

BREVAN HOWARD

BH MACRO LIMITED
MONTHLY SHAREHOLDER REPORT:
AUGUST 2015

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: 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: \$1,698 mm¹

Corporate Broker: 1. Estimated as at 28 August 2015 by 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 (estimated as at 28 August 2015)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	383.7	\$20.83
EUR Shares	111.2	€20.98
GBP Shares	1,202.9	£21.71

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	-0.79*					1.01*

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*					1.25*

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	-0.75*					1.47*

Source: Fund NAV data is provided by the administrator of the Fund, International Fund Services (Ireland) Limited. BHM NAV and NAV per Share data is provided by BHM's administrator, Northern Trust. BHM NAV per Share % Monthly Change is calculated by BHCM. BHM NAV data is unaudited and net of all investment management fees (2% annual management fee and 20% performance fee) and all other fees and expenses payable by BHM. In addition, the Fund is subject to an operational services fee of 50bps per annum.

NAV performance is provided for information purposes only. Shares in BHM do not necessarily trade at a price equal to the prevailing NAV per Share.

*Estimated by BHAM As at 28 August 2015

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited estimates as at 28 August 2015

	% of Gross Market Value*
Level 1	70.3
Level 2	29.2
Level 3	0.5

Source: BHCM

* These estimates are unaudited and have been calculated by BHCM using the same methodology as that used in the most recent audited financial statements of the Fund. These estimates are subject to change.

Level 1: This represents the level of assets in the portfolio which are priced using unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: This represents the level of assets in the portfolio which are priced using either (i) quoted prices that are identical or similar in markets that are not active or (ii) model-derived valuations for which all significant inputs are observable, either directly or indirectly in active markets.

Level 3: This represents the level of assets in the portfolio which are priced or valued using inputs that are both significant to the fair value measurement and are not observable directly or indirectly in an active market.

Performance Review

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

Interest rate trading overall was negative. Notwithstanding the sell-offs in risky assets, “risk-off” trades such as long EUR rates and long asset swap spreads (“ASW”) also lost money. Long exposure to the EUR rates curve suffered as rates rose towards the end of the month. Further losses came from ASW positions as spreads narrowed to 5 year lows in USD and also narrowed in EUR. Short positions in the USD rates curve, predominately expressed in the front end, also generated small losses as rates declined.

Equity trading detracted as European and Japanese indices declined sharply on the month and the Fund’s option positions lost money. Some profits were generated via tactical short positions in US and Korean indices.

FX trading was a small detractor in August. Gains from directional trading in AUD, TWD and CAD in conjunction with gains from rising volatility, were more than offset by losses in EUR and JPY.

The performance attribution above is derived from estimates calculated by BHCM, based on total performance data provided by the Fund’s administrator, International Fund Services (Ireland) Limited and risk estimates, estimated as at 28 August 2015.

Performance by Asset Class

Monthly, quarterly and annual contribution (%) to the performance of BHM USD Shares (net of fees and expenses) by asset group

	Rates	FX	Commodity	Credit	Equity	Discount Management	Total
August	-0.39	-0.08	-0.02	-0.05	-0.30	0.05	-0.79
Q1 2015	-0.34	2.21	-0.16	0.15	1.01	0.04	2.90
Q2 2015	0.48	-1.16	-0.05	-0.18	-0.46	0.00	-1.37
QTD 2015	-0.21	0.41	0.05	-0.10	-0.69	0.06	-0.47
YTD 2015	-0.06	1.44	-0.16	-0.13	-0.15	0.10	1.01

Monthly, quarter-to-date and year-to-date figures are calculated by BHCM as at 28 August 2015, based on total performance data for each period provided by the Fund’s administrator, International Fund Services (Ireland) Limited. Figures rounded to two decimal places.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

Performance by Strategy Group

Monthly, quarterly and annual contribution (%) to the performance of BHM USD Shares (net of fees and expenses) by strategy group

	Macro	Rates	FX	EMG	Equity	Commodity	Credit	Systematic	Discount Management	Total
August	-0.57	-0.22	0.00	0.01	0.01	-0.00	-0.05	-0.01	0.05	-0.79
Q1 2015	1.66	0.66	0.13	-0.04	0.03	-0.01	0.39	0.03	0.04	2.90
Q2 2015	-1.17	-0.02	0.10	-0.12	-0.00	-0.00	-0.12	-0.03	0.00	-1.37
QTD 2015	-0.59	0.20	-0.02	0.03	-0.00	-0.00	-0.14	0.00	0.06	-0.47
YTD 2015	-0.12	0.84	0.21	-0.12	0.02	-0.01	0.13	-0.00	0.10	1.01

Monthly, quarter-to-date and year-to-date figures are calculated by BHCM as at 28 August 2015, based on total performance data for each period provided by the Fund's administrator, International Fund Services (Ireland) Limited. Figures rounded to two decimal places.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

Methodology and Definition of Monthly Contribution to Performance:

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)

"Rates": developed interest rates markets

"FX": global FX forwards and options

"EMG": global emerging markets

"Equity": global equity markets including indices and other derivatives

"Commodity": liquid commodity futures and options

"Credit": corporate and asset-backed indices, bonds and CDS

"Systematic": rules-based futures trading

"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 unemployment rate declined to 5.1% in August, an indication that the economy is in the neighbourhood of full employment. However, inflation is stuck in low gear. Headline inflation is nearly flat with energy prices primarily accounting for the weak outturns. Core inflation is also muted as goods prices are in deflation and service-sector inflation remains subdued. These cross-currents in the macro outlook make it difficult to calibrate monetary policy. On the one hand, the labour market is clearly saying that interest rates should be raised; on the other hand, low inflation provides breathing room to wait and see how the data unfolds.

The Federal Reserve ("Fed") debated these issues in their September meeting against the backdrop of a flare up in market volatility. In the event, they decided to wait and see whether incoming data on the economy and financial markets will bolster their confidence. The majority of the policy makers foresee lift-off by the end of the year. However, it's unclear what will sufficiently bolster the committee's confidence, especially about the external sector which looks to be a persistent negative for growth and inflation. The bar for lift-off looks like it is higher than before and that the expected path of rate hikes will be even more gradual than expected.

Growth has firmed even as international risks have become more prominent. During the second quarter, the data that was released with a lag kept adding to growth. Brevan Howard estimates that real GDP growth will be approximately 4% when the final numbers are released in September. Current-quarter growth has moderated from that small increase and it is estimated that growth for the entire year as a whole will still be a respectable 2.4%. This is a notable improvement from earlier in the summer when the dip in the first quarter was reported to be larger and the bounce back appeared to be smaller.

In summary, it looks like a relatively favourable macro outlook lies ahead. While inflation remains too low, the labour market is performing well and growth is unspectacular but moderately above trend.

EMU

In the euro area, August business surveys suggested that the growth momentum continued at the same moderate pace as July, coming off only slightly from the trends observed in the second quarter. Actual data were somewhat less upbeat, while retail sales continued to increase at a relatively positive 1.7% annualised rate on a 3m/3m metric as in Q2, industrial production in Germany slowed from 0.9% to a mere 0.5% in July. Importantly, GDP growth was revised upward in the first half of 2015, from 0.4% to 0.5% q/q in Q1 and from 0.3% to 0.4% in Q2. Given the very low level of potential growth, this pace of GDP growth was enough to produce a substantial drop in the unemployment rate, which decreased from 11.4% at the end of 2014 to 10.9% in July. Although this is the lowest unemployment rate since 2012 for the monetary union, it still stands at a relatively high level by historical standards and continues to reflect large disparities across member states. Turning to price developments, inflation remains well below the ECB definition of price stability, with the Harmonised Index of Consumer Prices ("HICP") inflation rate ticking down to 0.1% y/y in August from 0.2% y/y in July, as the renewed decline in energy prices this summer was only partially compensated by higher food prices. Money and credit dynamics continued to recover in July with the annual growth rate of broad money supply, M3, increasing to 5.3% in July from 4.9% in June, mirrored by a substantial pick-up in lending to the private sector.

Amid the volatility in financial markets this summer and the current economic uncertainty, especially from China, the European Central Bank ("ECB") emphasised its readiness to act during the September monetary policy meeting. The ECB cut its inflation and growth

forecasts for 2015 and the next two years, with ECB President Mario Draghi adding that downside risks were increasing. While stating that the Governing Council had not yet discussed additional easing measures, Draghi made clear that the ECB would be ready to use all the flexibility of its Quantitative Easing ("QE") programme should either the financial or the economic shocks prove persistent. In addition, the ECB decided to increase the share of any sovereign bond issue it can buy from 25% to 33% which will make it easier to implement asset purchases going forward.

After polls had hinted at a close outcome in the Greek elections over the past few weeks, Tsipras' left-wing Syriza party won by a large margin, gaining 35.5% of the vote. It was followed by the conservative New Democracy party at 28.1%, the far-right Golden Dawn party at 7.2% and PanHellenic Socialist Movement ("Pasok") at 6.4%. Syriza will gain 145 seats in the 300-seat parliament and are expected to form a coalition with the nationalist Independent Greeks. The head of Syriza, Alexis Tsipras, will remain prime minister and in charge of implementing the latest bailout agreement. The turnout at the vote was 55%, an all-time low for Greek elections.

UK

In the UK, the disparity between growth in the buoyant services sector and the modest manufacturing sector continues. Various surveys continue to suggest that manufacturing output will barely grow in the coming quarter as the higher exchange rate and weaker global demand continue to weigh on exports. In contrast, the services sector grew at a robust pace of 0.7% q/q over Q2. This brisk pace in services output is consistent with other data that continues to point towards strong domestic demand. Consumer confidence, consumer credit and car registrations are close to local highs. Moreover, consumption in volume terms is growing at a healthy pace as higher wages and subdued consumer prices have propped-up demand for retail goods. Housing and construction activity remain on solid footings as the housing recovery is now well underway. Mortgage approvals and actual lending have increased in recent months, as did surveys on housing activity. On balance, the UK economy continues to grow at a solid pace of around 2-2.5% as confirmed by the most recent GDP release. However, some recent services surveys have subsided somewhat, pointing towards slightly more moderate growth in the services sector in the near future. Moreover, tighter fiscal policy as announced in July, as well as a higher exchange rate will likely create some headwinds for the UK to overcome.

The trend in the UK labour market has changed considerably from last year. In 2014, employment was growing at a high pace, continuously pushing the unemployment rate lower. Employment is no longer growing, and has even declined slightly over the 2nd quarter of 2015. Wage inflation, which accelerated quite quickly over Q1, has stopped rising in recent months and still remains below long-term average levels. Moreover, the rate of growth in productivity has risen over recent quarters, tempering the inflationary effects of the rise in wages. The Bank of England ("BoE") will continue struggling to judge the amount of spare capacity left in the labour market, as they try to decide when to raise rates for the first time since the global financial crisis. At the Jackson Hole Economic Symposium, BoE governor Mark Carney expressed his concern on how falling import prices, caused by lower global demand and the higher trade weighted Sterling, will have to be offset by higher domestic inflation to achieve the 2% inflation target. Carney also repeated his comment from a previous speech that "the gradual firming of underlying inflationary pressures will likely put the decision as to when to start the process of gradual monetary policy normalisation into sharper relief around the turn of this year".

Japan

Real GDP declined by 1.6% in Q2, driven by decreases in consumption and net exports. Trade turnover dropped sharply, which may be the result of weakened Asian activity, with

exports falling even more dramatically. High-frequency indicators were mixed. Industrial production slipped in July, although producers expect a net bounce back to occur in the near term. Nevertheless, activity appears to be trending downward. The Shoko-Chukin survey of small and medium-sized enterprises moved up to its best level since the consumption tax increase. The Economy Watchers Survey improved in its latest print; with an “Ok” level. Consumer confidence, on the other hand, is at a fairly subdued level. The data point to an improvement in the third quarter but only at a moderate rate.

Another fall in energy prices is pulling down the core Consumer Price Index (“CPI”). As a result, year-on-year rates are running notably below a simple interpolation of the Bank of Japan’s (“BoJ”) mid-point forecast. Last October, the BoJ established the precedent of appealing to weakness in energy prices to justify further accommodation. Governor Kuroda noted some worries that inflation expectations could slide backward. Unlike October 2014, however, underlying price inflation has improved of late. The Western core rate, which excludes all food and energy, moved up 0.1% on a seasonally adjusted basis in July, following a 0.2% increase in June. This is even more impressive given the downtick in rent, which accounts for approximately 30% of the Western Core Index. No improvement in the modest downtrend in rent is expected until the output gap tightens further. Western core inflation in Tokyo was flat in August on a seasonally adjusted basis, although it looks to have a strong momentum.

An important development has been the deterioration in Prime Minister Shinzo Abe’s approval rating. At present, it is at its lowest level for the current term, and the downward trend needs to be addressed. Most analysts attribute the weakness to Abe’s unpopular attention to defense and military matters. With upper house elections scheduled for next year, government attention may pivot towards economic matters. Its budget needs to offset some of the fiscal drag from the upcoming consumption tax hike, and further arm twisting to ensure wage hikes in the 2016 spring negotiations is to be expected.

The Government Pension Investment Fund released its end-of-Q2 holdings. Their share of holdings of domestic bonds moved down 1-1/2 percentage points, in favour of stocks and international bonds. Their allocation targets point to a further moderate shift. The recent drop in the Nikkei may give them additional room for support.

China

Activity in China slowed again in July and August, verifying that the improvement in June was short-lived. The Purchasing Manager’s Index (“PMI”) produced by both Markit (Caixin) and the National Bureau of Statistics declined, and the synthetic HSBC Composite PMI fell further from 50.2 in July to 48.8 in August. Details of the surveys were also discouraging, with both new orders and new export orders falling. Disinflationary pressures intensified, and employment remained in contraction territory. Real activity indicators including industrial production, fixed-asset investment, and retail sales in August disappointed market expectations, especially industrial production at 6.1% y/y, largely disappointing consensus expectations of a pick-up. Consumer Price Index (“CPI”) yearly inflation increased to 2% y/y in August, above the 1.8% consensus fuelled by rising food prices and a low base, while the Producer Price Index (“PPI”) remained in negative territory at -5.9% y/y, providing room for more policy easing. According to trade data in August, the trade surplus expanded to a US\$60bn surplus, above the expected figure of US\$48bn. Details of the report were discouraging, as export growth recorded a disappointing growth y/y of -5.5% while import growth y/y fell sharply to -13.8%. As of now, the pace of the recovery will have to accelerate to achieve the 7% target.

Since March’s National People’s Congress, the 7-day repo rate fixing fell by nearly 300 bps although it has recently stabilised at 2.4% as the People’s Bank of China (“PBoC”) injected

liquidity through various channels. However, the transmission mechanism from interbank market rates to economic growth is less clear. Credit data in August recorded only a marginally better figure after a very poor reading in July, suggesting that demand is still quite weak. Since the FX regime reform on August 11, the PBoC managed to stabilise the CNY spot between 6.35 to 6.40 with an estimated intervention of US\$120bn between August 11 to August 31. In addition, it also intervened in the CNH market recently in order to close the gap between CNY and CNH. In the mean time, stock prices have continued to fall.

The unemployment rate declined to 5.1% in August, an indication that the economy is in the neighbourhood of full employment. However, inflation is stuck in low gear. Headline inflation is nearly flat with energy prices primarily accounting for the weak outturns. Core inflation is also muted as goods prices are in deflation and service-sector inflation remains subdued. These cross-currents in the macro outlook make it difficult to calibrate monetary policy. On the one hand, the labour market is clearly saying that interest rates should be raised; on the other hand, low inflation provides breathing room to wait and see how the data unfolds.

The Federal Reserve ("Fed") debated these issues in their September meeting against the backdrop of a flare up in market volatility. In the event, they decided to wait and see whether incoming data on the economy and financial markets will bolster their confidence. The majority of the policy makers foresee lift-off by the end of the year. However, it's unclear what will sufficiently bolster the committee's confidence, especially about the external sector which looks to be a persistent negative for growth and inflation. The bar for lift-off looks like it is higher than before and that the expected path of rate hikes will be even more gradual than expected.

Growth has firmed even as international risks have become more prominent. During the second quarter, the data that was released with a lag kept adding to growth. Brevan Howard estimates that real GDP growth will be approximately 4% when the final numbers are released in September. Current-quarter growth has moderated from that small increase and it is estimated that growth for the entire year as a whole will still be a respectable 2.4%. This is a notable improvement from earlier in the summer when the dip in the first quarter was reported to be larger and the bounce back appeared to be smaller.

In summary, it looks like a relatively favourable macro outlook lies ahead. While inflation remains too low, the labour market is performing well and growth is unspectacular but moderately above trend.

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

Harry Rouillard +44 (0) 1481 74 5315

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.