Results analysis: BH Macro

BHMG remains a strong potential diversifier.

Update
17 October 2025

- **BH Macro invests in the Brevan Howard Master Fund Limited (the Master Fund) whose investment objective is to generate consistent long-term appreciation through active leveraged trading and investment on a global basis. During the first half of 2025, BH Macro's GBP NAV per share delivered a slightly negative return of -0.28% for the Sterling Share Class and -0.59% for the US Dollar Share Class. The difference between the two being largely the contribution from GBP share class buybacks.**

- **The discount to NAV for each share class generally continued to follow a narrowing trend during the six months to 30/06/2025. By way of a comparison, the average discount to NAV per share for 2024 was 11.24% (Sterling Share Class) whereas the corresponding figure for the six-month period to 30/06/2025 was 7.35% (Sterling Share Class).**

- **Over the period, the share price performance was c. -2.3% for the Sterling Class shares and c. -5.5% for the US Dollar Class shares, reflecting the discount to NAV for both share classes widening over the six-month period to 30/06/2025. The Board has directed the company to buy shares back "where it has been accretive to do so". Whilst the discount has narrowed from the levels experienced in the last couple of years, "it is at too great a level for the Board to feel comfortable".**

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Kepler View

The NAV performance of **BH Macro (BHMG)** over the six months to 30/06/2025 was flat, according to the managers largely as a result of the portfolio being positioned for the impact of tariffs from the new presidential term. As it was, the new administration focused on immigration at first, and trade policy took a few months to develop, culminating in the "Liberation Day" announcements in early April. The delay caused initial positions to incur losses that were largely made up after tariffs began to be implemented. The positive returns that BHMG delivered during April contrasted with high volatility in equity markets, serving to remind investors that BHMG can act as a diversifier, or shock absorber, in equity portfolios. In our view, this diversifier potential is one of the main attractions of BHMG to shareholders.

BHMG's board of directors continues to buy shares back and manage the discount volatility, and it is encouraging that the average discount over the interim period had narrowed from the 2024 financial year. The Chairman notes that "none of the issues which bedevilled the sector last year have changed" and whilst "the Board retains its confidence in the Manager and the strategy that it has pursued so successfully for many years, neither we nor the Manager are complacent". At the time of writing, the GBP and USD shares trade at a discount to NAV of c. 9%.

The Chairman noted that over the first six months of 2025, "performance remains within the expected range of returns". Since the end of the reporting period, BHMG's NAV returns have improved modestly, with a strong performance during September accounting for a year to date NAV return for the GBP shares of +1.03% (as at 10/10/2025). The managers observe that "with this landscape of macro dispersion and geopolitical uncertainty across all regions, markets are likely to remain extremely interesting". This could be fertile grounds for Brevan Howard's traders, and so long-term investors who value the unique, diversifying properties of BHMG may see the current share price discount to NAV as an opportunity.

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