BREVAN HOWARD

BH MACRO LIMITED
MONTHLY SHAREHOLDER REPORT:
FEBRUARY 2017

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MONTHLY SHAREHOLDER REPORT: FEBRUARY 2017

www.bhmacro.com

BH Macro Limited

Manager:

Brevan Howard Capital Management LP ("BHCM")

Administrator:

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

Corporate Broker:

J.P. Morgan Cazenove

Listings:

London Stock Exchange (Premium Listing)

NASDAQ Dubai - USD Class (Secondary listing)

Bermuda Stock Exchange (Secondary listing)

Overview

BH Macro Limited ("BHM") is a closed-ended investment company, registered and incorporated in Guernsey on 17 January 2007 (Registration Number: 46235).

BHM invests all of its assets (net of short-term working capital) in the ordinary shares of Brevan Howard Master Fund Limited (the or "Fund").

BHM was admitted to the Official List of the UK Listing Authority and to trading on the Main Market of the London Stock Exchange on 14 March 2007.

Total Assets: $879 mm[1]

1. As at 28 February 2017. Source: BHM's administrator, Northern Trust.

Summary Information

BH Macro Limited NAV per Share (Calculated as at 28 February 2017)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	216.5	$21.77
EUR Shares	34.3	€21.91
GBP Shares	628.3	£22.51

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											0.42

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											0.20

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											0.29

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 28 February 2017

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited as at 28 February 2017

	% of Gross Market Value*
Level 1	86.5
Level 2	13.0
Level 3	0.1
At NAV	0.4

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.

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.

Performance Review

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

The Fund's gains came primarily from interest rate trading and to a lesser extent equity trading, whilst FX trading overall was slightly negative. Interest rate trading gains were driven by a combination of directional and relative value positioning in European interest rates, partially offset by small losses from curve positions and a decline in the level of implied option volatility on US interest rates. Equity trading gains came from long option positions in US indices. Small FX trading losses came primarily from the EUR vs Swedish Krona and from smaller losses across several currency pairs including the USD vs Asian currencies. Some offsetting gains occurred in emerging market FX 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 28 February 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 28 February 2017

2017	Rates	FX	Commodity	Credit	Equity	Discount Management	Total
February 2017	1.21	-0.18	-0.03	0.09	0.82	0.00	1.91
QTD 2017	2.35	-2.24	-0.01	0.21	0.14	0.00	0.42
YTD 2017	2.35	-2.24	-0.01	0.21	0.14	0.00	0.42

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 28 February 2017

2017	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Discount Management	Total
February 2017	1.73	0.01	0.10	-0.08	-0.00	0.08	0.08	-0.00	0.00	1.91
QTD 2017	0.51	-0.01	0.08	-0.44	-0.00	0.21	0.08	-0.00	0.00	0.42
YTD 2017	0.51	-0.01	0.08	-0.44	-0.00	0.21	0.08	-0.00	0.00	0.42

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
"**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 US economy appears to be growing at a moderate pace in the first quarter with greater optimism about the outlook going forward reflected in surveys of consumer and business sentiment. The labour market is solid as the pace of hiring over the last three months has accelerated, and the unemployment rate at 4.7% is in the vicinity of full employment. As financial conditions have eased on net since the start of the year, the Federal Reserve raised interest rates for the second time in three months in March, taking the base rate to a range from 0.75% to 1%. Policy makers appear increasingly confident about achieving their dual mandate goals with a faster pace of rate hikes than seen so far.

Real GDP growth in the first quarter was tracking below 2% (annualised rate) after a surge in imports in January subtracted from analysts' estimates. The increase in imports was concentrated in consumer goods and may reflect a shift in timing related to the Chinese New Year. If that proves to be correct, growth will mechanically bounce back in the coming months. Apart from trade, real consumer spending slowed, in part due to faster price inflation. However, the fundamentals underlying household spending are very strong, as wealth reached an all-time high, income growth improves, and confidence moves up. Indicators of business investment pointed to a continued rebound in outlays. Residential investment appears to be digesting the prospect of higher interest rates without a hiccup.

Headline price inflation is finally shaking off the impact of lower oil prices while core inflation is slowly increasing. Total inflation in the personal consumption expenditures index rose to almost 2% over the last year in the latest reading, and core inflation was 1.7%. With energy and the appreciation of the USD no longer headwinds for inflation, there should be some modest gains in price inflation as the year unfolds. Wage inflation has been trending up slowly as well. Like price inflation, the trends in the labour market are reassuring about the strength of the expansion rather than displaying anything worrisome about inflation getting out of hand. Nevertheless, since monetary policy works with long and variable lags, it makes sense for the Federal Reserve to remove monetary policy accommodation or run the risk of overshooting its dual mandate goals in 2018 and beyond.

Congress began work in February on an ambitious legislative agenda. The first step was the abortive attempt to repeal and replace Obamacare. Given the political sensitivities about healthcare and partisan nature of the topic, it was perhaps unsurprising that the Republicans fell short of passing legislation in the House of Representatives, where they have a slim majority. As a result, the timeline for other legislation like tax reform was thrown into doubt. Congress turned its attention to more urgent business like funding the Government and a controversial Supreme Court nomination. Markets were left to ponder what Congress may be able to pass later in the year. One thing is certain. The ambitious timeline that was set out by the Trump administration to sign tax reform legislation into law in the summer has slipped and become a lot more uncertain. Tax reform may end up being pared back to moderate corporate tax cuts. In order to get anything done, the Republicans will have to assemble a working coalition, which may be especially difficult in the Senate, where they have an even slimmer majority. Meanwhile, the President worked to fill out his executive team and tackle deregulation and trade initiatives.

UK

After economic activity in the UK had defied the expectations of economists and the Bank of England ("BoE") for a slowdown in response to the referendum for many months, the latest data have shown some tentative signs of weakness in consumption, as rising inflation has started to eat into real incomes. Retail sales slowed on an annualised basis to 1.5% Y/Y in January 2017 from 4.1% Y/Y in December 2016, and further below the heady average pace of

5.6% in the second half of last year. Markit's Composite Purchasing Managers' Index ("PMI") for the UK fell to 53.8 in February from 55.4 in January, dipping below its long-term average of 54.2. However, it may take until Q2 2017 for this slowdown to become apparent in the headline GDP statistics, as the Q1 2017 data are boosted by positive statistical carry-over from Q4 2016, with Q1 GDP currently tracking at 0.6% q/q. However, the outperformance of economic activity and the labour market in the second half of last year, relative to the BoE's forecasts, has not translated into higher wage growth, which has hovered around 2.5% Y/Y in recent months and, if anything, has shown signs of deceleration of late. This has prompted the BoE to lower its NAIRU estimate at its February Inflation Report meeting to 4.5% from 5.0%, implying that the economy can sustain a lower level of unemployment before price pressures emerge. The downward revision of NAIRU and the overall tone of the February Inflation Report led the market to pare back some of the expectations for an interest rate hike by the BoE over the coming year.

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. Meanwhile, after successful votes in both Houses of Parliament, the Government triggered Article 50 of the EU Treaty on 29 March, officially starting the two-year period foreseen for the negotiations between the United Kingdom and the remaining 27 EU member states.

EMU

EMU GDP was 0.4% q/q in Q4 2016 as in Q3 2016 and grew by 1.7% in 2016, only slightly slower than 1.9% in 2015. Survey indicators remain positive: the EMU composite PMI strengthened to 56.0 in February (its highest since April 2011) while the IFO unwound a dip (including in the forward-looking expectations index) to return to its strongest level since July 2011. However, available EMU hard data do not completely match the bullish Q1 survey data. Although remaining on a growth path in Q1, EMU Industrial Production ("IP") if anything seems to be decelerating. IP weakness in Italy was striking (-2.3% m/m in January) and German (core) orders fell sharply. Developments in the labour market have remained favourable as the EMU unemployment rate remained at 9.6% in January (its lowest since May 2009). Despite this, wage growth remains sluggish: euro area negotiated wage growth was 1.43% Y/Y in Q4 2016 and averaged 1.45% for the whole of 2016 - the slowest annual growth rate since 1991 - after 1.5% in 2015, 1.7% in 2014 and 2.4% on average during 1991-2012. EMU headline inflation reached 2.0% Y/Y in February 2017, boosted again by food and energy prices as core inflation remained unchanged at 0.9% Y/Y.

The sharp increase (e.g. just 0.6% in November 2016) resulted in the ECB staff revising up their 2017 inflation projection on 9 March by 0.4pp to 1.7%, the 2018 forecast by 0.1pp to 1.6%, although the 2019 projection was unchanged at 1.7%. The ECB's core inflation forecast was unrevised for 2017 (at 1.1%) and was upgraded (by 0.1pp in each year) to 1.5% for 2018 and 1.8% for 2019. The optimistic outlook on core inflation from the ECB is nothing new and depends crucially on wage inflation (forecast compensation per employee is expected to accelerate from 1.3% in 2016 to 1.8% in 2017, 2.1% in 2018 and 2.4% in 2019), which has been systematically lower than encompassed in the ECB's forecast for many years. While the ECB Governing Council remained anchored to its dovish assessment of underlying inflation at the 9 March meeting (more so than the staff projections would imply), it did take a first step towards the beginning of the "exit". The ECB's growth and deflation risk assessment is gradually changing and it no longer sees the need of potentially extreme policy actions. However, the interpretation by a number of analysts suggesting Draghi was implying higher ECB deposit rates were in the pipeline before the end of the Quantitative Easing ("QE") programme, seem to be misplaced. Following the victory of Rutte's conservative-liberal VVD party in the Netherlands general election, the next important election focus is France (23 April/7 May Presidential and 11/18 June legislative) with the polls continuing to suggest Le Pen would be defeated in the second round by either Macron or Fillon.

China

Activity data remained firm. The official PMI improved on January to print 51.6 ending a two month falling streak, in addition the Caixin PMI strengthened further from 51.0 for January to 51.7 in February. Fixed asset investment growth recorded an improving 8.9% Y/Y. In addition, IP growth improved further to 6.3% while retail sales growth took a step backwards from 10.4% down to 9.5% Y/Y. Inflation surprised on the downside printing 0.8% versus a survey of 1.7% and 2.5% prior with pork prices contributing to the decline. Producer prices however did rise from the prior month to 7.8% for February. On the external side, export data softened to -1.3% Y/Y for February yet with much stronger imports at 38.1% Y/Y, although affected by Lunar New Year. Total Social Financing declined to RMB 1,150bn from RMB 3,740bn, mainly due to seasonality. The seven day repo was guided to 2.93% for February vs 2.71% in January. M1 growth rebounded to 21.4% Y/Y in February. On the exchange rate February saw little volatility and a confined range for CNY of around 6.86.

Japan

Real GDP rose 1.2% (annualised rate) in Japan for a second straight quarter. At this pace the output gap will be closed in a year. Higher frequency survey data suggest more of the same. The Shoko-Chukin survey of small and medium-sized businesses moved up above the 50 par line for the first time in three years. However, the Economy Watchers survey slipped for a second month. Consumer spending has moved slightly from month to month; on average over the last half year it has been trending up slowly. Industrial production has also been erratic, though rising more smartly on average over the same period.

Inflation data have been uninspiring. Energy prices have turned up, and so the 12-month core rate has moved up from -0.5% in September to 0.1% in January. Although western core prices (prices excluding food and energy) have done little. On a seasonally adjusted basis they ticked up 0.1% in January, their first increase since last spring. Inflation expectations looked like they were edging up in autumn but since then have stalled. The depreciation in the yen in November and December will probably support price inflation slightly in the coming months, despite the partial rebound early this year.

There doesn't appear to be much in the way of important policy developments in the foreseeable future. The Bank of Japan ("BoJ") reiterated its yield curve control policy. The BoJ doesn't appear to be working particularly hard to cap ten-year rates. One would think that the next pressure point will come from Washington, but so far the Federal Reserve's abrupt reconsideration of near-term rate policy hasn't caused a major disturbance in Japan. On its surface, the developing scandal involving nationalistic kindergartners and Prime Minister Abe's wife would not appear to be a serious threat, but it does serve as a reminder that there is still no consensus on moving the country away from its post-World War II pacifist policies.

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

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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.