

BREVAN HOWARD

**BH MACRO LIMITED**

**MONTHLY SHAREHOLDER REPORT:  
NOVEMBER 2017**

**YOUR ATTENTION IS DRAWN TO THE DISCLAIMER AT THE END OF THIS 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:**

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

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.

**Corporate Broker:** **Total Assets:** \$468 mm<sup>1</sup>

J.P. Morgan  
Cazenove

1. As at 30 November 2017. Source: BHM's administrator, Northern Trust.

**Listings:**

London Stock  
Exchange (Premium  
Listing)

### Summary Information

#### BH Macro Limited NAV per Share (Calculated as at 30 November 2017)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	61.2	\$21.59
GBP Shares	407.0	£21.48

#### 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	-0.78	-0.84	0.20		-0.40

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	-0.79	-0.96	0.09		-4.30

\*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 30 November 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 30 November 2017

	% of Gross Market Value*
Level 1	78.3
Level 2	12.7
Level 3	0.0
At NAV	9.0

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	85.8
Level 2	14.1
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.

Gains came from FX trading, primarily from the euro, from equity positioning in the SPX and also from short end interest rate option strategies in Europe and the US. These gains were in large part offset by losses from US yield curve and European government bond positioning, as well as, to a lesser extent, from UK interest rate and credit positioning.

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 30 November 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 30 November 2017

2017	Rates	FX	Commodity	Credit	Equity	Tender Offer	Total
November 2017	-0.16	0.15	0.01	-0.06	0.26	0.00	0.20
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
Q3 2017	-0.52	1.55	0.00	0.09	-0.18	0.00	0.94
QTD	-0.53	-0.38	-0.07	-0.03	0.37	0.00	-0.64
YTD 2017	-2.60	-2.41	-0.21	0.32	0.17	4.46	-0.40

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 30 November 2017

2017	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Tender Offer	Total
November 2017	0.34	0.01	-0.07	-0.03	-0.00	-0.03	-0.01	-0.00	0.00	0.20
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
Q3 2017	0.82	0.05	-0.24	0.03	-0.00	0.06	0.21	-0.00	0.00	0.94
QTD	-0.55	0.05	0.07	0.01	-0.00	0.01	-0.23	-0.00	0.00	-0.64
YTD 2017	-4.61	-0.01	-0.18	-0.46	-0.00	0.43	0.16	-0.00	4.46	-0.40

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 strengthened in November, following hurricane related volatility in the prior two months. Job gains accelerated above 200,000, hours worked rose, and the unemployment rate remained at an ultra-low 4.1%. Meanwhile, average hourly earnings disappointed, keeping wage growth tepid. The contrast between unsustainably strong job gains and relatively weak earnings promises to keep monetary policy hawks and doves at odds.

Real Gross Domestic Product ("GDP") growth has maintained solid momentum in Q4. Personal consumption expenditures appear to be growing moderately, while business investment is positive on net, with indicators pointing to a double-digit increase in equipment capex and a pause in structures investment. After two quarters of declines, residential investment looks ready to edge up. Trade and inventories will probably be drags on Q4 growth, but the second-half combined should see approximately 3% real growth at an annual rate.

Consumer price inflation carved out a bottom in November, with the y/y change in core personal consumption expenditures ("PCE") inflation rising to 1.4%. Total inflation slowed after having surged on hurricane related refinery shutdowns in the Gulf Coast.

In Washington, the Senate passed its version of tax reform and began to work with the House to forge a compromise between their two versions of the legislation. Although there are important differences, the two chambers should be able to combine their bills and pass legislation before the end of the year. The \$1.5 trillion 10-year cost of the reform understates its impact on individuals and businesses. There are roughly \$6 trillion in tax cuts and \$4.5 trillion in pay-fors, making it the most significant tax reform since 1986. Most estimates suggest the legislation will boost growth by a few tenths in 2018 and 2019, adding fuel to an economy that is already reaccelerating.

### UK

Although the UK economy has continued to evolve at a moderate pace, there are signs that spare capacity has continued to erode. GDP grew 0.4% q/q in Q3, a modest pace compared to historical rates, but still an improvement from the 0.3% seen in the previous two quarters. Growth in Q3 was supported by services, contributing 0.3ppts, and manufacturing, adding 0.1ppts. Otherwise, there was a small drag from construction activity. On the expenditure side, growth was supported by a pick up in consumption, an improvement from the weakness seen in the first half of the year. In general, surveys of activity have remained resilient. Although the composite Purchasing Managers' Index ("PMI") fell 0.9pts to 54.9 in November, it still implies a pace of growth close to potential. In particular, the manufacturing PMI has climbed to the highest levels since August 2013, supported by a pick up in global activity, which in turn has been amplified by the low levels of the exchange rate. Otherwise, the economy continues to face a multitude of headwinds, in part caused by the uncertainty around the Brexit process. Business investment remains meagre, and the outlook for the housing market remains benign, with price expectations of housing remaining relatively subdued. The labour market has also started to moderate lately, with the level of employment falling 56,000 over the three months to October. At the same time, the participation rate has fallen by 0.3ppts, allowing the unemployment rate to remain unchanged for the third month at the recent lows of 4.3%. This is 0.2ppts below the Bank of England's ("BoE") estimate of the long-term equilibrium unemployment rate.

Despite the moderate economic growth, data suggests there is little spare capacity in the economy. Alongside the low level of the unemployment rate, there has been a pick up in wage growth, with average weekly earnings growing just below 3% annualised as of October. Although such a pace in wage growth is still modest compared to historical figures, it's fairly high considering productivity has averaged a subdued growth rate of 0.6% y/y in Q3. Though

volatile, unit labour costs show that the nominal component of wages has been growing above 2% since 2016. Meanwhile, headline inflation rose 0.1ppts to 3.1% y/y in November, the highest rate since April 2012. In addition, various surveys including the PMI and the BoE's Agents' summary of business conditions have alluded to increasing difficulty in recruitment of skilled labour, which would point to higher wage growth in the future. At the most recent BoE Monetary Policy Committee ("MPC") meeting in December, members voted unanimously to keep the policy rate unchanged at 0.5%, after having raised the policy rate 0.25ppts for the first time in a decade at the November meeting. The MPC noted that should the economy evolve in line with its November forecasts, further modest increases in the Bank Rate would be warranted over the next few years. In addition, the MPC stated that it will incorporate the small stimulus announced in the Government's Autumn Budget into the February forecasts, as well as the positive developments around the Brexit negotiations.

Brexit negotiations moved forward in December, with the European Union ("EU") council declaring that sufficient progress has been made on the first phase of the negotiations (divorce bill, rights of citizens and the Irish border) to move onto the second phase regarding transition and the framework for the future relationship. Although still subject to change, the first phase of negotiations had agreed on the methodology for calculating the Brexit settlement, now cited to be around €45-55bn. It was also agreed that there would be no hard border between Northern Ireland and the Republic of Ireland. President of the European Council, Donald Tusk, said 'exploratory contacts' will begin on Britain's future relationship, but formal talks are not expected to begin before March. In the meantime, the UK still has to decide the nature of the end relationship it is aiming to achieve with the EU.

### **EMU**

The theme of strong economic activity combined with weak price pressure continued in Europe. Eurozone Purchasing Managers' Indexes ("PMI") continued to make new highs since 2011 and other measures such as retail sales and industrial production continued to track historically high levels. Q3 GDP was estimated at 2.5% y/y, another new high since 2011. Meanwhile the Core Harmonised Index of Consumer Prices ("HICP") came in at just 0.9% with the Headline HICP at 1.4%, well below the European Central Bank's ("ECB") medium term target of inflation below but close to 2%. Eurozone unemployment continued to drop, printing 8.8% making another new low since 2008, following the double economic shocks of the financial crisis and the European debt crisis.

The price action in financial markets continued to respond to the ECB meeting on 26 October when the policymakers effectively put policy on auto-pilot by extending the quantitative easing ("QE") programme to September 2018, and maintaining guidance that policy rates are expected to remain at current levels well past the end of the QE programme. The extended time until any change to expected policy action, even in the face of strong economic performance, had squeezed term premia lower in the European money markets. As always, the imbalance between strong economic activity and extraordinary easy financial conditions has to be balanced somehow, and as November progressed financial conditions in the market started to tighten again. The euro appreciated sharply and it was not long before the small term premium in the rates markets also returned.

### **China**

Activity data was mixed in November. The official Purchasing Managers' Index ("PMI") was stronger at 51.8 in November versus 51.6 for October, but the Caixin PMI was weaker at 50.8 for November. Fixed Asset Investment growth was recorded at 7.2% for November, slightly worse than the 7.3% prior. Industrial production growth was weaker at 6.1% for November. Retail sales strengthened and printed 10.2% y/y for November. Inflation fell to 1.7% from 1.9% prior. Producer prices fell from the prior month, printing 5.8%. On the external side, export data strengthened to 12.3% y/y for November and imports were higher at 17.7% y/y. The seven day repo rate was on average 3.3% for November compared to 3.23% for October.

### Japan

The picture in Japan has not changed. Expectations of a pick up in inflation remain completely prospective. After falling in the first part of the year, the western core prices, prices excluding food and energy, edged up. However, an uptick every few months will not approach the Bank of Japan's 2% goal. Faster increases in non-fresh food and energy mean the trend in core inflation is a little higher, but those categories are unlikely to be a source of a sustained acceleration in prices. The yen-dollar rate has bounced between 108 and 113 for several months; recently it has been at the higher end. Inflation expectations, as measured in the consumer survey, moved up a few months ago from a subdued level in 2016. However, they remain far below the level seen in 2014 and 2015, when optimism in "Abenomics" and the re-inflation project led to noticeable increases in general prices. Initial bargaining positions for the spring wage negotiation also indicate subdued expectations. Japan's trade union confederation has called for a 4% total increase with a 2% increase in base pay. While that sounds solid, those are the same targets for the previous two years, suggesting no additional pressures.

Activity data, on the other hand, remains strong. Real GDP rose 2.5%, at an annual rate, in Q3. Gains this quarter came from inventories, and net exports. Consumption actually declined. The pattern in the Japanese accounts the last few years has been that when private demand was strong, inventories and net exports were weak, and vice versa. This has produced steady gains over the last year and a half, and there is no reason to think consumption will not bounce back next quarter. Investment was strong. High-frequency indicators remained strong. The Economy Watchers Survey soared in November to its highest level in almost four years. The Shoko-Chukin Survey of small and medium-sized businesses moved above 50 in October. Industrial production continues to gyrate around an upward trend.

### Enquiries

#### **The Company Secretary**

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

[bhfa@ntrs.com](mailto:bhfa@ntrs.com)

+44 (0) 1481 745736



**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.