

# KEY INFORMATION DOCUMENT

**IMPORTANT NOTICE:** Investors are cautioned against relying on this Key Information Document to estimate future returns for BH Macro Limited or as a useful comparison against other investment products.

## PURPOSE

There is no requirement for investors to receive a regulated Key Information Document before buying the shares referred to in this document. As an alternative, this document provides you with key information about this investment product. It is not marketing material. The information is intended to help you understand the nature of this product and to help you compare it with other products. Other documents are available to help you understand the potential gains and losses of this product.

## BH MACRO LIMITED – STERLING SHARES

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**PRIIP manufacturer (for the purposes of this document only): Brevan Howard Capital Management LP**  
This key information document was produced on 10 January 2025 (data as at 29 December 2023)

## WHAT IS THIS PRODUCT?

**Type** Sterling shares of BH Macro Limited, a closed-ended investment company incorporated in Guernsey (the “Company”). The Sterling shares are traded on the Main Market of the London Stock Exchange. The Company also has US Dollar shares in issue. The Company has an unlimited life and there is no maturity date for the Sterling shares. There is no recommended holding period for the Sterling shares (although a holding period of 5 years has been used for the purposes of the calculations in this document). Investors should expect that the primary means of disposing of Sterling shares will be by sales on the secondary market. The price at which an investor may dispose of Sterling shares will depend on the prevailing secondary market price, which may, or may not, reflect the prevailing net asset value per Sterling share. Typically, at any given time on any given day, the price at which an ordinary share can be bought will be higher than the price at which an ordinary share can be sold.

**Investment policy** The Company is a feeder fund that invests all of its assets (net of short-term working capital requirements) directly in Brevan Howard Master Fund Limited (the “Master Fund”), a hedge fund in the form of a Cayman Islands open-ended investment company, which has as its investment objective the generation of consistent long-term appreciation through active leveraged trading and investment on a global basis. The Master Fund is managed by Brevan Howard Capital Management LP, the Company’s manager (the “Manager”). The Master Fund has flexibility to invest in a wide range of instruments including, but not limited to, debt securities and obligations (which may be below investment grade), bank loans, listed and unlisted equities, other collective investment schemes, currencies, commodities, digital assets, futures, options, warrants, swaps and other derivative instruments. The underlying philosophy is to construct strategies, often contingent in nature, with superior risk/return profiles, whose outcome will often be crystallised by an expected event occurring within a pre-determined period of time. The Master Fund employs a combination of investment strategies that focus primarily on economic change and monetary policy and market inefficiencies.

**Intended retail investor** The Company is not specifically intended for retail investors. An investment in the Company is suitable only for investors that are capable of evaluating the merits and risks of such an investment, who understand the potential risk of capital loss and that there may be limited liquidity in the Sterling shares, for whom an investment in the Sterling shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to be able to bear losses (which may equal the whole amount invested) that may result from such an investment. Accordingly, typical investors in the Company are expected to be experienced investors, institutional investors, high net worth investors and other investors who have taken appropriate professional advice and understand the risks involved in investing in the Company.

## WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?

### Risk Indicator



**There is no specific recommended holding period for this product. There is no committed liquidity offered by market makers or the PRIIP manufacturer so liquidity depends only on the availability of buyers and sellers on the secondary market. You may not be able to sell your ordinary shares easily or you may have to sell at a price below the price that you paid or below the prevailing net asset value per ordinary share.**

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you. We have classified this product as 4 out of 7, which is a medium risk class. This rates the potential losses from future performance at a medium level, and poor market conditions are likely to impact the value of the Sterling shares. In addition, the summary risk indicator only reflects historic share price volatility of the Sterling shares. It excludes other risks which may affect the Company and, therefore, does not show the full risk to the

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investor. See "Other Relevant Information" below regarding further risk disclosure relevant to an investment in the Company. Other risks materially relevant to the Sterling shares that are not included in the summary risk indicator include:

- The Company is exposed to the risk that its portfolio fails to perform in line with the Company's objectives if it is inappropriately invested or markets move adversely.
- The Company is exposed to the risks arising from any failure of systems and controls in the operations of the Manager or its other service providers.
- While there may be methods by which the Company could seek to manage any discount to net asset value at which the Company's shares trade in the secondary market, there is no guarantee that the Company can or will utilise any or all of these methods or, if it does, that it will be successful.

This product does not include any protection from future market performance so you could lose some or all of your investment.

## INVESTMENT PERFORMANCE INFORMATION

The Company's future investment performance will primarily depend upon the performance of the Master Fund and the Manager as manager of the Master Fund. The Master Fund employs a multi-trader model that includes a combination of macro directional and macro relative value strategies that focus primarily on economic change and monetary policy.

Based on the HFRI Macro (Total) Index (Ticker: HFRIMI Index), the average risk over the most recent 5-year period to 31 December 2023 was an annualised volatility of 4.97%. Risk will vary, however the highest one-year risk (annualised volatility) was observed at 5.89%, conversely the lowest one-year risk was 2.19%.

### What could affect my return positively?

Factors that could affect returns positively include the ability of the Manager, and underlying investment managers, in respect of the Master Fund to successfully construct strategies (which may often be contingent in nature) with superior risk/return profiles. The occurrence of a potential event within a pre-determined period of time that crystallises the outcome of such strategies may further enhance returns.

### What could affect my return negatively?

Factors that could affect returns negatively include the Master Fund's portfolio failing to perform in line with the Company's objectives or if it is inappropriately invested. Negative outcomes could also be caused by, or exacerbated, if markets move adversely, if there is a failure of systems and controls in the operations of the Manager or its administrator and/or by increased geopolitical uncertainty. The Manager operates a risk management framework, which is intended to identify, measure, monitor, report and where appropriate, mitigate key risks identified by it or its affiliates in respect of the Master Fund.

### What could happen in severe market conditions?

The principal and emerging risks and uncertainties to which the Company is exposed, as referenced above, may become more acute in severe or uncertain market conditions. Under severely adverse market conditions, there is a risk that the capital value of an investment in the Company's shares could reduce significantly, potentially down to zero.

## WHAT HAPPENS IF THE COMPANY IS UNABLE TO PAY OUT?

The Company is not required to make any payment to you in respect of your investment. If the Company were liquidated, you would be entitled to receive a distribution equal to your share of the Company's assets, after payment of all of its creditors. The Manager has no obligation to make any payment to you in respect of the Sterling shares. There is no compensation or guarantee scheme in place that applies to the Company and, if you invest in the Company, you should be prepared to assume the risk that you could lose all of your investment.

## WHAT ARE THE COSTS?

### PRIIPs Costs Disclosures

In accordance with the FCA's statement on 19 September 2024 that investment companies are no longer required to follow the historical cost disclosures under the PRIIPs Regulation, KID cost disclosures are no longer required for the Sterling shares. The information provided below has been amended to help consumer understanding. It now recognises that there is no additional cost to the investor charged by the Company.

### Table 1: Costs over time

The person advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time. The Company's Sterling share price already reflects market sentiment of its value taking into consideration publicly disclosed information on expenses, which is already disclosed in the Company's annual report and financial statements and in other public disclosures.

#### Investment of £10,000

Scenarios	If you cash in after 1 year	If you cash in after 3 years	If you cash in after 5 years
Total costs	Nil	Nil	Nil
Impact on return (reduction in yield) per year	Nil	Nil	Nil

### Table 2: Composition of costs

The table below shows:

- the impact each year of the different types of costs on the investment return that you might get at the end of the recommended holding period;
- the meaning of the different cost categories.

One-off costs	Entry costs	N/A
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<b>Ongoing costs</b>	<b>Exit costs</b>	N/A	None of these costs are payable by Sterling shareholders to the Company or its manager. Costs are incurred by the Company and therefore deducted from net assets. The Company's OCF (as defined below) measure as disclosed in the Company's 2023 Annual Report and Audited Financial Statements was 1.59%.
	<b>Portfolio transaction costs</b>	N/A	
	<b>Other ongoing costs</b>	N/A	
	<b>Performance fees</b>	N/A	
<b>Incidental costs</b>	<b>Carried interests</b>	N/A	

## Operating Expenses

As a listed investment company, the Company does have operating expenses, for example, arising in relation to the management of its investments. Operating costs are disclosed in the Company's audited Income Statement within the Company's Annual Report and Audited Financial Statements. Accordingly, the Company is disclosing its Ongoing Charges Figure ("OCF"). This is calculated annually as a percentage of the average net assets and provides an indication of the underlying day-to-day running costs of the Company assuming no transactions, no changes in the markets and therefore no performance-related amounts. The OCF for the Sterling shares as at 31 December 2023 was 1.59%. Further information on the OCF, and costs of the Company more generally, are set out in the Company's 2023 Annual Report and Audited Financial Statements (pages 14 and 15).

A performance fee is payable to the Manager equal to 20% of any increase in net asset value per Sterling share in each of the Company's financial year in excess of a "high water mark", being the highest net asset value in respect of which a performance fee was previously paid. As noted above, the nature of the performance fee means that it is not reflected in the OCF.

The OCF for the Sterling shares does not incorporate the portion of the Master Fund's operating expenses allocated to the Company, being 0.57%, which is shown on page 15 of the Company's 2023 Annual Report and Audited Financial Statements.

**For the avoidance of doubt, the OCF is not an additional cost paid by shareholders to the Company. The Company's published net asset value is net of all costs/fees incurred by the Company or within its investment portfolio.**

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## HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

This product has no required minimum holding period. It is designed for long term investment with investors being able to sell their investment at will on the London Stock Exchange. The recommended holding period in this document is for illustrative purposes only. The Company is not obliged to acquire any of the Company's shares. You may sell your shares in the Company on any day which is a dealing day on the London Stock Exchange. No fees or penalties are payable to the Company or the PRIIPs manufacturer on sale of your investment but you may be required to pay fees or commissions to any person arranging the sale on your behalf.

## HOW CAN I COMPLAIN?

If you have any complaints about the product or conduct of the product manufacturer, you may lodge your complaint with the Company's Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited, on +44 (0)1481 745 436 or at [bhfa@ntrs.com](mailto:bhfa@ntrs.com). You do not have the right to complain to the UK Financial Ombudsman Service (FOS) about the management of the Company. If you have a complaint about a person who is advising on, or selling, the product you should pursue that complaint with the relevant person in the first instance.

## OTHER RELEVANT INFORMATION

Further documentation, including the Company's annual and semi-annual reports and regulatory disclosures, is available on the Company's website at <http://www.bhmacro.com>. This documentation is made available in accordance with the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the FCA. Your attention is particularly drawn to the risk disclosures in the Company's Annual Report and Audited Financial Statements.