-weighted basis. Such appreciations put downward pressure on import prices and make it difficult to generate higher core inflation.

The developments in inflation expectations are cause for concern. Survey measures of long-term inflation expectations from the University of Michigan and the New York Federal Reserve Bank have been trending down. Indeed, the Michigan survey has been at a record low or made a new record low in four of the six months since lift-off. Similarly, inflation compensation in financial markets has been trending down. According to Fed calculations, the so-called 5-year/5-year forward breakeven inflation rate ("BEI") is 25 basis points below where it stood at lift-off. The 5-year/5-year BEI had been following the path of crude oil prices for much of the year. However, in May crude prices rose to local highs while the 5-year/5-year BEI rolled over in sympathy with the appreciation in the US Dollar. In her most recent speech, Chair Yellen highlighted these negative developments saying, "The indicators have moved enough to get my close attention." That's a warning shot that these expectations have to improve for her to have confidence that inflation will move back to two percent.

At the recent FOMC meeting, the UK referendum on EU membership dominated discussions. If that uncertainty is resolved in favour of the status quo, then the upcoming Fed policy decisions will revert to being data dependent. If the UK votes to leave, all bets are off and US and global policy makers will shift into crisis prevention mode.

UK

Economic growth in the UK has slowed in recent quarters. GDP grew 0.4% q/q in Q1 of 2016, down from 0.6% in Q4 2015. The manufacturing sector remains subdued, with output falling 0.5% q/q in Q1, although it rebounded in April, helped by the weakening of the currency in the previous months. The construction sector also struggled, contracting by 1% q/q. Services output was resilient, growing 0.6% q/q attributable to buoyant household consumption. The impending referendum on EU membership has likely hampered investment decisions. Various business surveys have cited the referendum as having delayed business decisions, which would cause growth to slow. GDP is expected to slow further to 0.2% q/q in Q2. Retailing has moderated as well in recent months, though it remains relatively buoyant when compared to other sectors, with sales growing around 3.5% y/y in volume terms. Consumer confidence remains high relative to history, but has also moderated since the start of the year. Activity around the housing market has become more volatile than usual on account of the recent policy changes on buy-to-let properties. New mortgage lending in March doubled relative to the previous month as borrowers tried to finalise housing purchases before the policy changes came into effect in April. Consequently, net mortgage lending collapsed in April. New buyer enquiries, as reported by residential real estate surveys, have collapsed in recent months indicative of subdued activity in the housing market, which may follow through to slower house price inflation. Activity in the commercial property market has fallen sharply, and can be attributed to delayed investment decisions on account of the referendum. The unemployment rate was unchanged at 5.1% for the fourth straight month. Employment growth has slowed considerably, growing a mere 0.2% in the four months to March. Jobless claims fell by 2,300 in April, but only after rising 14,700 in March, the largest single month rise since 2011. This reflects how the uncertainty caused by the referendum has fettered hiring intentions. Wage inflation remains modest, only recording 2.1% in April (latest three-month average) still well below pre-crisis average levels. Core inflation fell back down 0.3ppts to 1.2% y/y in April. Similarly, headline inflation fell 0.2ppts to 0.3% y/y, still being weighed down by low commodity prices.

The Monetary Policy Committee (“MPC”) again unanimously voted to keep rates unchanged (at 0.5%) at the latest meeting in May. In the event that the UK remains in the EU, Bank of England Governor Carney said the next move in Bank rate was most likely going to be up. However, other members of the MPC have questioned the extent to which the recent slowdown can be attributed to the referendum. Moreover, there remains little price pressure to justify a rise in the Bank rate. If the UK were to leave the EU, Carney said the policy response would depend on the relative magnitudes of the fall in demand (via economic uncertainty) and the rise in inflation (through a lower exchange rate and lower labour supply). He added that there was on balance a lower probability of a rate rise should the UK leave the EU. The outcome of the referendum will largely shape the evolution of the economy in the medium term. If the UK votes to remain in the EU, then the economy is expected to recover in the second half of the year. If the UK votes to leave the EU, we expect the uncertainty around the exit process will further stall investment and hiring, which in turn may lead to the MPC lowering interest rates.

EMU

EMU GDP grew by 0.6% q/q in the first quarter, with domestic demand the main driver. However, this strong outcome was also due to some non-repeatable factors, stemming from the steep drop in energy prices due to unseasonably warm weather. Looking forward, a moderation of growth appears likely in the second quarter, with activity dynamics in a number of key sectors suffering from a negative statistical carry-over. While consumer confidence indicators have regained ground in May, the rebound in oil prices could weigh on consumer spending in the coming months. At the same time, business surveys remain generally stable with the May composite Purchasing Managers’ Index (“PMI”) at 53.1, broadly unchanged since February, although manufacturing orders appear to have weakened. Meanwhile, the labour market continues its gradual adjustment, with the unemployment rate falling to 10.2% in April, the lowest level since August 2011. Inflation in the euro area continues to hover below zero, but a base effect should gradually push it higher in the second half of the year. The Harmonized Index of Consumer Prices (“HICP”) inflation rate ticked up to -0.1% y/y in

May from -0.2% y/y in April, led by a recovery in energy prices. Although core inflation gained 0.1 ppts during the month, it is still low at 0.8% y/y, failing to show signs of an upward trend. M3 slowed from 5.0% y/y to 4.6% y/y in April, while credit growth, albeit supportive, is insufficient to produce a strong impulse for the economic recovery.

The European Central Bank ("ECB") is focusing on implementing its March easing package, from the new Corporate Sector Purchase Programme ("CSPP") which will start in early June, to the long-term loans (TLTRO-II) launching at the end of June. At its June policy meeting held in Vienna, the ECB revised its growth forecast marginally up for 2016 to 1.6% from 1.4% estimated in March, while keeping the 2017 forecast unchanged at 1.7%. Despite the rebound in oil prices and the effect of additional Quantitative Easing ("QE"), the HICP inflation forecasts were left unchanged in the medium term, at 1.3% for 2017 and 1.6% for 2018, still quite far from the ECB target of "below, but close to, 2%" with core inflation revised down along the projection horizon.

After weeks of negotiations, Greece and its main creditors found an agreement which paved the way for disbursement of the next EUR 10.3bn bailout tranche. As it stands, EUR 7.5bn will be released in June, with further payments contingent on clearing government arrears. Some small progress was made on debt relief with an agreement to ease Greek payments in the short term and potentially larger debt relief in the medium term in 2018 after the current bailout is completed. While this has not been finalised, it could involve extending the maturity of Greek bailout loans, repaying profits on bonds held by the ECB to Greece and buying out the more expensive IMF loans using leftover funds from the bailout. IMF participation in the financing programme remains far from certain after the latest Eurogroup agreement.

China

Activity data in China for April/May showed mixed signs, but supported a rebound of GDP in Q2 after the Q1 lull. In May, the official Purchasing Manager's Index ("PMI") came out slightly better than expected, but the Caixin PMI fell from its prior figure, with details less encouraging, as the new orders to inventory ratio softened. Industrial Production ("IP") growth y/y in April fell to 6%, below the market consensus figure, partly due to a high base effect. In addition, fixed asset investments growth also slowed to 10.5% YTD in April, below expectations, while retail sales posted somewhat better figures than its prior reading. Export growth in May fell to -4.1% y/y from its prior figure of -1.8% and the weakness was broadly based across most domestic markets. Negative import growth has narrowed significantly to -0.4% y/y in May as commodity prices and import volumes of commodities recovered further. As a result, trade surplus recorded a decent figure of US$50bn. Consumer Price Inflation ("CPI") fell to 2% y/y in May due to falling food prices, while core inflation is above its historical median.

Despite better data flows since March, the People's Bank of China has maintained an accommodative monetary policy stance as the foundation of a solid recovery, especially for the second half of the year, has not yet been well established. The 7-day repo rate rose slightly to approximately 2.4% but has stabilised at this low level since then. Despite less encouraging credit data in April following a strong figure in March, total social financing growth since the beginning of the year remained strong in April. Investments in infrastructure and investments by State Owned Enterprises, both of which are a gauge of policy-driven growth, have rebounded notably in Q1 and in April, but there is little multiplier effect observed outside these sectors.

Japan

Prime Minister Abe announced a 2 1/2 year delay in the implementation of the second round of the consumption tax hike. The plan now is to raise the consumption tax rate by two percentage points in October 2019. The delay will avoid the risk of triggering a serious economic slowdown in 2017, as had occurred when tax rate was raised in the past. It remains to be seen how expansive fiscal policy will be next year. Prime Minister Abe has indicated that he will announce a significant economic package this autumn. It also remains to be seen what economic structural reforms will be proposed; early reports do not suggest major changes.

Real GDP posted a 1.9% increase at an annualised rate in the first quarter. While a solid outcome on the surface, a longer quarter due to the leap year can explain its strength. More generally GDP has been flat over the past 2 1/2 years, and the output gap has slightly widened over that period. Other data corroborate the soft trend. Industrial production has trended down at a moderate rate. The Shoko-Chukin survey of small and medium-sized businesses ratcheted down in the middle of 2014 and has largely moved sideways at a level just below the par line. The Tankan survey performed somewhat better, remaining at a decent level. In contrast, the Economy Watchers' survey suddenly lurched down in the first quarter, and the reading for May was up only slightly over April.

The Bank of Japan's re-inflation project has faltered even more. In the latter half of 2015, national consumer prices excluding food and energy had accelerated, but over the last eight months such prices have only edged up 0.3% at an annualised rate. Household inflation expectations have also slowed, unwinding all of the gains seen since the introduction of Abenomics. More recently, a daily price index that was previously produced by the University of Tokyo and now published by a private firm is slowing rapidly. These data, which are based on scanner data collected at the point of sale at grocery stores and similar markets, had been running at about a 5% annualised rate at the start of spring. Through the thirty days ending in mid-June the daily index is up only 1.4% at an annualised rate from thirty days previously.

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.