BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT

FEBRUARY 2011

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Your attention is drawn to the disclaimer at the beginning and end of this document

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This material constitutes a financial promotion for the purposes of the Financial Services and Markets Act 2000 (the "Act") and the handbook of rules and guidance issued from time to time by the FSA (the "FSA Rules"). The material relating to the Fund and BHMF included in this report has been prepared by BHAM and is provided for information purposes only and does not constitute an invitation or offer to subscribe for or purchase shares in the Fund. 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 the Fund and BHMF have been obtained or derived from sources believed by BHAM to be reliable, but BHAM makes no representation as to their accuracy or completeness. Estimated results, performance or achievements may materially differ from any actual results, performance or achievements. Except as required by applicable law, the Fund and BHAM expressly disclaim any obligations to update or revise such estimates to reflect any change in expectations, new information, subsequent events or otherwise. All investments are subject to risk. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions.

Tax treatment depends on the individual circumstances of each investor in the Fund and may be subject to change in future. Returns may increase or decrease as a result of currency fluctuations. You should note that, if you invest in the Fund, 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. Potential investors in the Fund should seek their own independent financial advice. BHAM neither provides investment advice to, nor receives and transmits orders from, investors in the Fund nor does it carry on any other activities with or for such investors that constitute "MiFID or equivalent third country business" for the purposes of the FSA Rules.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS

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MONTHLY SHAREHOLDER REPORT: FEBRUARY 2011

BREVAN HOWARD

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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.

Summary Information

BH Macro Limited NAV per share (estimated as at 28 February 2011)

Shares Class	NAV (USD mm)	NAV per Share
USD Shares	547.3	$17.43
EUR Shares	329.2	€17.50
GBP Shares	1,036.8	1794p

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	0.49*											1.15*

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	0.53*											1.24*

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	0.51*											1.18*

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 the Fund's Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited. BHM NAV per Share % Monthly Change is calculated by BHAM. 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 28 February 2011.

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FAS 157 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited Estimates as at 28 February 2011

	% of Gross Market Value
Level 1	65
Level 2	35
Level 3	0

Source: BHAM

* These estimates are unaudited and have been calculated by BHAM using the same methodology as that used for the 2009 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

During the month, the Fund made small profits in macro trading from swap spreads and curve trading in EUR, and in commodity trading. Gains were also made in credit trading. Some losses were suffered in USD curve trading.

Monthly contribution (%) to basic performance of BHM USD Shares by strategy group

	Total	Macro	Rates	FX	EMG	Equity	Commodity	Credit	Systematic
February 2011 *	0.49	0.62	-0.61	0.04	0.13	-0.04	0.09	0.21	0.05

Source: BHAM
* Estimated as at 28 February 2011.

Methodology and Definition of Monthly Contribution to Performance:

Attribution is approximate and has been derived by allocating each trader book in BHMF 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

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Market Review and Outlook

Market Commentary

US

In the US, growth is expected to remain sturdy if unspectacular. Incoming data has been mixed and we currently expect growth of approximately 3% in the first quarter. This is in contrast to the somewhat more optimistic market sentiment coming into this year. Following the deal in December 2010 to extend the Bush tax cuts and add further fiscal stimulus, the market is looking for real GDP growth of 4% in the first quarter. The gap between our view and market expectations owes much to our emphasis on the drags from the housing market, tight credit conditions and the lacklustre labour market.

Two ongoing developments are sure to be negatives for the growth outlook. Firstly, the Republicans wish to slash federal spending in the current and upcoming fiscal years. At this point, the magnitude of the cuts is unknown as it depends on the willingness of the Democrats to compromise. However, assuming the Republicans achieve half the spending cuts they are aiming for, then we would subtract about half a percentage point from real GDP growth in the middle of the year. Secondly, the recent surge in energy prices will act as a drag on real income and spending. Depending on the persistence of the price increases, we could see real GDP growth shaved by another quarter of a percentage point or more over the coming year. Combined, these two negatives for the growth outlook are likely to cause our forecast to be revised down.

Higher energy prices as well as food prices are pushing up headline inflation. The futures markets are signalling the persistence of higher energy prices, pointing to sustained pressures on headline inflation. There will be plenty of stories of painful wholesale price pressures, record high food prices, and higher gasoline prices. However, since the pass-through in recent decades has been relatively small, we expect core inflation to only inch above 1% in the medium-term. As long as futures prices for energy and food inputs level off and inflation expectations remain steady, the Federal Reserve will look through the burst of headline inflation as they have done in the past (e.g. 2008). As a result, whilst fiscal policy becomes incrementally contractionary this year, we expect monetary policy to be expansionary for the foreseeable future.

EMU

Newly released business surveys and data indicate that at the beginning of 2011 the EMU economy maintained its expansion at an underlying pace higher than the pre-crisis trend. Most crucially, there is evidence that the recovery is spreading to peripheral countries. However, positive activity data was accompanied by a rise in inflation, mainly driven by higher food and energy prices. The annual growth rate of the Harmonised Index of Consumer Prices climbed to 2.3% in January 2011 and increased further in February, and measures of inflation expectations are also increasing. At the same time, other indicators suggest still little domestically-generated inflationary pressure as growth of nominal wages and credit remain low.

Despite the ongoing recovery, in some peripheral countries the medium-term sustainability of high levels of both public and private debt and the high dependence on external funding remain unresolved issues. In this respect, the improved attitude of European policymakers to put in place measures aimed at reducing the risks of sovereign debt crisis has been notable. The decisions taken by the Ecofin council at the beginning of March marked a positive step, although not yet providing a definitive solution to the European crisis.

The European Central Bank ("ECB") faces a complex environment, having to fulfil its price stability mandate without jeopardising the financial stability of some peripheral countries. After switching its main focus from financial stability to price stability in January, at its meeting in March the ECB heralded an imminent increase in policy rates whilst maintaining the measures of liquidity support for the banking system.

UK

In the UK, since the surprising drop in GDP in the fourth quarter of 2010, survey evidence suggests that the underlying growth rate of the economy remained subdued but positive at the beginning of 2011. The only indicators showing potential for bad news are construction spending and consumer confidence, which dropped sharply and remained low. Other evidence of household spending around the turn of the year, as well as housing market indicators, suggest that consumption growth is subdued, but not falling sharply. The household sector continues to be the weakest sector of the economy, given negative real income growth, stagnant house prices, and high and persistent unemployment. As long as consumption does not fall sharply, exports and business investment can sustain a moderate, below-trend recovery, despite the headwinds from fiscal austerity.

Meanwhile, CPI inflation rose to 4% as expected, and this is probably not the peak yet. There is also some survey and anecdotal evidence to suggest that persistently high inflation is now beginning to affect wage demands. The Bank of England (“BoE”) substantially revised its view of the growth-inflation trade-off in the medium-term. The BoE February forecast shows risks to medium-term inflation balanced around the target – versus a previous forecast skewed to the downside – conditional on some moderate policy tightening this year. The minutes of the Monetary Policy Committee revealed an even wider range of views than just a few months ago, with three members voting for a hike, five unchanged and one voting for additional stimulus. Unless growth disappoints materially in the coming months, a moderate adjustment in the monetary policy stance this year is the most likely scenario, despite the below-trend growth outlook and severe fiscal austerity headwinds.

Japan

In Japan, high frequency data in the first two months of the year pointed to a significant rebound in GDP in the first quarter, after a contraction in the fourth quarter of last year. The reacceleration was primarily driven by stronger manufacturing activity as industrial production bounced back in January and upbeat projections were reported for February and March. Similarly, the manufacturing PMI rose consistently in the first two months of the year, reaching 52.9 in February, up from an average of 47.6 in the fourth quarter of last year. The parallel, albeit more gradual, uptrend in broader survey measures of activity (the composite PMI, the Shoko Chukin, the Economy Watchers Survey) suggested that the non-manufacturing economy was improving as well, as indicated by actual data on consumer spending.

Needless to say, this relatively positive background will be severely challenged by the tragic consequences of the devastating earthquake and tsunami on 11 March 2011. Our sympathy and condolences are with the Japanese people.

China

In February, the HSBC China Composite PMI fell by 1.6 points to 51.7, the lowest level since July 2010, reflecting a weakening of activity especially on the manufacturing side. It is still unclear as to the extent to which the moderation reflects recent policy tightening, as the seasonal adjustments may result in distortions at the beginning of the calendar year in both surveys and other activity data. Price pressures remain elevated, as the relative stability observed in CPI inflation in the first two months of the year may be temporary, and the PPI keeps accelerating. The rise in crude oil prices will weigh further on the Chinese CPI and inflation expectations.

Policy-wise, the Chinese government places price stability as the top priority for this year. The People's Bank of China ("PBOC") has raised its one-year benchmark deposit and lending rates by 25bps to 3.0% and 6.06% respectively, effective 9 February 2011. The PBOC has also raised the reserve requirement ratio ("RRR") by 50bps with effect from 24 February 2011. After this hike, the RRR is 19.5% for big banks and 17.5% for small and medium-sized banks. The PBOC also introduced a dynamic differential RRR system to control lending and liquidity this year. Forty small banks were made subject to a punitive differential RRR in February. This new instrument appears to be working well as new loan expansion is moderating. Looking ahead, the current policy tightening is likely to continue, with further rate and RRR hikes.

Enquiries

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Risk Factors

Acquiring shares in the Company 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 the Company (and therefore the Fund) should consult an authorised person specialising in advising on such investments. Any person subscribing for Shares must be able to bear the risks involved. These include, among others detailed in the Company'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 will invest in illiquid securities.

• Past results of the Funds' investment manager is not necessarily indicative of future performance of the Fund, and the Funds' performance may be volatile.

• An investor could lose all or a substantial amount of his or her investment.

• The investment manager has total investment and trading authority over the Fund, and the Fund is dependent upon the services of the investment manager. The use of a single advisor could mean lack of diversification and, consequently, higher risk.

• 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 Manager's incentive compensation, fees and expenses may offset the Funds' 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 Funds' 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 Interests and therefore reference should be had to the Company's Prospectus and related offering documentation for a complete description of these and other relevant risks.