

BREVAN HOWARD

BH MACRO LIMITED
MONTHLY SHAREHOLDER REPORT:
MARCH 2017

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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: \$857 mm¹

Corporate Broker:

1. As at 31 March 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 31 March 2017)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	210.3	\$21.15
EUR Shares	33.5	€21.25
GBP Shares	612.7	£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										-2.44

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										-2.85

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										-2.67

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 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.

BHCM shall waive its entitlement to a management fee in respect of any performance-related growth of BHM from 3 October 2016 onwards. In addition, BHM's investment in the Fund will not bear an operational services fee in respect of any performance-related growth from 3 October 2016 onwards.

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 March 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 March 2017

	% of Gross Market Value*
Level 1	71.4
Level 2	17.1
Level 3	0.1
At NAV	11.4

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	82.6
Level 2	17.2
Level 3	0.2

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.

In March the Fund's losses came primarily from interest rate and FX trading. Interest rate losses were driven by a combination of directional and relative value positioning predominantly in European interest rates and to a lesser degree in the US. Declines in the level of implied option volatility across the major interest rate markets also contributed to the loss. FX trading losses were driven in the most part by the strength of the EUR vs USD and

to a lesser degree versus CHF, with partially offsetting gains from long positions in MXN and SEK. Small credit gains were generated by liquid agency trading.

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 March 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 March 2017

2017	Rates	FX	Commodity	Credit	Equity	Discount Management	Total
March 2017	-2.05	-0.85	0.00	0.07	-0.02	0.00	-2.84
Q1 2017	0.26	-3.10	-0.01	0.29	0.15	0.00	-2.44
YTD 2017	0.26	-3.10	-0.01	0.29	0.15	0.00	-2.44

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

"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 as at 31 March 2017

2017	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Discount Management	Total
March 2017	-2.79	-0.02	-0.26	-0.07	-0.00	0.15	0.15	-0.00	0.00	-2.84
QTD 2017	-2.29	-0.03	-0.18	-0.51	-0.00	0.35	0.23	-0.00	0.00	-2.44
YTD 2017	-2.29	-0.03	-0.18	-0.51	-0.00	0.35	0.23	-0.00	0.00	-2.44

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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

US

The labour market sent mixed signals in March, with the unemployment rate hitting a new cycle low of 4.5% accompanied by a slowdown in the pace of hiring. Although estimates of the long-run sustainable unemployment rate have wide confidence intervals, the 4.5% unemployment rate is slightly below most point estimates of full employment. At the same time, payroll employment growth dipped. However, smoothing through the weather impacts over the last three months, the average monthly increase is a still healthy 175,000 (approximately). Wage indicators appear to be sturdy but not accelerating in any marked way.

Growth in the first quarter appears to have slowed to around 1% (annualised). For a variety of reasons, first-quarter growth has often disappointed in recent years. However, the reasons have ranged from technical factors such as seasonal adjustment, temporary factors like the weather or trade disruptions, and more sustained weakness as previously seen in business investment or government spending. In the current situation, consumption spending, which makes up the vast majority of the overall GDP, has been weak. Some of that owed to the weather and what appears to be temporary weakness in outlays on lumpy goods like autos. A bounce back in the second quarter is expected. By contrast, business investment looks like it firmed in the first quarter. More generally, there is a debate about how the gap between the so-called soft data like surveys and the hard data like retail sales will resolve itself. It is thought, the strength in the soft data may overstate the underlying strength in the economy, and the weakness in the hard data is exaggerated by transitory volatility that often accompanies the business cycle.

Inflation developments were unusually interesting in March. The headline figure has been flattered by the lagged impact of higher energy prices and is probably poised to top out around 2%. Apart from energy and food, the core category was remarkably soft, showing its largest outright monthly decline in the last thirty years. Whenever there is such a marked decline, special factors are at work. In this case, the combination of new adjustment of mobile phone plans and various vendors' introduction of unlimited data plans combined to account for the decline. Apart from this special story, price changes were still unusually weak. Some of that owed to volatile categories. However, the large and persistent housing inflation categories look like they are no longer putting upward pressure on overall inflation.

The Federal Reserve has turned more constructive on the economy and delivered its second consecutive quarterly rate hike in March. Its communications have pointed to more rate hikes this year and beginning to shrink passively its US\$4.5 trillion balance sheet, perhaps as soon as later this year. The market doesn't seem to believe it, although, the market did not believe the Fed would raise rates in March until very close to the meeting. President Trump's legislative agenda suffered a setback when the Republican Congress failed to pass its version of repealing and replacing Obamacare. That setback impedes progress on the more macro-relevant legislation on tax cuts and reform. For now, developments in Washington are stalled and the question is whether this is temporary or a more persistent feature of a potentially gridlocked Congress. Time will tell.

UK

After the UK economy had proved resilient in the second half of 2016 in response to the Brexit vote, the latest data suggest that a slowdown in economic activity may at last be under way. As inflation rises, any given nominal amount of spending buys fewer goods and services; correspondingly, as consumer price inflation hit 2.3% y/y in February, up from 1.6% y/y in December, the growth of retail sales excluding fuel slowed to an average of 3.1% y/y in the two months ended February 2017 from 5.7% y/y in the two months ended December

2016. House price growth also decelerated on a broad range of metrics, to around 2.5% y/y at the end of the first quarter from around 5.0% y/y at the end of last year. It remains to be seen as to what extent the emerging domestic weakness can be offset by the remarkable and broad-based global upswing that, along with weaker Sterling, could provide a welcome boost to UK exports. All told, however, the National Institute of Economic and Social Research's monthly tracking of UK GDP currently points to a loss of momentum to about 0.5% q/q in March from around 0.7% q/q at the start of the year, back in line with the Bank of England's ("BoE") initial projection in the February Inflation Report. More important for the BoE is that the unexpected strength of economic activity in the second half of 2016 and the currency-induced rise in inflation have not led to the emergence of domestic price pressure beyond the expected price-level adjustment. Average weekly earnings excluding bonuses have slowed to 1.9% y/y in January from 2.3% y/y in December, and several price components on the major surveys have come off their highs.

Hence, it came as a slight surprise to the market when the BoE's Monetary Policy Committee ("MPC") at its most recent policy meeting in mid-March seemingly endorsed the implied policy rate path for a moderate tightening in interest rates priced by financial markets. One of the rate setters on the committee even voted for a 25bps rate hike at this meeting, resulting in an 8-1 split vote in favour of unchanged monetary policy. The minutes of the meeting hinted at the possibility that other members of the committee could start voting for hikes soon. Other members, however, found confirmation in the latest data for the MPC's baseline scenario set out in the Inflation Report. Whether the BoE will actually hike interest rates over the coming year will depend on real economic activity and the extent to which the Sterling-induced rise in inflation feeds through to inflation expectations and wages. Should inflation expectations and wages show no signs of acceleration, it is hard to see a majority of MPC members vote for a rate hike, especially now that some signs of weakness in economic activity are emerging. On 18 April 2017, Prime Minister Theresa May, called a General Election for 8 June 2017, in which she and her Conservative party will seek to boost their majority in the House of Commons, cementing her power and giving her more flexibility in the exit negotiations with the remaining 27 EU member states.

EMU

Survey indicators remain positive with the EMU March composite Purchasing Managers' Index ("PMI") at a fresh high since April 2011 and the IFO business climate index at its strongest since July 2011, although some overshooting of indications stemming from business surveys relative to actual data has been noted. Developments in the labour market remain favourable as the EMU unemployment rate edged down again to 9.5% in February (its lowest since April 2009). Despite this, wage growth remains sluggish: euro area negotiated wage growth was 1.4% y/y in Q4 2016 and averaged 1.5% for the whole of 2016 - the slowest annual growth rate since 1991 - after 1.5% in 2015, 1.7% in 2014 and 2.3% on average during 1991-2012. Consistently, EMU headline inflation dropped back to 1.5% y/y in March, due to a correction of food prices after the overshooting due to an unseasonal cold winter in the South of Europe and the impact of the later timing of Easter which helped core inflation to fall from 0.9% y/y in February to just 0.67% y/y in March. While there will likely be some unwind next month, the core inflation trend remains subdued.

Underlying inflation is currently the main argument of the ECB's reaction function and the ECB is poised to be surprised to the downside on core inflation, which should limit the risks of premature tightening. The ECB's core inflation forecast is 1.1% for 2017, 1.5% for 2018 and 1.8% for 2019. The ECB having an optimistic outlook on core inflation is nothing new and depends crucially on wage inflation, which is kept low by a falling NAIRU. ECB policy has been in sharp focus following the suggestion by some Governing Council members that the sequencing within the forward guidance could be changed and interest rates could

increase before the end of Quantitative Easing. However, there has been strong pushback to this view, with Draghi and Praet at the ECB Watchers' conference confirming there was no reason to deviate from the guidance, including on sequencing and also there is no convincing sign of self-sustained inflation yet. Furthermore, accounts from the 9 March ECB meeting confirmed that discussions on forward guidance were focussed on whether to remove the downward bias on interest rates, rather than on sequencing (even though the debate quickly turned to the latter following the meeting). However, the prevailing counter-argument was that changes to the current guidance could lead to an undue upward shift in market rates and tighten financial conditions (so it proved during the debate that followed). That meant that "on balance" removing the downward bias on interest rates within the forward guidance was seen as "premature". That said, the reference to "on balance" suggests its removal is probably not far off, most likely to happen in June. Renewed downside risks in 2017 are linked mainly to political developments in Europe. The next important election focus is France (7 May Presidential and 11/18 June legislative). Dovish tones were maintained by the ECB at the April policy meeting, when the ECB slightly upgraded its growth assessment, while keeping their views unchanged on underlying inflation.

China

On average, activity data held up in March. The official PMI improved on February to print 51.8, however, the Caixin PMI weakened from 51.7 for February to 51.2 in March. Fixed asset investment growth recorded a further improving 9.2% y/y. In addition, industrial production growth exceeded expectations to register a 7.6% gain while retail sales growth also gained on February to deliver a 10.9% gain y/y. Inflation ticked up a little to 0.9% from 0.8% prior, although still lower than a previous survey of 1.0%. Producer prices, however, did tick down from the prior month of 7.8% for February to 7.6% in March. On the external side, export data improved to 16.4% y/y for March and imports gave back some of the strong gains from February.

Total Social Financing increased to RMB 2,120bn in March from RMB 1,150bn in February. The seven day repo rate was guided higher from 2.9% for February to 3.4% on average during March.

Japan

Japanese policy and economic conditions in March were generally uninteresting. Inflation remained flat. The core Consumer Price Inflation was unchanged on a seasonally adjusted basis in February and was up only 0.2% year-on-year. Non-fresh food and energy prices edged up, while the western core measure, which excludes all food and energy slipped in February and was flat over the last twelve months. Tokyo data have been a touch weaker. Oil prices have firmed in the last few weeks, but are only back to levels seen over the winter. Meanwhile, the firming in the Yen since the start of the year has reversed half of the Trump-related depreciation against the dollar in the immediate aftermath of the election. As there is still a moderate-sized output gap, it is unclear from where the Bank of Japan ("BoJ") thinks reflationary pressures are going to come from.

Survey data have likewise been quiet. The latest data point from the Tankan survey improved slightly, but is better thought of as continuing the sideways trend seen for almost four years. The monthly Shoko-Chukin survey of small and medium-sized businesses reversed half of the previous month's jump, but it too has mostly just moved sideways at a level a little below the 50 par line. The economy watchers survey has been more volatile. Over the last three months it has decreased but from a slightly elevated level to a little below its four-year average. The one exception to this dull outlook is industrial production which

has been trending up at about a 0.7% (monthly rate) for over half a year.

The BoJ's latest statement suggests no upcoming policy changes. The BoJ reiterated its yield-control policy and repeated its expected pace of JGB purchases. In its summary of opinions released a couple of weeks after the meeting, it stated that "there have been no obstacles to its [monetary policy] operations" and that "there is no need to change the current policy framework in the near future".

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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.