BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT:
AUGUST 2017

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MONTHLY SHAREHOLDER REPORT: AUGUST 2017

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: $456 mm[1]

1. As at 31 August 2017. Source: BHM's administrator, Northern Trust.

Summary Information

BH Macro Limited NAV per Share (Calculated as at 31 August 2017)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	61.9	$21.90
GBP Shares	394.4	£21.84

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	-0.60	-1.39	1.54	0.19					1.03

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BREVAN HOWARD

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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	-0.38	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	-0.76*								-3.07

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	-0.68	-1.48	1.47	0.09					-2.69

*As previously announced by the Company, the Company determined that all remaining shares in the Euro share class be converted into Sterling shares effective as of 29 June 2017 and all Euro shares held by the Company in treasury were cancelled on that date. The Euro share class has been closed and its listing has been cancelled.

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 services 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 31 August 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 31 August 2017

	% of Gross Market Value*
Level 1	75.0
Level 2	16.6
Level 3	0.0
At NAV	8.3

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	82.0
Level 2	17.9
Level 3	0.0

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.

Performance across most asset classes was relatively muted, with modest gains overall coming, for the most part, from FX trading and, to a lesser extent, commodities trading, whilst interest rate trading incurred losses. Gains in FX trading came primarily from directional trading and option structures long the euro currency against the US dollar, and to a lesser degree from short positions in GBP. Gains from short NZD exposure were offset by losses from long CAD. Interest rate trading losses were driven by directional and curve positioning in US rates as well as small losses from tactical relative value positions in US and European asset swaps. Small commodity trading gains mostly came from positions around a long gold theme.

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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 31 August 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 31 August 2017

2017	Rates	FX	Commodity	Credit	Equity	Tender Offer	Total
August 2017	-0.39	0.40	0.11	0.06	0.02	0.00	0.19
Q1 2017	0.25	-3.06	-0.01	0.28	0.12	0.00	-2.44
Q2 2017	-1.81	-0.48	-0.14	-0.02	-0.14	4.46	1.79
QTD 2017	-0.44	2.08	0.17	0.07	-0.14	0.00	1.73
YTD 2017	-1.99	-1.52	0.02	0.33	-0.16	4.46	1.03

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 31 August 2017

2017	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Tender Offer	Total
August 2017	0.03	0.01	-0.06	0.07	-0.00	0.05	0.09	-0.00	0.00	0.19
Q1 2017	-2.29	-0.03	-0.18	-0.51	-0.00	0.35	0.23	-0.00	0.00	-2.44
Q2 2017	-2.64	-0.08	0.17	0.01	-0.00	0.01	-0.05	-0.00	4.46	1.79
QTD 2017	1.41	0.07	-0.09	0.09	-0.00	0.05	0.20	-0.00	0.00	1.73
YTD 2017	-3.52	-0.04	-0.10	-0.41	-0.00	0.41	0.37	-0.00	4.46	1.03

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

Real GDP growth in the second quarter was revised up to 3% at an annualised rate, paced by solid household spending and business investment. Indicators early in the current quarter suggest the momentum was maintained. However, Hurricane Harvey appears likely to subtract from growth in the third, and perhaps, fourth quarters. Early estimates of the potential economic impact are inevitably uncertain. Based on similar events like Hurricanes Katrina and Sandy, the subtraction may be as much as a few tenths of GDP. Over a longer period, rebuilding will add to GDP. The labour market posted a smaller gain in payroll employment in August than seen in recent months and there was an uptick in the unemployment rate to 4.4%. With the workweek also moving down and continued mediocre gains in wages, the overall tone of the latest data pointed to further absorption of slack, but nothing to generate inflationary bottlenecks. If history is a guide, Hurricane Harvey will lead to higher initial claims for unemployment insurance and perhaps a slowdown in hiring for a month or two, before rebounding back to trend.

Inflation was subdued in August, with both overall prices and core prices (excluding food and energy) rising 1.4% over the last year. Core inflation has been held down by a series of idiosyncratic developments such as lower quality-adjusted prices for wireless service plans earlier in the year, to sharply lower airfares in the latest month. In the absence of any significant offsetting upside surprises, inflation has drifted further from the Federal Reserve's 2% target. Assuming no more downside surprises, inflation should gradually rise because of further tightening in the labour market, a decline in the exchange value of the US dollar, and stable inflation expectations.

The Federal Reserve voted unanimously in September to begin gradually normalising its balance sheet. Meanwhile, lawmakers are looking to fund the Government and raise the debt ceiling. After dealing with those must pass pieces of legislation, Congress will begin work on a plan to cut household and business taxes. Given the slow progress to date, it seems unlikely that significant new legislation will be passed this year.

UK

Although economic activity in the UK has remained relatively soft, the labour market has continued to improve; GDP grew by 0.3% q/q in Q2, a relatively slow pace of growth after only having grown 0.2% q/q in Q1. Retail sales bounced back in Q2 (+1.5% q/q), but wholesale trade and car sales were still on the soft-side. Moreover, construction and industrial production together detracted from growth by 0.1ppts, reversing the positive contribution in the previous quarter. House prices continued to slow in y/y terms on the Halifax and Rightmove metrics while the composite Purchasing Managers' Index ("PMI") fell by 0.1pts to 54.0 in August, suggesting that the current pace of growth should be consistent with recent trends, at or slightly below, potential growth. However, it is worth noting that the small move in the composite PMI consisted of a 2.6pt climb in the manufacturing PMI, now sitting close to recent highs, which was offset by the services PMI.

In general, the depreciation in sterling compared to its level 18 months ago should support growth. However, the uncertainty around Brexit may limit sterling's influence on growth, especially if companies boost margins rather than production. Hence, the weakness of the currency may not prove as stimulative as previous instances of sterling depreciation.

Meanwhile, employment has continued to grow at a moderate pace of 1.1% y/y as of June. This has been enough for the unemployment rate to continue its downtrend, reaching 4.4% in

June, the lowest rate since 1975. Inflation rose 0.3ppts to 2.9% y/y in August. Consumer inflation has been trending upwards since the referendum vote on the membership of the European Union, on account of the lower exchange rate. Indicators of domestically generated inflation remain relatively modest; wage inflation rose 0.2ppts to 2.1% 3m/12m in June, remaining well below levels that would be consistent with keeping inflation at the target of 2% in the medium term. The weakness in wages has occurred despite record low levels of the unemployment rate. However, there are some signs that there may be a pick-up in wages over the horizon; both the Recruitment and Employment Confederation's JobsOutlook survey and the Bank of England's labour market tightness survey suggest some potential for higher wage growth. The mix of high consumer inflation and modest wage inflation has led to a deterioration in real wages, which has weighed down consumption in the first half of 2017. As wages strengthen, and the influence of the exchange rate on consumer prices wanes, real wages should eventually recover in the second half of the year.

The dichotomy between a tighter labour market and only modest economic activity has led to diverging views within the Bank of England's Monetary Policy Committee ("MPC"). At the August MPC meeting, six members thought that the current policy stance remained appropriate, whilst two members thought that the trade-off between high inflation in the medium term and downside risks to economic activity had diminished, and thus voted for a 25 basis point ("bp") increase in the policy rate. Compared to the previous meeting there was one fewer dissenter but this was because Kristin Forbes had ended her term and was replaced by Silvana Tenreyro, who voted with the majority. At the most recent meeting the committee also voted unanimously to allow the Term Funding Scheme (a tool within the asset purchase facility used to support bank lending) to expire as was planned. Furthermore, the meeting statement concluded that "if the economy follows a path broadly consistent with the August central projection, then monetary policy could need to be tightened by a somewhat greater extent over the forecast period than the path implied by the yield curve underlying the August projections." At the time, the market was pricing a 50bp increase in the policy rate over three years. At the next MPC meeting in September, the committee will return to nine voting members, as was the norm prior to May. Sir David Ramsden was recently appointed as Deputy Governor for Markets and Banking and has become an active member of the committee.

EMU

The first actual indications on EMU activity in Q3 came on the soft side. In July, industrial production was about flat m/m, while exports, retail sales, and car registrations contracted modestly. However, the first available indications suggest a better outturn in August. Car registrations in major countries bounced back, while the composite PMI stabilised, after having fallen for two months in a row, at levels which suggest a rebound of activity especially in manufacturing. Still, the pace of the expansion in the common areas seems to have subsided somewhat from the relatively ebullient levels of the first part of the year. On the inflation front, the growth rate of the Harmonised Index of Consumer Prices ("HICP") rose from 1.3% to 1.5% y/y, a touch above consensus forecasts, although the increase was only due to energy prices, since core inflation stood at 1.2% y/y.

Compared to a couple of months ago, prospects for both growth and inflation in the eurozone look somewhat more uncertain. The phase of expansion of both global demand, especially due to the strength of the Chinese economy, and domestic demand, is poised to find an increasingly powerful offset, in the rapid rise of the euro, which has risen more than 7% in effective terms since the beginning of the year. The Governing Council of the European Central Bank ("ECB") made an explicit reference to this concern in the introductory statement to the September policy meeting. This was accompanied by a cut to the central bank inflation forecast, by 0.1 pts for 2018 and 0.2 pts for the core inflation forecast for 2019. The ECB inflation forecast for the, policy relevant, two-year horizon now stands at a mere 1.5%, thus departing from, rather than converging with, the ECB definition of price stability relative to six months ago. In an overall dovish press conference, President Draghi suggested that in all likelihood the central bank will provide indications at its October meeting on the calibration of monetary policy beyond the expiration of the current quantitative easing ("QE") program at the end of 2017. The speed of the ECB's 'exit' from the prolonged phase of unconventional policy will depend crucially on the inflation outlook and the degree of tightening of financial conditions, which is in turn closely linked to the strength of the euro.

China

Activity data was mixed in August. The official PMI was stronger at 51.7 versus 51.4 for July, and the Caixin PMI also improved from 51.1 for July to 51.6 for August. Fixed Asset Investment growth was recorded at 7.8% for August, slightly lower than the 8.2% expected. Industrial Production growth was softer at 6.0% for August. Retail sales softened again and printed 10.1% y/y for August. Inflation rose to 1.8% from 1.4% in July. Producer prices were also higher than the prior month printing 6.3%. On the external side, export data worsened to 5.5% y/y for August and imports rose in August to 13.3% y/y, up from 11.0%. The seven day repo rate on average was 2.99% for August compared to 3.25% for July.

Japan

Japanese economic activity continues to grow at a solid pace. Q2 GDP was revised down, but the 2.5% annualised rate is still well above potential growth. Consumption and investment were solid, while a decline in real exports held down the overall gain. Industrial production continues to move up and down, but smoothing through the high-frequency volatility shows a solid overall pace. The Shoko-Chukin survey of small and medium sized enterprises rose to 50.6 in September, its highest level for a while. The Economy Watchers diffusion index was unchanged in August, just below the 50 par line. Even so, while there were a couple of better months in late 2016, the level of the diffusion index is still quite good by the standards of the last few years. Above trend growth is reflected in the unemployment rate; although unchanged on balance for most of 2017, earlier declines put it on a multi-year downward trend, the 2.8% rate in July is the lowest rate since 1995.

Output rising above potential has given some analysts further confidence that Japanese inflation will move up towards the Bank of Japan's ("BoJ") long-term goal of 2%. However, other data does not point towards the same conclusion. The, so-called, western core rate (all items excluding food and energy) was flat in July and unchanged over the last twelve months. Tokyo prices rose in August, but the increase only puts the Tokyo western core index to flat over the last twelve months. There will need to be additional increases to suggest that inflation is positive. Consumer inflation expectations are a little higher than the first quarter of the year but after rising in April have gone nowhere since.

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.