

BREVAN HOWARD

BH MACRO LIMITED

**MONTHLY SHAREHOLDER REPORT:
MARCH 2018**

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:

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

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.

Corporate Broker:

J.P. Morgan
Cazenove

Total Assets: \$484 mm¹

1. As at 29 March 2018. Source: BHM's administrator, Northern Trust.

Listing:

London Stock
Exchange (Premium
Listing)

Summary Information

BH Macro Limited NAV per Share (Calculated as at 29 March 2018)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	61.3	\$21.74
GBP Shares	422.9	£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	-1.77	-0.82	-0.28	3.61	-0.99	-0.17	-0.37	0.77	5.02	0.19	6.63
2017	-1.47	1.91	-2.84	3.84	-0.60	-1.39	1.54	0.19	-0.78	-0.84	0.20	0.11	-0.30
2018	2.54	-0.38	-1.54										0.58

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	0.05	5.79
2017	-1.54	1.86	-2.95	0.59	-0.68	-1.48	1.47	0.09	-0.79	-0.96	0.09	-0.06	-4.35
2018	2.36	-0.51	-1.68										0.13

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 and all other fees and expenses payable by BHM. In addition, the Fund is subject to an operational services fee.

With effect from 1 April 2017, the management fee is 0.5% per annum. BHM's investment in the Fund is subject to an operational services fee of 0.5% per annum.

No management fee or operational services fee is charged in respect of performance related growth of NAV for each class of share in excess of its level on 1 April 2017 as if the tender offer commenced by BHM on 27 January 2017 had completed on 1 April 2017.

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 29 March 2018

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

**ASC 820 Asset
Valuation
Categorisation on
a non look-
through basis***

Brevan Howard Master Fund Limited

Unaudited as at 29 March 2018

	% of Gross Market Value*
Level 1	75.1
Level 2	15.4
Level 3	0.0
At NAV	9.5

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. The relative size of each category is subject to change. Sum may not total 100% due to rounding.

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.

**ASC 820 Asset
Valuation
Categorisation on
a look-through
basis***

	% of Gross Market Value*
Level 1	83.2
Level 2	16.8
Level 3	0.0

Source: BHCM

* This data reflects the combined ASC 820 levels of the Fund and the underlying allocations in which the Fund is invested, proportional to each of the underlying allocation's weighting in the Fund's portfolio. The 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 and any underlying funds (as the case may be). The relative size of each category is subject to change. Sum may not total 100% due to rounding.

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 March 2018, losses primarily came from directional trading in US and European interest rates as well as from relative value trading of European government bonds. Smaller gains were generated from US interest rate basis trading. Additional losses came from FX trading as well as from equity index positions.

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 29 March 2018.

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 29 March 2018

2018	Rates	FX	Commodity	Credit	Equity	Total
March 2018	-0.83	-0.38	-0.01	0.00	-0.31	-1.54
Q1 2018	0.93	-0.20	0.01	-0.06	-0.07	0.58
YTD 2018	0.93	-0.20	0.01	-0.06	-0.07	0.58

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, 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

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 29 March 2018

2018	Macro	Systematic	Rates	FX	Equity	Credit	EMG	Commodity	Total
March 2018	-0.99	0.01	-0.49	-0.12	-0.00	0.01	0.05	-0.00	-1.54
Q1 2018	0.87	0.02	-0.46	-0.09	-0.00	-0.03	0.28	-0.00	0.58
YTD 2018	0.87	0.02	-0.46	-0.09	-0.00	-0.03	0.28	-0.00	0.58

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

Manager Update Middle and back-office operations

BHCM's UK affiliate, Brevan Howard Asset Management LLP ("BHAM"), is separating its middle and back-office operations into a newly formed affiliate with effect from 1 May 2018, which will then provide services back to BHAM and, in turn, the Fund. In due course, the new affiliate is also expected to provide middle and back office services to non-Brevan Howard customers. It will be "business as usual" in terms of service provision being unchanged, with personnel and processes remaining the same.

Minal Bathwal

The Manager anticipates that with effect from 1st May, Minal Bathwal's trading on behalf of the Fund will take place through an allocation by the Fund to a new fund for which Mr Bathwal will be the sole portfolio manager. The purpose of this is to allow the Fund to continue to access Mr Bathwal's trading expertise whilst also permitting Mr Bathwal to manage additional external assets without the need to manage two pools of capital.

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

The economy slowed to a trend-like pace in Q1. However, indicators suggest momentum picked up at the end of the quarter despite a soft reading on the labour market. Retail sales firmed in March after three lacklustre months. Orders and shipments of core capital goods, that are a key input in capex spending, jumped in February. Early tracking of the current quarter puts growth back around 3% at an annual rate.

After having surged in February, job gains slowed in March. Smoothing through the monthly volatility, payroll employment has risen 200,000 per month on average this year. That brisk pace should put further downward pressure on the unemployment rate, which remained at 4.1% for the sixth month in a row in March. Wage pressures remain moderate, reflecting the lagged impact of subdued productivity trends and restrained wage bargaining.

Inflation continues to build slowly. Core consumer price index ("CPI") prices rose 0.2% in March. With the sharp decline in wireless prices falling out of the calculation, the y/y change in core CPI jumped to 2.1%. Combined with the other inputs to the Federal Reserve's ("Fed") preferred underlying inflation gauge, core personal consumption expenditure ("PCE") inflation is expected to rise to 1.9% in the next release, little different from the Fed's 2% target.

Nevertheless, the Fed appears patient in normalising interest rates since a breakout of inflation pressures seems like a tail risk. Most policy makers are pointing to three or four rate increases this year. The debate about whether, and by how much, policy will eventually need to go above neutral is just shaping up. Some policy makers think rates will need to go above neutral by a modest amount to bring the economy into a soft landing.

Elsewhere in Washington, the Trump administration's various trade announcements dominated the headlines. While there were hints of good news from the North American Free Trade Agreement ("NAFTA") negotiations and the section 232 steel/aluminum tariffs seemed to be more 'bark' than 'bite', significant uncertainty surrounds the section 301 actions against China. There have been no hard actions, but these trade negotiations appear much more serious and bear watching carefully in the coming months.

UK

UK activity has moderated according to the latest data, though some evidence suggests that the slowdown may be temporary. Based on recent hard data, construction is expected to detract 0.2ppts from GDP, and manufacturing to make little contribution at all. Furthermore, the Markit composite Purchasing Managers' Index ("PMI"), reflective of business sentiment, fell by 2.0pts in March, marking the lowest reading since July 2016, suggesting activity should decelerate in Q1 compared to the 0.5% q/q pace seen in Q4 2017. The abrupt nature

of the slowdown suggests the moderation may be temporary; one possibility is that adverse weather conditions, due to a colder than usual winter, have impeded growth in Q1. Otherwise, data has in general been consistent with trends seen last year. Employment has continued to grow around 1% y/y; the unemployment rate ticked down 0.1ppts to a low level of 4.3% in January, unwinding the tick up from the previous month. Consumer confidence ticked up in March to levels marginally above long-term average levels. Growth in nominal retailing has moderated, albeit still running at a healthy pace of 3.2% y/y as of March; the slowdown in part reflects a deceleration in consumer credit growth, after banks had allowed consumer credit to accelerate meaningfully last year. The housing market has remained relatively soft, as has been the case since the referendum. House prices continue to grow around 2% y/y, down from the 6-7% pace seen in 2015 and the first half of 2016.

Despite only moderate growth, data suggests there is little spare capacity in the economy. Alongside the low levels of unemployment, there has been a pick up in wage growth in most recent data, with average weekly earnings growing around 3% annualised as of January. Consistent with this, unit labour costs grew 2.1% y/y as of Q4 2017. In addition, various surveys have alluded to increasing difficulties in the recruitment of labour, suggesting wages may grow more markedly in the future. Headline inflation, which fell 0.3ppts to 2.7% y/y in February, is still projected to moderate in the medium term, as the effects from the earlier exchange rate shock is expected to fade; but inflation remains well above the Bank of England's ("BoE") target of 2%. In general, the lack of spare capacity, and expected pick up in wages, should support domestic inflationary pressures in the medium term. At the BoE's most recent Monetary Policy Committee ("MPC") meeting in March, two members voted to raise Bank Rate a further 25bps, whilst the seven person majority voted to keep rates unchanged at 0.5%. The MPC statement concluded that 'given the prospect of excess demand over the forecast period, an ongoing tightening of monetary policy over the forecast period will be appropriate to return inflation sustainably to its target at a more conventional horizon.' As such, an increase in Bank Rate is widely expected in May.

Though political sentiment has generally improved, the Brexit process continues to cloud the outlook for the United Kingdom. In December, the European Union council declared that sufficient progress has been made on the three pillars of 'divorce' to allow negotiations to move onto discussing a transition deal and the future relationship. In March, the UK was able to secure a transition deal (conditional on a final withdrawal treaty), allowing the UK to stay in the single market and customs union until December 2020. The agreement also ensured that Northern Ireland will effectively stay in parts of the single market and customs union in the absence of other solutions. The next milestone will be the European Council meeting on 28 June, wherein issues such as the Irish border and terms for the future trade are still to be discussed.

EMU

Business confidence releases in March confirmed earlier indications that the EMU economy peaked at around the turn of the year, and has been slowing since. In particular, the EMU Composite PMI fell by almost 2pts from 57.1 to 55.2, almost twice the standard deviation of the series. This is the lowest level since January 2017, and 3.6pts below the January 2018 peak. At the same time, hard data available up to February, from industrial production to retail sales and construction, paints a much less encouraging picture for Q1 EMU GDP than encompassed in the European Central Bank ("ECB") 0.7% q/q March forecasts. Moreover, the March Harmonised Index of Consumer Prices ("HICP") release indicates that ECB forecasts will not be hit, and the ECB's hopes of convergence towards its definition of medium-term price stability, along a self-sustaining path, appears unlikely. Indeed, both headline and core inflation missed the consensus forecasts by 0.1ppts, rising from 1.1% to 1.3% y/y and remaining stable at 1.0% y/y, respectively. In particular, the stability of core inflation at a mere 1%, despite the support provided in March by the seasonal Easter effect, is a reason for concern.

Japan

The most interesting development in Japan of late is political. A second cronyism scandal involving Prime Minister Abe is brewing. It is presently hard to assess its significance for the current government. However, there has been an unmistakable decline in approval ratings, with the worst readings coming in below the 30-point cut-off, which in the past, has been read as especially problematic. As seen elsewhere, unresolved scandals can cost valuable political capital. Firm leadership will be needed to push through fiscal legislation to offset the immediate, pernicious effects of the scheduled consumption tax hike in October 2019.

The inflation environment has not really changed of late. Recent trends suggest a 1% or so rate, with no hint of a further acceleration, other than some base effects likely to help out the 12 month change in core prices over the next couple months. Non-fresh food and especially energy prices are supportive of the core aggregate, but western core price inflation needs to pick up further for a more sustainable re-inflation. Of late, the monthly prints have vacillated between flat and up only 0.1%. Tokyo prices, which are released with a one month lead, dropped 0.2% in March, unwinding February's 0.2% increase. The pickup in consumer inflation expectations appears to have stalled, and the yen has appreciated 4.75% against the dollar since the start of the year.

Information on the real economy has been mixed. The quarterly Tankan Survey data point to well-maintained production and optimism among businesses. The Economy Watchers index is down from the elevated level seen at the end of last year, but around the average level seen in the last six years or so. Industrial production in February reversed much of January's pothole, but has in the last half year moved sideways on balance.

Enquiries**The Company Secretary****Northern Trust International Fund Administration Services (Guernsey) Limited**bhfa@ntrs.com

+44 (0) 1481 745736

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.