

**BREVAN HOWARD**

**BH MACRO LIMITED  
MONTHLY SHAREHOLDER REPORT:  
APRIL 2017**

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DOCUMENT**

### BH Macro Limited Overview

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

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

**Administrator:** 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.

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

**Total Assets:** \$460 mm<sup>1</sup>

**Corporate Broker:**

1. As at 28 April 2017. Source: BHM's administrator, Northern Trust.

J.P. Morgan  
Cazenove

**Listings:**

London Stock  
Exchange (Premium  
Listing)

NASDAQ Dubai -  
USD Class  
(Secondary listing)

Bermuda Stock  
Exchange  
(Secondary listing)

### Summary Information

### BH Macro Limited NAV per Share (Calculated as at 28 April 2017)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	65.2	\$21.96
EUR Shares	19.6	€21.36
GBP Shares	374.9	£21.97

### 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	-0.99	-0.17	-0.37	0.77	5.02	0.19	6.63
2017	-1.47	1.91	-2.84	3.84									1.31

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	-0.77	0.16	-0.56	0.59	5.37	0.03	6.37
2017	-1.62	1.85	-3.04	0.54									-2.33

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	-0.99	-0.10	-0.68	0.80	5.05	0.05	5.79
2017	-1.54	1.86	-2.95	0.59									-2.09

Source: Fund NAV data is provided by the administrator of the Fund, International Fund Services (Ireland) Limited ("IFS"). 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 and all other fees and expenses payable by BHM. In addition, the Fund is subject to an operational services fee.

With effect from 1 April 2017, the management fee is 0.5% per annum. BHM's investment in the Fund is subject to an operational service fee of 0.5% per annum.

No management fee or operational services fee is charged in respect of performance related growth of NAV for each class of share in excess of its level on 1 April 2017 as if the tender offer commenced by BHM on 27 January 2017 had completed on 1 April 2017.

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 28 April 2017

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

**ASC 820 Asset Valuation Categorisation on a non look-through basis\***

**Brevan Howard Master Fund Limited**

Unaudited as at 28 April 2017

	% of Gross Market Value*
Level 1	71.4
Level 2	17.0
Level 3	0.1
At NAV	11.5

Source: BHCM

\* This data is unaudited and has been calculated by BHCM using the same methodology as that used in the most recent audited financial statements of the Fund. The relative size of each category is subject to change. Sum may not total 100% due to rounding.

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.

**ASC 820 Asset Valuation Categorisation on a look-through basis\***

	% of Gross Market Value*
Level 1	82.9
Level 2	16.9
Level 3	0.1

Source: BHCM

\* This data reflects the combined ASC 820 levels of the Fund and the underlying allocations in which the Fund is invested, proportional to each of the underlying allocation's weighting in the Fund's portfolio. The data is unaudited and has been calculated by BHCM using the same methodology as that used in the most recent audited financial statements of the Fund and any underlying funds (as the case may be). The relative size of each category is subject to change. Sum may not total 100% due to rounding.

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 for the Fund in April were mainly from FX and interest rate trading. Interest rate losses were driven by relative value positioning in European government bonds and to a lesser degree from declines in the level of implied option volatility. These losses were partially offset by gains from tactical directional trading in European, Japanese and Canadian markets. FX losses resulted primarily from EUR currency option strategies which were

partially offset by gains from directional trading in markets including JPY, AUD and NZD.

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 (IFS) and risk data provided by BHCM, as at 28 April 2017.

### Performance by Asset Class

#### Monthly, quarterly and annual contribution (%) to the performance of BHM USD Shares (net of fees and expenses) by asset class as at 28 April 2017

2017	Rates	FX	Commodity	Credit	Equity	Tender Offer	Total
April 2017	-0.30	-0.37	-0.00	-0.02	-0.02	4.54	3.84
Q1 2017	0.25	-3.06	-0.01	0.28	0.12	0.00	-2.44
QTD 2017	-0.30	-0.37	-0.00	-0.02	-0.02	4.54	3.84
YTD 2017	-0.05	-3.42	-0.01	0.26	0.10	4.54	1.31

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

#### 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

"Tender Offer": repurchases under the tender offer launched on 27 January 2017.

### Performance by Strategy Group

#### Monthly, quarterly and annual contribution (%) to the performance of BHM USD Shares (net of fees and expenses) by strategy group as at 28 April 2017

2017	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Tender Offer	Total
April 2017	-0.82	-0.06	0.27	0.01	-0.00	0.01	-0.10	-0.00	4.54	3.84
Q1 2017	-2.29	-0.03	-0.18	-0.51	-0.00	0.35	0.23	-0.00	0.00	-2.44
QTD 2017	-0.82	-0.06	0.27	0.01	-0.00	0.01	-0.10	-0.00	4.54	3.84
YTD 2017	-3.09	-0.09	0.08	-0.50	-0.00	0.36	0.12	-0.00	4.54	1.31

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

#### 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

"Tender Offer": repurchases under the tender offer launched on 27 January 2017.

**Manager's Market Review and Outlook** The information in this section has been provided to BHM by BHCM

### US

The labour market accelerated in April. Job gains were solidly above 200,000 and the unemployment rate fell to 4.4%, a new cycle low that matches the lowest rate in the prior business cycle expansion in 2006. Broader measures of labour market slack are falling even faster than the headline unemployment rate. Although there is no reliable point estimate of the economy's speed-limit, it appears the labour market is moving beyond full employment. Wages are generally moving up slowly in response to the tighter labour market. Although the monthly average hourly earnings slowed in the latest report, the Employment Cost Index and compensation per hour firmed in the first quarter.

Early indications are that growth picked up in the second quarter from the anaemic pace seen in the first quarter. Although motor vehicle sales slowed in the last couple months, retail sales apart from cars have increased moderately. Indicators of business investment have been solid and point to another increase this quarter. Housing investment and turnover have been positive as well. With the exchange value of the USD stabilising recently and indicators of global growth generally good, trade should have a more neutral effect on growth going forward.

A variety of factors set back inflation in April. In particular, core Consumer Price Index ("CPI") disappointed for the second consecutive month. Some of the declines in core inflation appear to reflect volatility rather than a shift in underlying inflation dynamics. Indeed, the fundamental drivers of inflation point to greater inflation going forward. The tightening labour market should put upward pressure on costs, import prices have shifted from deflation to inflation, and inflation expectations are stabilising albeit at relatively low levels by historical standards. Inflation developments always merit close attention, however, the best situation at the moment is for some mean reversion in the months ahead.

Congress took a breather after the House of Representatives rushed to pass health care reform. Now attention shifts to the Senate's efforts on health care and the beginning of the long road toward tax reform. The White House's ambitious timelines are not expected to survive the realities of the packed and shrinking legislative calendar. The summer will be spent on health care reform and gaining input from various stakeholders about the specifics of a tax reform plan. Later in the year, the Republican majorities may be able to coalesce around compromise efforts on both health care and tax reform. Meanwhile, the Fed continued with the message that the economy is on a sound footing and that they will continue to raise rates gradually. Later in the year, they may begin to passively let their balance sheet shrink over the coming years to a new steady state in the range of US\$2.5 to US\$3 trillion.

### EMU

Euro area Q1 GDP was 0.46% q/q and 1.7% y/y according to the flash estimate, with GDP growth thereby maintaining a similar pace to Q4 2016 (0.48% q/q, 1.8% y/y). This is despite the acceleration of survey indicators that point to faster economic expansion: both the EMU composite Purchasing Managers' Index ("PMI") (56.8) and IFO business climate index hit fresh highs since H1 2011 again in April. The euro area unemployment rate remained at 9.5% in March, its lowest since April 2009. However, wage growth remains sluggish in the presence of continued labour market slack. Euro area negotiated wage growth may edge up only slightly to 1.5% y/y in Q1 2017 from 1.4% y/y in Q4 2016, after averaging just 1.4% for the whole of 2016 - the slowest annual growth rate since 1991 - after 1.5% in 2015, 1.7% in 2014 and 2.7% on average during 1991-2012. Headline inflation in the euro area rebounded to 1.9% y/y in April from 1.5% in March (and core inflation to 1.2% from 0.7%), temporarily boosted by the timing of the Easter holidays. However, both headline and core inflation are

expected to unwind a large part of their gains in May as this impact unwinds. Underlying inflation remains the main argument of the ECB reaction function and the ECB Governing Council continues to note that underlying inflation pressures remain subdued and have yet to show a convincing upward trend. The ECB forecast for core inflation looks optimistic, from 1.1% in 2017 to 1.5% in 2018 and 1.8% for 2019. Such core inflation optimism from the ECB is nothing new and depends crucially on wage inflation (with the ECB recognising there may be a high degree of labour market slack over and above that suggested by the unemployment rate). Indeed, a lower non-accelerating inflation rate of unemployment is expected to keep weighing on wages and core inflation.

The tone of the ECB's April Introductory Statement and ECB President Draghi's Q&A remained dovish, despite some slight upgrading of the growth risk assessment (although not enough to move it to "balanced", with risks "still tilted to the downside" relating predominantly to global factors). The ECB continues to highlight that a very substantial degree of monetary accommodation is still needed for underlying inflation pressures to build. President Draghi also reiterated (10 May) the criteria the ECB will use to confirm a sustained inflation adjustment that would warrant a scaling-back of accommodation: (i) euro area inflation on a path to the ECB's objective over (ii) a meaningful medium-term horizon, with (iii) sufficient confidence that inflation will be durable and stabilise around that level, and (iv) be self-sustained (i.e. its trajectory maintained even with diminishing monetary policy support). The latest comments from the ECB Board appear consistent with a gradual move to removing accommodation. Immediate political risks have de-escalated following the election of Macron as French President, although the 11/18 June French legislative election remains important for the reform agenda. Looking further ahead, markets will also need to navigate the risks posed by an Italian election (due by Spring 2018) with the anti-establishment Five Star Movement currently leading the polls.

## **UK**

After the British economy had proved resilient in the second half of last year, preliminary signs of a slowdown found confirmation in the GDP figures, showing a deceleration to 0.3% q/q in Q1 2017 from 0.7% q/q in Q4 2016. Similarly, the National Institute of Economic and Social Research's monthly tracking of UK GDP currently points to a loss of momentum to about 0.2% q/q in April from a downwardly-revised reading of 0.3% q/q in March. This doesn't come as a surprise, as inflation rises, any given nominal amount of spending buys fewer goods and services. The slowdown in consumer spending is most visible in the retail sales data, which have slowed to an average of 3.4% y/y in the two months ended March 2017 from 6.9% y/y in the two months ended November 2016. Other domestic data have also shown signs of softening, house prices have decelerated on a broad range of metrics, to around 2.5% y/y at the end of the first quarter from around 5% y/y at the end of last year. It remains to be seen to what extent the emerging domestic weakness can be offset by the recent global upswing that – along with weaker Sterling – has provided a welcome boost to UK exports. The survey data have not been entirely conclusive on that point, but have generally remained more upbeat than the hard data. This divergence between soft and hard across a number of economies has been seen recently.

More important for the Bank of England ("BoE") is that the unexpected strength of economic activity in the second half of last year and the currency-induced rise in inflation have not led to the emergence of domestic price pressure beyond the expected price-level adjustment. Indeed, average weekly earnings excluding bonuses have continued to surprise to the downside, slowing to 2.2% in February from 2.4% in January, while longer-term inflation expectations have merely risen towards their historical averages. As a result, the BoE sent a message of continuity at its May inflation report meeting, slightly lowering its GDP forecast for 2017, while slightly upping its forecasts for 2018 and 2019. The reverse applied to the inflation forecast, where the peak in inflation is now seen a bit higher, resulting in a slightly

higher CPI forecast for 2017, but inflation is forecast to be lower in 2018 and 2019, with an end point of 2.3% y/y, so only slightly above the 2% inflation target. The Monetary Policy Committee (“MPC”) has made clear that it would look through the temporary overshoot of inflation caused by the depreciation of the currency, so only 1 out of 8 members cast a vote for a rate hike at the meeting in May, although the rest of the committee warned that more tightening than currently priced by financial markets would be warranted in case of a “smooth” Brexit.

### **China**

Activity data softened in April. The official PMI weakened in March to print 51.2, and the Caixin PMI weakened from 51.2 for March to 50.3 in April. Fixed asset investment growth recorded a dip from 9.2% y/y to 8.9%. In addition, industrial production growth decreased to 6.5% while retail sales growth also declined in March to 10.7% y/y. Inflation ticked up again to 1.2% from 0.9% prior. However, producer prices did tick down from the prior month to 6.4% for April. On the external side, export data worsened to 8.0% y/y for April and imports gave back further gains from March to be 11.9% y/y for April.

Total Social Financing decreased to RMB 1,390bn in April from RMB 2,120bn in March. The seven day repo was 3.31% for April on average compared to 3.38% for March.

### **Japan**

In its latest meeting the Bank of Japan (“BoJ”) reiterated its policies towards interest rates, asset purchases, and “yield control”. It increased its real GDP forecasts and reduced its fiscal year inflation forecast by a tenth for 2017. For a long time now, the BoJ’s inflation forecast has been overly optimistic and has corrected down as data have come in. Its latest adjustment is insufficient; the data and calculations suggest the implicit assumptions for inflation for the rest of the 2017 fiscal year are unrealistic. The jump in the projection for 2019 inflation owes to the assumption that the consumption tax will be raised two percentage points in October 2019 as currently planned. Economic activity data have been mostly uninspiring. After moving up nicely over much of 2016, industrial production has chopped around in a sideways channel over the first few months of 2017. The Shoko-Chukin survey of small and medium-sized businesses is little changed since December. The Economy Watchers survey decreased slightly. The latest inflation data are disappointing. Japanese core inflation was flat for a second month. The western core rate, which excludes all food and energy, dropped 0.2% in March.

Prime Minister Abe’s Government appears to be preoccupied with international relations and security concerns. The Prime Minister announced early in the month his goal to revise the country’s pacifist constitution by 2020. North Korean missile tests, a newly elected Korean president and the potential for a turn in US policy have led to increased diplomatic challenges on the peninsula. Explicit trade tensions with the United States appear to have been reduced as US attention is currently focused on NAFTA and other matters involving Canada and Mexico. There has been some talk of reviving the Trans- Pacific Partnership (“TPP”) without the United States - the so-called TPP-11. Prime Minister Abe initially referred to such a deal as meaningless without the United States, but Australian efforts seem to have sparked some curiosity in Tokyo. Renewed efforts on a multilateral trade deal would provide a catalyst to push through additional economic reforms, especially in the agricultural sector.

### **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.