

Results analysis: BH Macro

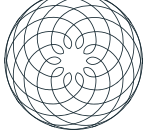
- BH Macro invests in the Brevan Howard Master Fund Limited (the “Master Fund”) whose investment objective is to generate consistent long-term capital appreciation through active leveraged trading on a global macro basis. During the first six months of 2026, BH Macro’s NAV per share for the Sterling Class shares rose by 2.43%, and that of the US Dollar Class shares by 2.23%. The share price performance over the same period was higher for both share classes at +7.0% for the Sterling Class shares and +3.1% for the US Dollar Class shares, with the discount to NAV narrowing – especially for the more liquid Sterling Class, which started the year on a discount to NAV of 9.5%.
- The Board has continued its regular dialogue with Brevan Howard Capital Management LP (the “Manager”), reviewing the Master Fund’s trading strategies and risk exposures. The Board has also continued to focus on discount management and has closely monitored the discount to net asset value (“NAV”) per share. Over the six-month period ending 30 June 2026, the average discount to NAV stood at the narrowest end of the range seen in the last two years. Over the six-month period ending 30 June 2026, the average discount to NAV for both the Sterling shares and US Dollar shares has fallen to 6.98% and 6.03% respectively. In 2025 the average discount was 8.10% and 8.36% and in 2024, 11.24% and 10.99% (Sterling shares and US Dollar shares respectively for both 2025 and 2024). This improving trend is the culmination of a number of actions taken over time.
- Over the calendar year to date (23 Sept 2026), BHMGM has bought back c. 5.0% of Sterling shares in issue at the start of the year, and 3.7% of US Dollar shares. As reported at the end of the last financial year, the Board has negotiated an increase in the 2026 allowance for Master Fund redemptions to enable buybacks up to 14.99% of each class of the Company’s issued share capital (as at the end of 2025), without fees being incurred, up from 5% in 2025.
- The Board has also focused on attracting new purchasers of the Company’s shares both in the UK and internationally. A notable development in this respect has been the announcement of the new private fund established by the Manager, whose intention is to invest and trade in strategies and funds managed by the Manager.
- Brevan Howard notes that we face three big forces that markets must contend with, which together result in “a richer but less forgiving macro opportunity set”. Firstly, a shifting US macroeconomic picture alongside new leadership at the US Fed who, amongst a number of other changes, will be providing less forward guidance. As Brevan Howard comment, “less guidance means markets must do more of the work: higher volatility, the risk of a higher equity risk premium and wider credit spreads, and less stable relationships across asset classes”. Secondly, the war with Iran, which has had varying impacts around the world leading to varying government responses. Thirdly, AI with the huge investment globally in AI becoming a “first-order macroeconomic event”, with effects not only on productivity and growth, but also on the cost of capital. Brevan Howard observe that governments must compete with the private sector for funding, the implication being a higher “natural interest rate”.
- Richard Horlick, Chairman said “We believe the Company is an attractive long-term investment for those wishing to accumulate capital in a manner that has historically exhibited low structural correlation to equity or bond markets. You are all aware of the high level of geopolitical risk and the high level of valuation currently placed on the US market. Against this backdrop, the Board remains confident in the investment strategy of Brevan Howard Master Fund Limited and the Manager’s ability to implement it successfully. My own conviction is reflected in the fact that the Company’s shares comprise the majority of my pension portfolio.”

BHMG’s discount narrows, following a number of Board-led initiatives. William Heathcoat Amory 30 September 2026 [View latest version](#)

Kepler View

BH Macro’s (BHMG) NAV returns have been in line with the expected range, but remain relatively muted, especially in the context of a surging equity market. This does nothing to alter the fact that BHMG may potentially act as a low-volatility compounder to form the core of a long-term investment portfolio. However, perhaps of increasing relevance to today’s investors, it may also act as a diversifier within equity and bond portfolios, given that the returns of Brevan Howard Master Fund Limited can potentially be very different, and hopefully complementary, to equity and bond returns.

Every cycle, one is told that ‘this time it’s different’. Brevan Howard’s commentary (which we summarise above, but is well worth reading in full in the interim statement – see link below), is rather disquieting in this context.



Yet, aside from 2022, total returns from equity markets in all of the calendar years since COVID have been well ahead of historical long-run equity returns. Certainly, AI brings opportunities, but the macroeconomic threats seem rarely to have been higher, whilst at the same time, stock market valuations remain elevated. There is clearly plenty of potential for an upset. BHMG has historically provided significant diversification from, and lack of correlation to, bond and equity markets, and as such offers the potential of being one of the truly rare places that offers investors a port in a storm.

The BH Macro Board and manager have made strong progress in addressing the discount, set against a background of moderate NAV performance. With a significantly larger buyback facility this year, and the manager's new private fund that has the ability to invest in BH Macro shares when they stand at a discount, investors can be reasonably optimistic that the share price will more closely follow that of the NAV. As a result, shares in BH Macro offer a compelling way for ordinary investors to access the flagship strategy of one of the world's best macro hedge funds. If markets become more volatile, and complacency is replaced by fear, there is clear potential for BHMG to perform strongly in NAV terms. Additionally, if history is anything to go by, there is clear potential for the discount to narrow from the current level of c.6% if NAV performance picks up. As such, the current discount may represent an attractive entry point both from a total return perspective, but also to add diversification to equity and bond portfolios.

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