

BREVAN HOWARD

BH MACRO LIMITED
MONTHLY SHAREHOLDER REPORT:
February 2016

YOUR ATTENTION IS DRAWN TO THE DISCLAIMER AT THE END OF THIS DOCUMENT

BH Macro Limited Overview

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

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

Administrator: 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.

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

Total Assets: \$1,363 mm¹

Corporate Broker:

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

J.P. Morgan
Cazenove

Listings:

London Stock
Exchange (Premium
Listing)

NASDAQ Dubai -
USD Class
(Secondary listing)

Bermuda Stock
Exchange
(Secondary listing)

Summary Information

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

Share Class	NAV (USD mm)	NAV per Share
USD Shares	328.3	\$20.62
EUR Shares	87.0	€20.80
GBP Shares	947.9	£21.49

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											1.44

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											1.16

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											1.30

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.

Calculated by BHCM as at 29 February 2016

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited estimates as at 29 February 2016

	% of Gross Market Value*
Level 1	73.9
Level 2	25.8
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.

Gains in February were due in most part to interest rate trading, with FX trading also mildly positive. Returns from interest rate trading came predominantly from long positions in European and Japanese interest rates as well as from long volatility positions. These gains were partially offset by losses in US directional and curve trading. FX trading generated moderate overall gains, with positive returns from a broad range of currency pairs including EUR, GBP and CAD, partially offset by small losses in AUD and BRL. Equity trading detracted from performance with long positioning in Japanese and European equity indices as well as tactical positioning in US indices generating losses. Credit trading also generated modest losses.

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 February 2016.

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
February 2016	1.08	0.27	-0.02	-0.12	-0.63	0.16	0.73
Q1 2016	2.23	0.12	-0.17	-0.26	-0.85	0.38	1.44
YTD 2016	2.23	0.12	-0.17	-0.26	-0.85	0.38	1.44

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, and aggregated to reflect individual PM's asset class groupings.

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 sovereign credit, and asset-backed securities and derivatives

"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
February 2016	0.41	0.01	0.32	-0.00	-0.00	-0.14	-0.03	-0.00	0.16	0.73
Q1 2016	0.29	0.03	1.19	0.01	-0.00	-0.26	-0.19	-0.00	0.38	1.44
YTD 2016	0.29	0.03	1.19	0.01	-0.00	-0.26	-0.19	-0.00	0.38	1.44

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's 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

"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 credit and asset-backed securities and derivatives

"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

There were tentative signs that the soft patch in growth and inflation improved in February. Growth in the current quarter is tracking above 2% (annualised rate), paced by solid gains in consumption spending. Trade, manufacturing and energy are still in recession but the rest of the economy seems to be weathering the headwinds. Core inflation rose to 1.7%, the highest reading since 2014 on a combination of flattering base effects and upside in a wide range of categories at the start of the year. Despite that pick up, inflation expectations remain historically low, as measured by either market-based inflation compensation or surveys of households.

The labour market powered ahead with another strong gain in hiring. The unemployment rate held steady at 4.9%, but that masked a sizable improvement in the participation rate. The hot labour market is clearly beginning to attract workers who have been on the sidelines during the expansion. Nevertheless, there's no evidence of emerging wage pressures. In fact, the y/y growth rate of average hourly earnings has fallen in two out of three of the last months and has slowed to 2.2% in February. The evidence hints at a lower long-run sustainable unemployment rate, which means the unemployment rate has further to fall without setting off alarm bells about overheating.

The brief period of unity among Federal Reserve ("Fed") policy makers following lift off in December appears to be fraying. On the one hand, hawks see an economy making progress on both the employment and inflation mandates with financial market volatility that has done little to dent the expansion. On the other hand, doves worry that inflation has been too low for too long and the risks from the unsettled international environment threaten to derail the expansion when the Fed would have few attractive easing options. This debate seems poised to continue until one group gains the upper hand.

EMU

The euro area GDP was left unrevised at 0.3% q/q in Q4 2015, growing at the same pace as Q3 2015, but on a slower momentum relative to H1 2015. January data suggests activity was better than expected both on the consumer and production side. However, sentiment surveys weakened further in February, pointing to renewed weakening in industrial and consumer spending activities. The Purchasing Managers' Index ("PMI") fell and so did consumer confidence, with the European Commission indicator falling to -8.8 from -6.3 on the previous month and a 14-month low. Prospects for a return to the "below but close to 2%" ECB inflation target have notably deteriorated, as headline inflation fell back into negative territory in February, to -0.2% y/y from 0.3% y/y in January, below both ECB and market expectations. The decline in the headline figure cannot be explained only by weaker energy prices, as core inflation fell to a 10-month low of 0.7% y/y. Market-based measures of inflation expectations fell to all-time lows. In light of the increasing risks to price stability, the ECB Governing Council at its March monetary policy meeting decided on a substantial package of easing measures. In addition to cutting the deposit rate further into negative territory by 10bps to -0.4%, the ECB also cut the other two policy rates by 5bps, increased the pace of the Quantitative Easing ("QE") purchases to €80bn per month from €60bn previously, and added corporate bonds to the QE programme. Finally, the ECB decided to launch four new targeted longer-term refinancing operations ("TLTROs") for banks with a four-year maturity and generous pricing, conditional on participating banks level of lending. The new measures were announced as the ECB sharply revised its forecasts for inflation, now expecting headline Harmonised Index of Consumer Prices ("HICP") at 0.1% in 2016

from 1.0% in December, and at 1.3% in 2017, from 1.6% in December.

On the political side, more than two months after the general elections held in Spain, talks in order to form a Government have so far remained unsuccessful. The leader of the PSOE party, Pedro Sanchez, lost two investiture votes in parliament as Rajoy's Popular Party ("PP") and anti-austerity Podemos voted against him. Discussions will continue over the next weeks in order to find an alternative majority, but political parties will have to find a common agreement for a new Prime Minister before 2 May 2015, after which new elections will have to be called for June. Ireland joined other countries facing inconclusive elections after the recent policies of the two ruling coalition parties, Fine Gael and Labour, failed to win public approval in the general elections, leaving difficult negotiations ahead with the opposition party Fianna Fáil.

UK

The UK economy grew solidly in the fourth quarter of 2015, with GDP confirmed to grow at 0.5% q/q in Q4. The growth mix was consistent with what was seen earlier in the year - resilient private (services driven) domestic demand, offset by a subdued manufacturing sector, weighed on by an unforgiving global environment. January data showed that manufacturing output is roughly unchanged from levels seen a year ago. More recently, business surveys have fallen markedly; in February, the PMI survey fell by 3.4pts to 52.8, the lowest level since April 2013, and a level consistent with economic growth around 0.3-0.4% q/q in Q1 2016. The weaker PMIs cited concerns over the referendum on whether the UK should remain in the European Union. Current polls show a slight lead for those choosing to remain in the EU. Nonetheless, it's reasonable to expect that the uncertainty around the referendum may hinder investment and hiring, causing growth to slow up until the referendum date on the 23 June 2016. However, the uncertainties around the referendum have also caused the exchange rate to fall almost 10% since the highs in November; the lower exchange rate may provide some support for the exports sector, offsetting some of the weakness caused by the uncertainty. The retail sector continues to perform well, with sales volumes growing around 3.5% y/y. This is somewhat slower compared to the 4.5% annual growth seen in the first half of 2015, but it is still above historical averages. The retail sector should continue to perform well given high consumer confidence and a reasonably high pace of growth in consumer lending. Surveys on the housing market as well as mortgage approvals had picked up in recent months as individuals seek to buy properties ahead of the additional 3% stamp-duty tax on secondary homes that will become effective in April this year. However, some surveys suggest this recent flurry has started to unwind and it's possible that we see the housing market cool after the policy changes take effect in April. House prices continue to rise at a pace of around 7% y/y, broadly in line with recent history. The unemployment rate declined 0.5 percentage points in the second half of 2015, falling to 5.1% in December. In the same period, employment grew at a very high pace of 2.5% annualised. Surveys on employment suggest that employment should continue to grow, though at a much more modest pace. Despite the tightening in the labour market, wage pressure is still lacking. Wage growth started to rise in the summer of 2015, but has since moderated; wages are currently growing at an annual rate of 2%, well below the 4% pace experienced before the crisis. Headline inflation remains subdued at 0.3% y/y; it continues to be pushed down by low energy prices. Core inflation (which excludes volatile items including energy), also remains muted, recording 1.2% y/y in January. At the time of the Bank of England Inflation Report, each of the Monetary Policy Committee ("MPC") members voted to keep base rate unchanged at 0.5%. However, each member of the committee thought that, on balance, the next move in base rate would be up. Since then, we have still not seen any signs of price pressure building. Hence, the MPC are unlikely to vote for a rate hike in the imminent future, especially as the uncertainty of whether the UK remains in the EU clouds the outlook for the UK economy.

Japan

Japanese inflation has lost momentum over the last few months. Tokyo price data improved in the latest release, but that merely unwinds January's price drops. Core inflation has been flat, and western core prices (prices excluding food and energy) have been flat to marginally up over the last few months. Japanese inflation data, which lags a month, have similarly slowed. Moreover, the sharp appreciation in the yen versus the dollar in the first half of February has largely been maintained, which will exert some downward pressure on inflation if sustained. Consumer inflation expectations appear to have slipped for the fifth consecutive month.

Activity measures have been mixed of late. GDP fell in the fourth quarter, unwinding the third-quarter gain. Private domestic demand weakened, as a modest increase in investment demand was insufficient to offset the drop in consumption. Industrial production increased in January, and the latest reading of the Shoko-Chukin survey of small and medium-sized enterprises moved up to its highest level in four months. On the other hand, the economy watchers' survey dropped below 50.

China

Both the official and the Caixin PMIs fell in February. Export growth undershot market expectations with a -25.4% y/y figure while import growth continued to slow so, as a result, the trade surplus temporarily narrowed to US\$32.6bn in February. Industrial Production growth y/y slowed further in the first two months of the year, to 5.4% y/y, while retail sales also slowed to 10.2%. Fixed Asset Investment ("FAI") growth rebounded slightly to 10.2%, above expectations, thanks to some revival in property investments. Consumer Price Index ("CPI") inflation rose to 2.3% in February, driven by unfavourable weather and the New Year holiday. The People's Bank of China ("PBoC") has maintained a mildly accommodative monetary policy stance, cutting the required reserve ratio by 50bps in February. The 7-day repo rate has been stable at around 2.3%. Credit data in the first two months of the year was largely affected by the New Year holiday effect. While demand for mortgages has increased due to the Government's eased macro-prudential policy on the property sector, increasing credit to infrastructure projects has not yet been seen. The country held its National People's Congress in March, announcing the 2016 growth target to be 6.5-7.0%, in line with the market expectations.

Enquiries

Northern Trust International Fund Administration Services (Guernsey) Limited

Harry Rouillard +44 (0) 1481 74 5315

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.