BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT:
APRIL 2016

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MONTHLY SHAREHOLDER REPORT: APRIL 2016

BREVAN HOWARD

www.bhmacro.com

BH Macro Limited Overview

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)

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 "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: $1,343 mm[1]

1. As at 29 April 2016. Source: BHM's administrator, Northern Trust.

Summary Information

BH Macro Limited NAV per Share (as at 29 April 2016)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	305.6	$20.09
EUR Shares	79.7	€20.29
GBP Shares	958.0	£20.93

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	-0.85*									-1.20*

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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	-0.91*									-1.33*

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	-0.85*									-1.35*

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.

*Based on estimated NAVs as at 29 April 2016

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited estimates as at 29 April 2016

	% of Gross Market Value*
Level 1	74.2
Level 2	25.5
Level 3	0.3

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.

In April, losses came primarily from interest rate and FX trading. Long positions in European interest rates as well as curve trades in Japan detracted from performance. Small gains from US directional trading were offset by losses from interest rate volatility positions. In FX, long EM and commodity currency positions as well as short positions in the Euro detracted. Small gains from credit positions were offset by losses from US equity 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 (International Fund Services (Ireland) Limited) and risk data provided by BHCM, as at 29 April 2016.

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Performance by Asset Class

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

2016	Rates	FX	Commodity	Credit	Equity	Discount Management	Total
April 2016	-0.49	-0.28	-0.04	0.06	-0.11	0.01	**-0.85**
Q1 2016	1.17	-0.82	-0.14	0.02	-1.14	0.57	**-0.35**
QTD 2016	-0.49	-0.28	-0.04	0.06	-0.11	0.01	**-0.85**
YTD 2016	0.67	-1.10	-0.18	0.08	-1.25	0.58	**-1.20**

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.
*Based on estimated NAVs as at 29 April 2016

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*

2016	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Discount Management	Total
April 2016	-0.62	-0.01	-0.39	-0.04	-0.00	0.04	0.17	-0.00	0.01	**-0.85**
Q1 2016	-1.10	0.01	0.56	-0.02	-0.01	-0.34	-0.02	-0.00	0.57	**-0.35**
QTD 2016	-0.62	-0.01	-0.39	-0.04	-0.00	0.04	0.17	-0.00	0.01	**-0.85**
YTD 2016	-1.71	0.00	0.17	-0.06	-0.01	-0.31	0.15	-0.00	0.58	**-1.20**

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.
*Based on estimated NAVs as at 29 April 2016

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

Market Commentary

US

Growth slowed in the first quarter because consumption spending was moderate and business investment declined at the fastest rate since the start of the expansion in 2009. Volatility in aggregate demand is not unusual. Indeed, real GDP growth has been noticeably weak in the first quarter of each of the prior two years. However, in those instances, special factors like unusually harsh winter weather, temporary disruptions like the West Coast ports strike, or technical factors pointed to a bounce back in growth. In the current situation, there's no obvious reason to expect the first-quarter weakness to be offset going forward. As a result, we marked down our forecast for growth in 2016 as a whole.

The readings on the labour market were mixed in April. Job gains disappointed relative to recent trends but average hourly earnings and the workweek were solid. The unemployment rate was unchanged at 5.0% and the remarkable improvement in the participation rate seen over the last six months took a step back. With just one month of moderation in the labour market it's difficult to discern the signal from the noise. However, the worry is that subpar growth seen over the last three quarters may be having a negative impact on hiring.

Inflation is low and it's going to take time for the recent depreciation in the exchange value of the US dollar and firmer energy prices to begin to put upward pressure on core inflation. In fact, much of the enthusiasm about higher core inflation was punctured by the latest reading on core Personal Consumption Expenditure ("PCE"), which showed that some of the jump in prices in the first two months of the year was transitory. Overall, with core inflation running below the Federal Reserve's 2% target for almost four years, there's more risk of deflation than unwanted inflation.

The Federal Reserve's policy meeting in April was uneventful. Policymakers reiterated their desire to normalise policy gradually, but made no serious attempt to push back against market pricing for only about one rate hike per year for the foreseeable future.

EMU

Euro area economic growth accelerated at the beginning of 2016, with GDP rising by a real 0.6% q/q in Q1. While the breakdown of contributions was not available with the flash estimate, domestic demand is likely to have been the main driver. Private consumption indicators such as retail sales and car registrations, as well as construction activity showed strong demand, likely boosted by a combination of lower energy prices and unseasonally warm weather. However, the March figures have already started to show some moderation which is poised to affect Q2 GDP negatively: EMU retail sales and car registrations, on the demand side, and industrial production on the supply side, contracted on a monthly basis.

After posting a temporary rebound in March, inflation decelerated again in April to -0.2% y/y from 0.0% y/y according to Eurostat's Harmonised measure, showing no sign of a return to the ECB's objective of 'below but close to 2%' and largely undershooting the March ECB projections. In addition, core inflation (which excludes volatile energy and food items) slowed significantly, from 1.0% y/y to 0.7% y/y, back to the lows seen a year ago as the Easter-related boost to services prices recorded in March fully reversed. Overall, price pressures in the euro area remain extremely muted, with the recent sharp appreciation of the Euro exchange rate dragging down import prices. In March, both M3 and credit growth were stable, respectively at 5.0% y/y and 1.0% y/y. The ECB Q1 Bank Lending Survey ("BLS") suggested that banks continued to ease credit standards despite the volatile financial markets since the beginning of the year, while demand for credit remained positive.

The ECB kept interest rates on hold at its regular April monetary policy meeting, as the central bank continues to assess the effectiveness of its most recent easing measures. While President Mario Draghi repeated that the central bank remains ready to act "by using all the instruments available within its mandate", he called for patience regarding the return of inflation to higher levels. On the political front, discussions around the Greek bailout review remain difficult with no agreement found yet between the country and its main creditors. Last, but not least, following months of inconclusive negotiations to form a new government in Spain, King Felipe has dissolved the parliament and set a date to re-run political elections on 26 June. However, the most recent polls signal that the result of the elections should not be materially different from December last year.

UK

Although the UK has fared moderately well over the past year, it has started to show increasing signs of weakness, reflecting growing uncertainty caused by the impending EU referendum. In Q1 GDP grew 0.4% q/q, a slower pace compared to 0.6% in Q4 of 2015. The slowing in growth is mainly attributed to the services sector, which moderated from a pace of 0.8% in Q4, to 0.6% in Q1. The manufacturing sector continued to contract, falling by 0.4% q/q, while the construction sector also contracted by 0.9% q/q. Business surveys have fallen further in recent months. The April Purchasing Manager Index ("PMI") report cited uncertainty over the referendum causing customers to hold back on purchases, suggesting that growth should continue to slow into the second quarter. The manufacturing PMI fell by another 1.5pts to 49.2, which is the lowest level since March 2013 and suggests that the industrial sector will continue to contract. Although the recent depreciation of the currency (approximately 10% over the past 6 months) should provide some support for the manufacturing sector, the benefits are likely to be limited as the uncertainty ahead of the referendum delays investment decisions. The services PMI fell further in April reaching the lowest level since February 2013. Although retail sales fell -1.6% m/m in March, the underlying pace of growth is still respectable at around 3.5% y/y, but somewhat slower than the 5% pace experienced earlier in 2015. Consumer confidence has also softened in recent months, but is still high relative to historical averages. Surveys on the housing market (especially for London) have softened in recent months on account of the tax change introduced by the Government in early April. However, actual housing data (only available until March) has not yet weakened; residential transactions and actual mortgage lending surged in March in advance of the tax changes in April.

The unemployment rate declined 0.5ppts in the period from June to November 2015 and has since been unchanged at 5.1%. In the same period, employment grew at the high pace of 2.5% annualised, but has since lost momentum. More recently, initial jobless claims rose by 6,700 units: although this is a relatively small increase, it's the largest since 2012 and reflects how the uncertainty caused by the referendum has pulled back hiring intentions. Wage inflation, though still well below the 4% pre-crisis average, has picked up in recent months; private wages excluding bonuses grew at a pace of 2.5% (latest three-month average) in February, up from the low of 2.1% in November. Headline inflation rose 20bps to 0.5% y/y in March, still well below the 2% target and still weighed on by low energy and food prices. Core inflation rose 40bps on the month to 1.5% in March; some of the rise was due to temporary factors such as higher airfares, so some pull-back in the coming months is expected.

The Bank of England's Monetary Policy Committee ("MPC") voted again unanimously to keep rates unchanged (at 0.5%) at the April meeting. In the statement, the MPC acknowledged that there may be increased volatility in economic data around the referendum date, and hence said they will be more cautious than usual in its interpretation of economic data. Given the lack of inflationary pressures, the MPC is still in no rush to raise rates.

Moreover, the policy outlook is further complicated by the binary event of the referendum. The outcome of the referendum will largely shape the evolution of the economy in the medium term. If the UK votes to remain in the EU, then the economy will likely rebound in the second half of the year and normalise back to a moderate pace of growth in 2017, shaped by moderate global growth and continued fiscal austerity. If the UK votes to leave the EU, we expect the uncertainty around the exit process will further stall investment and hiring, which in turn may force the MPC to lower interest rates.

China

Although activity data in China for March/April showed some clear signs of a cyclical rebound in the second quarter, from the very low pace recorded in Q1, in April both the official and the Caixin PMIs disappointed the market expectations following the advanced recording in March, although details were less discouraging, with the new order to inventory ratio rising significantly. Despite better data flows, the People's Bank of China seems to have maintained an accommodative monetary policy stance as the foundation of a solid recovery has not yet been established. The 7-day repo rate rose slightly to about 2.4%. The impulse to growth is stemming from both higher credit formation and fiscal easing, in turn being transmitted to the economy via higher investments in infrastructure and properties.

Japan

Policy in Japan is in flux. Contrary to general expectations, at its latest Board meeting the Bank of Japan ("BoJ") declined to add to monetary accommodation at the end of April. In his press conference, Governor Kuroda promised to do whatever it takes to achieve 2% inflation and was specific on the timeframe over which one can judge the effect of negative rates - more than two months but less than six months. He noted that there's room for negative short rates to fall deeper. That suggests a reassessment in June.

It's unclear what evidence the Bank is waiting for. The reflation project is moving backwards, Japanese consumer inflation expectations have fallen 0.6 pp over the past year and now stand at a two year low. The 12-month change in the country-wide Consumer Price Index "(CPI") excluding food and energy has turned down from its high in November 2015. The 11% appreciation in the yen against the dollar since the start of the year promises to be a further deflationary force going into the summer. Even the BoJ's board members collectively cut their core inflation forecast by 0.3pp for 2016 and by 0.1pp in 2017.

As for the economic indicators, the latest Tankan data weren't weak, although first-quarter activity indices and second-quarter forecasts slipped again. The May Shoko-Chukin survey of small and medium-sized businesses declined, and at the end of the first quarter, the economy watchers survey dropped sharply. Despite the rise in March, industrial production still appears to be on a downward trend. Likewise, even though the Cabinet's synthetic real consumption index has increased since its low in November 2015, the latest reading for February was still down 0.9% from the previous year. The only exception to the general decline is the latest data on exports, which have moved up from their low in May of last year. Even so, the yen will eventually weigh on exports.

Meanwhile Prime Minister Abe gave the strongest hint yet that he may seek legislation to delay the two percentage-point increase in consumption taxes. While in Europe he said that he will make up his mind about the VAT hike after the G-7 summit at the end of May, suggesting that a delay is at least under active consideration. The economic stakes are high. A tax hike would lead to a brief flurry of consumption at the start of the year and then a bigger drop after implementation. Without a hike, along with a further stimulus package on the horizon, fiscal policy would be supportive of aggregate demand during the back end of this year and into 2017.

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Enquiries

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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.