

BREVAN HOWARD

BH MACRO LIMITED
MONTHLY SHAREHOLDER REPORT:
NOVEMBER 2016

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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: \$878 mm¹

Corporate Broker:

1. As at 30 November 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 (Calculated as at 30 November 2016)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	220.7	\$21.64
EUR Shares	35.1	€21.86
GBP Shares	622.2	£22.43

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		6.43

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		6.34

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		5.73

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 30 November 2016

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited as at 30 November 2016

	% of Gross Market Value*
Level 1	77.1
Level 2	22.5
Level 3	0.2
At NAV	0.2

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 as calculated by IFS.

Performance Review

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

The Fund's gains came primarily from interest rate and FX trading. Higher interest rates in the US and, to some extent, in Europe together with the strengthening of the US dollar, mostly against the Japanese Yen and the Euro, drove returns. Long positioning in option volatility and gamma in both FX and interest rates also contributed strongly.

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 30 November 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 as at 30 November 2016

2016	Rates	FX	Commodity	Credit	Equity	Discount Management & Tender Offer	Total
Nov 2016	3.15	1.75	0.01	0.10	0.01	0.00	5.02
Q1 2016	1.17	-0.82	-0.14	0.02	-1.14	0.57	-0.35
Q2 2016	0.01	-0.09	0.03	0.05	-0.39	2.90	2.47
Q3 2016	-0.52	-1.55	0.01	0.20	-0.34	0.68	-1.52
QTD 2016	3.36	2.22	-0.01	0.14	-0.01	0.11	5.83
YTD 2016	4.03	-0.28	-0.11	0.41	-1.86	4.31	6.43

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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 & Tender Offer”: buyback activity for discount management purposes and repurchases under the tender offer launched on 27 April 2016.

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 30 November 2016

2016	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Discount Management & Tender Offer	Total
Nov 2016	3.89	0.00	0.98	0.13	-0.00	0.08	-0.07	-0.00	0.00	5.02
Q1 2016	-1.10	0.01	0.56	-0.02	-0.01	-0.34	-0.02	-0.00	0.57	-0.35
Q2 2016	-0.44	-0.01	-0.24	0.01	-0.01	0.08	0.21	-0.00	2.90	2.47
Q3 2016	-2.14	-0.01	0.13	-0.28	-0.00	0.17	-0.06	-0.00	0.68	-1.52
QTD 2016	4.51	-0.01	0.94	0.19	-0.00	0.20	-0.12	-0.00	0.11	5.83
YTD 2016	0.72	-0.02	1.38	-0.09	-0.01	0.11	0.01	-0.00	4.31	6.43

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 & Tender Offer”: buyback activity for discount management purposes and repurchases under the tender offer launched on 27 April 2016.

Manager's Market Review and Outlook The information in this section has been provided to BHM by BHCM

Market Commentary

US

The unemployment rate declined to 4.6% in November, a little below many experts' estimates of full employment. Broader measures of labour market slack also showed some improvement. With the labour market getting tighter, the trend toward faster wage growth appears to be entrenched.

Real GDP growth was pushed up in the third quarter by a remarkable one-time surge in agricultural exports that is poised to turn into a drag in the current quarter. Apart from the swings in trade, moderate growth has been maintained in the fourth quarter. Consumption spending has slowed from the brisk pace set in the middle of the year. Business investment is mixed, and residential investment looks to have turned the corner into positive territory.

Inflation is gradually building. Headline prices are following energy prices with a lag, while underlying core inflation is inching up ever so slowly. The latest reading on core Personal Consumption Expenditure Index inflation was 1.3%, the highest level seen since 2014. Going forward, the trend in inflation will depend on the tailwinds from a stronger economy and the headwinds from another leg of appreciation in the exchange value of the US dollar.

The Republicans' win in the election shifted the focus from monetary policy to fiscal policy, deregulation, trade and immigration. The outlines of certain policy proposals like corporate tax reform are taking shape quickly, but in other areas like trade and immigration there is much uncertainty. The President – Elect's cabinet looks extraordinarily business-friendly so while it will take time for the legislative agenda to come together, animal spirits may be buoyed in 2017.

UK

The UK economy has continued to defy expectations of a slowdown in response to the vote to leave the European Union. Growth has proved remarkably resilient, with companies continuing to invest and consumer spending remaining buoyant. Rather than slowing, retail sales actually accelerated to an annual pace of around 7% in the last two releases. This is just one example for the resilience of private domestic demand. One very relevant question going forward will be to what extent consumer spending will have to adjust to the expected hit to real incomes, as nominal incomes move largely sideways, while inflation is expected to pick up materially. So far, some of the outperformance in consumption over real income growth can be explained by faster credit growth and rising house prices. It is possible that this trend continues and consumption spending defies the upcoming slowdown in real income growth, but it is also possible that there is some adjustment. This will be one of the key calls for the UK outlook in 2017. The UK labour market has remained broadly stable in recent months, with higher frequency indicators showing a slight loss of momentum. However, so far, there haven't been any clear signs of the rise in unemployment that the Bank of England ("BoE") expects for 2017.

Core inflation has been evolving slightly weaker than expected by the BoE in its November Inflation Report, but headline inflation is broadly on track, helped by the most recent rise in oil prices, offsetting the slight undershooting of core inflation. In November, the BoE forecast a material overshoot of inflation relative to its target in the next few years, largely on account of the sharp depreciation of Sterling over the past year, prompting the Monetary Policy Committee to abandon its easing stance and move to a more neutral policy stance. The latest appreciation of Sterling – likely triggered by the market's perception of a lower probability of a 'hard Brexit' – has reduced the projected overshoot in inflation and should

thus leave the BoE in a comfortable wait-and-see mode for the coming months. More news on the Brexit process is expected in January, when the United Kingdom's Supreme Court is expected to rule on the need for parliamentary approval for triggering Article 50 TEU. Under most scenarios, the Government's timetable for the Article 50 notification by the end of March 2017 remains intact.

EMU

Euro area Q3 GDP was confirmed at 0.3% q/q (with some risk of an upwards revision to 0.4% q/q) supported by domestic demand. Survey data in October-December suggest the potential for growth to exceed Q3, while solid data released thus far were softer, pointing in the direction of a softer outcome. Following recent revisions, the euro area unemployment rate has now fallen to 9.8% in October – its lowest since July 2009 – from a revised 9.9% in September (previously 10%). However, wage growth has yet to pick up despite the improvement in the labour market in recent years. Euro area negotiated wage growth remains low at just 1.4% y/y in Q3, its slowest annual growth rate since Q4 1991. Headline inflation edged up again (0.6% y/y in November) and may move to approximately 1% early next year driven by higher oil prices and base effects. However, core inflation remained stubbornly low at 0.8% y/y in November.

The ECB announced its intention to reduce the pace of monthly purchases from €80bn to €60bn from April 2017 onwards, as part of a 9-month Quantitative Easing ("QE") extension until at least the end of 2017, or beyond, if necessary (adding €540bn of purchases and taking the total intended stock of QE to €2.28trn, or 21% of GDP). The reduction in the monthly pace was the only novelty, albeit relevant, on the hawkish side. The additional announcements from the ECB were leaning to the dovish side. This includes a warning that the ECB intends to increase the programme in terms of size and/or duration if, in the meantime, (i) the outlook becomes less favourable (likely mindful of increased uncertainty following the resounding Italian referendum result and resignation of PM Renzi), or (ii) financial conditions become inconsistent with achieving a sustained inflation adjustment (perhaps reflecting concerns over what the QE pace reduction might mean for markets). The ECB also changed some of the parameters to accommodate an expanded QE programme (expanding the maturity of eligible bonds by decreasing the minimum remaining maturity to 1yr from 2yrs and allowing purchases with a yield to maturity below the deposit rate "to the extent necessary"). The profile of ECB policy for 2017 therefore looks quite orthogonal to what is currently expected by the Fed, envisaging a continuation of tightening.

China

In November, activity in China remained resilient, although the indications stemming from the manufacturing Purchasing Managers' Index ("PMI") overshot actual underlying dynamics. The official PMI rebounded further to 51.7, much stronger than expected and the highest level since Q3 2014, while the Caixin PMI stood at a reasonable 50.9 level. Fixed Asset Investment grew by a relatively modest 8.3% y/y YTD, as did Industrial Production ("IP") growth at 6.2% y/y, while retail sales growth rose to 10.8% y/y and car registrations accelerated further. Inflation accelerated from 2.1% to 2.3% in November, exceeding the consensus forecast, while the Producer Price Index ("PPI") rose by a solid 3.3% y/y.

On the monetary side, total social financing accelerated further in November, to 18.3% y/y. The 7-day repo rate has been volatile for the past month, ranging from 2.35% to 3.24%, which is the highest since early 2015. Foreign exchange reserves fell in November by nearly US\$70bn to US\$3.05 trn.

Japan

Economic data suggest an economy operating a little above its potential rate. Q3 GDP revised down, but at 1.3% (annualised rate), it is still running above estimated potential GDP growth. Household and government consumption expanded moderately. Trade added arithmetically to growth as exports moved up and imports declined for the fourth straight quarter. Inventories were a modest drag on activity, and fixed investment was mixed. Higher-frequency survey data improved. The Shoko-Chukin survey of small and medium-sized businesses edged up again. The economy watchers survey jumped 3.2 points; at 52.5 it is at its highest level in two and a half years.

National prices excluding food and energy edged up 0.1% seasonally adjusted in October, as did Tokyo prices in November. Even so, both nationally and just in Tokyo, the 12-month change remains around zero. After falling rapidly, consumer inflation expectations have flattened out in the last six months at a relatively low level. The recent 10% depreciation in the yen relative to the dollar should provide some impetus to inflation in the next half year, though not nearly enough to raise inflation to be consistent with the implied path of the median projection from members of the Bank of Japan.

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.