BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT:
APRIL 2012

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This material constitutes a financial promotion for the purposes of the Financial Services and Markets Act 2000 and the handbook of rules and guidance issued from time to time by the FSA (the "FSA Rules").

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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.

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PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS

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BREVAN HOWARD

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BH Macro Limited

Manager:

Brevan Howard Capital Management LP ("BHCM")

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

Corporate Broker:
J.P. Morgan Securities Ltd.

Listings:
London Stock Exchange (Premium Listing)

NASDAQ Dubai - USD Class (Secondary listing)

Bermuda Stock Exchange (Secondary listing)

Overview:

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: $2,122mm[1]

1. Estimated as at 30 April 2012 by BHM's administrator, Northern Trust.

Summary Information

BH Macro Limited NAV per share (estimated as at 30 April 2012)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	588.1	$19.37
EUR Shares	229.6	€19.56
GBP Shares	1,304.0	£19.99

BH Macro Limited NAV per Share % Monthly Change

USD Shares	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	-0.44*									0.30*

EUR Shares	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	-0.47*									0.30*

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GBP Shares	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	6.85	-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	-0.42*									0.37*

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 Brevan Howard. 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.

* Estimated as at 30 April 2012.

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ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited Estimates as at 30 April 2012

	% of Gross Market Value
Level 1	56
Level 2	44
Level 3	0

Source: Brevan Howard

* These estimates are unaudited and have been calculated by Brevan Howard 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.

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Performance Review

During the month, the Fund incurred small losses predominantly in macro trading in FX and commodities, which were partially offset by small gains in interest rates trading.

Monthly and annual contribution (%) to the performance of BHM USD Shares (net of fees and expenses) by strategy group

	Macro	Rates	FX	EMG	Equity	Commodity	Credit	Systematic	TOTAL
April	-0.56	0.15	0.00	0.04	-0.04	-0.04	0.02	-0.01	-0.44
Q1	-0.42	0.27	0.01	0.22	-0.09	0.16	0.57	0.02	0.75
QTD	-0.56	0.15	-0.00	0.04	-0.04	-0.04	0.02	-0.01	-0.44
YTD	-0.96	0.42	0.00	0.26	-0.13	0.12	0.59	0.01	0.30

Monthly and annual figures are estimated by Brevan Howard as at 30 April 2012, based on performance data for each period provided by the Fund's administrator, International Fund Services (Ireland) Limited.

Methodology and Definition of Monthly and Annual Contribution to Performance:

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)
"**Rates**": developed interest rates markets
"**FX**": global FX forwards and options
"**EMG**": global emerging markets
"**Equity**": global equity markets including indices and other derivatives
"**Commodity**": liquid commodity futures and options
"**Credit**": corporate and asset-backed indices, bonds and CDS
"**Systematic**": rules-based futures trading

Market Review and Outlook

Market Commentary

US

US growth was unexpectedly weak in the first quarter of 2012 and indicators were mixed at the start of the second quarter. Real GDP rose by only 2.2% in the first quarter, owing to an unexpected drop in outlays for defence. Underneath the headline figure, however, private domestic demand rose at a more robust rate of 2.7%, reflecting brisk consumption expenditure and a jump in residential construction. Indeed, a variety of indicators suggest that the housing sector has begun to slowly improve. In the current quarter, retail sales have proved resilient and the fall in gasoline prices should support real income and spending going forward. Business investment appears to be resuming a moderate expansion after a pause in the first quarter. These factors combined should produce another relatively decent quarter for private domestic demand.

Payroll employment rose by 115,000 in April, which was a noticeable step down from the pace of job creation earlier in the year. Part of the slowdown has been due to the extraordinarily warm winter, which increased hiring during the winter months in a variety of weather-sensitive sectors such as construction and hospitality. In the coming months, as we move beyond the distortions caused by the weather, the overall trend in

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the labour market should become clearer. The unemployment rate edged down to 8.1% in April but this seemingly positive news was in fact due to an unwelcome fall in the participation rate. To continue to make meaningful progress in reducing the unemployment rate, employment gains will have to pick up from April's pace.

Headline inflation has steadily converged to the 2% target rate that the Federal Reserve introduced in January, as energy prices have subsided. Core inflation has inched up to 2%, after shedding the underlying hints of deflation seen occasionally in the last two years.

With the economy expanding at a little above trend and inflation at 2%, the Fed has downplayed the possibility of additional asset purchases (QE3). That said, the expansion still faces serious downside risks, primarily related to contagion effects from the most recent flare-up of the European financial crisis, as well as the 'fiscal cliff' to be faced by the US at the start of next year. If the recovery falters, the Fed is prepared to provide additional stimulus.

EMU

During the first week of May, two key national elections were held in the euro area. In France, Francois Hollande became the first socialist president in 17 years in a tight second round of voting in which he beat the incumbent president, Nicolas Sarkozy. In Greece, the parliamentary election resulted in an impasse in which none of the main parties, separately or jointly in coalition, was able to gain a sufficient majority to form a government. The Greek election immediately increased speculation over the ability and willingness of Greece to comply with the EU-sponsored austerity programme. Two weeks earlier, the minority government in the Netherlands had collapsed after the opposite far-right party, upon whose support the government had to rely, refused to endorse the government's proposed budget cuts. Following a turbulent month in the Spanish bond markets, Standard and Poor's ("S&P") downgraded the Spanish sovereign by two notches to BBB+. If followed by the other rating agencies, the downgrades will substantially increase the financing costs of Spanish banks and corporate borrowers.

Pointing to a renewed slowdown in euro area economic activity after a first quarter of the year when GDP was flat, the EMU composite PMI fell in April to 46.7, from 48.4 in March. The composite PMI has fully reversed its gains of late last year and earlier this year and is now below its trough of October 2011 of 46.9. The declines in the eurozone PMIs were relatively steep in Spain, Italy and France. Germany has held up better, but it too slipped into contractionary territory in April. The European Commission's harmonised measure of the unemployment rate in the euro area rose to 10.9% in March from 10.8% in February, which is a new euro area all-time high reading. According to Eurostat's flash release, euro area HICP inflation dropped to 2.6% year-on-year in April from 2.7% year-on-year in March. The slowdown is in line with the ECB's latest forecast in its March macroeconomic staff projections.

In its meeting in May, the ECB adopted a moderately more dovish stance. However, although the statement after the meeting was more downbeat on growth and dismissed any further upside risks on inflation, ECB President Draghi refrained from signalling any upcoming rate cuts by abandoning the key recovery scenario. Rather, the ECB signalled that another month of data is needed before a more firm view on the appropriateness of the current monetary policy stance could be formed.

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UK

The UK activity data in April showed a less clear picture of the economy. On the one hand, first quarter GDP recorded a sharp downside surprise. On the other hand, a wide range of survey evidence, labour market data and anecdote suggested that the economy was still growing, albeit at a subdued and below-trend rate. Consumer confidence remains stable but low, and the housing market is hovering around zero growth. Indicators related to consumption, such as retail sales and car registrations, show a clear improvement in the first part of 2012 compared with 2011, as positive employment growth and lower inflation create higher real income growth for households. GDP data in the next two quarters will not clarify the picture significantly, as second quarter GDP is likely to be pulled down sharply by the Jubilee-related additional holiday, while the third quarter should see an Olympics-related boost.

Fiscal austerity as well as household and bank deleveraging continue to represent substantial headwinds to growth. A return to above-trend growth is unlikely until these forces start to abate meaningfully. Net new bank lending to households and firms has been zero for approximately three years now. Money growth has started to pick up slightly, although it remains subdued. Internationally, the UK is naturally suffering from the renewed weakness in eurozone growth, but this is partially offset by somewhat more resilient growth in the rest of the world. Despite particularly weak growth rates, the degree of slack in the economy does not appear to be increasing. Employment growth has been positive for the last two quarters, pay settlements are low but creeping up slightly, and core inflation remains surprisingly resilient. Inflation, currently at 3.5%, has already come down to halfway between its peak and the 2% Bank of England ("BoE") target. From here, we expect further moderation in inflation, but at a more gradual pace. Given resilient underlying CPI inflation, and some renewed increases in producer prices and energy prices, inflation is unlikely to drop quite as fast or as far as the BoE expects; their most recent forecast has inflation below target by late 2012, whereas we predict that inflation will end the year between 2.5–3%, and remain above target for most or all of next year as well.

Japan

After an ebullient first quarter, activity in Japan appears to be softening somewhat at the beginning of the second quarter. Indeed, the Japan composite PMI fell from the all-time high of 53.2 in March to 51.3 in April, a decent value but still lower than the 51.9 average recorded in the first quarter. The moderation stemmed from both manufacturing (down from 51.1 to 50.7) and, in particular, services (down from 53.7 to 53.1). External demand for Japanese industrial goods is softening again, especially from Europe and China, after a strong performance in March: despite the weaker yen, export PMI orders fell from 50.2 to 48.4. Industrial production rebounded in March, by 1.3% month-on-month, but by less than the 1.6% month-on-month increase envisaged by the consensus. Moreover, although stronger in the first quarter of 2012 than in the last quarter of 2011, consumer spending dynamics seem to have slowed in March, which does not bode well for the second quarter.

As widely expected, at its April meeting, the Bank of Japan ("BoJ") decided to increase its Asset Purchase Programme, thus expanding further its monetary stance. In particular, the BoJ increased its purchases of JGBs (Japanese Government Bonds), extended the maturity of its purchases and expanded its purchases of equities. Moreover, the BoJ revised higher its forecast for both growth and inflation. Despite the expanded monetary easing, the Japanese yen has strengthened in the market in effective terms, mainly due to renewed risk aversion.

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China

China's first quarter GDP growth was lower than expected, at 8.1% year-on-year and 7.4% quarter-on-quarter annualised. The economy started the second quarter on the softer side, with April data all showing weakness. Industrial production growth slowed to a mere 9.3% year-on-year in April, having averaged 11.5% in the first quarter. The slowdown in industrial production suggests that the de-stocking process is quickening as weak domestic demand does not support a strong supply. Moreover, growth in fixed-asset investments slowed from 20.4% in March to 19.0% year-on-year in April, with property investment growth in particular falling quickly. Retail sales also moderated in April, from 11.3% year-on-year in March to 10.7% year-on-year in volume terms. To complete the dismal picture of April data, the pace of growth of both monetary and credit aggregates slowed significantly, with M2 growth moderating from 13.4% to 12.8% year-on-year, well below consensus expectations. CPI inflation, on the other hand, is moderating, albeit still remaining well above 3%. In April, inflation was 3.4% year-on-year, marginally lower than in March.

Overall, data suggest that the growth-inflation trade-off is worsening. This was reflected in the People's Bank of China's ("PBOC") first quarter monetary policy report; despite lower inflation, the PBOC indicated concern over upside risks for price stability and as such reiterated a prudent monetary policy. The PBOC hinted that monetary fine-tuning would work predominantly through liquidity adjustment tools, such as repos, reverse repos, PBOC bill issuance and changes in the reserve requirement ratio, with no mention of interest rate tools.

Enquiries

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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 the Fund) should consult an authorised person specialising in advising on such investments. Any person subscribing for shares in BHM must be able to bear the risks involved. These include, among others detailed in BHM's Prospectus, 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 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.

• There are restrictions on transferring interests in the Fund.

• 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 is 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 in BHM and therefore reference should be had to BHM's Prospectus and related offering documentation for a complete description of these and other relevant risks.