BREVAN **HOWARD**

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT

JANUARY 2010

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Important Legal Information and Disclaimer

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PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS

T +44 (0)20 7022 6250 www.brevanhoward.com

Summary information

BH Macro Limited NAVs per share (as at 29 January 2010)

Shares Class	NAV (USD mm)	NAV per Share
USD Shares	685.3*	$17.03*
EUR Shares	399*	€17.07*
GBP Shares	760.1*	1751p*

*Data is estimated as at 29 January 2010.

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*												-0.27*

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	-0.31*												-0.31*

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*												-0.23*

Source: Underlying BHMF NAV data is provided by the Administrator of BHMF, International Fund Services (Ireland) Limited. BH Macro Limited NAV and NAV per Share data is provided by the Fund's Administrator, Northern Trust International Fund Administration Services (Guernsey) Limited. BH Macro Limited NAV per Share % Monthly Change are calculated by BHAM. BH Macro Limited 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 BH Macro Limited. In addition, BHMF is subject to an operational services fee of 50bps per annum. *Data is estimated as at 29 January 2010.

**NAV performance is provided for information purposes only. Shares in BH Macro Limited do not necessarily trade at a price equal to the prevailing NAV per Share.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

FAS 157 Asset Valuation Categorisation[1]

Brevan Howard Master Fund Limited (the "Master Fund")

Unaudited Estimates as at 29 January 2010

	% of NAV (Gross Market Value)
Level 1	63%
Level 2	37%
Level 3	0%

Source: BHAM

1These estimates are unaudited and have been calculated by BHAM using the same methodology as that used for the 2008 audited financial statements of BHMF. 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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January 2010 Performance Review

During the month, Brevan Howard Master Fund Limited ("BHMF") incurred losses in fixed income curve exposures and volatility. Further losses were suffered in equity and commodity exposures. Profits were made in fixed income relative value, credit and emerging markets strategies.

Monthly contribution (%) to basic performance of BH Macro Limited USD Shares by asset class

	Total	Macro	Rates	FX	EMG	Equity	Commodity	Credit	Systematic
January 2010	-0.27	-0.43	0.12	0.08	0.11	-0.07	-0.12	0.11	-0.08

Source: BHAM

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.
BHAM's categories are defined as:

"**Macro**": multi-asset global markets, mainly directional (for BHMF, the majority of risk in this category is in rates)
"**EMG**": global emerging markets
"**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
"**Comm**": liquid commodity futures and options
"**Credit**": corporate and asset-backed indices, bonds and CDS

Market Review and Outlook

The following is a report from Brevan Howard Asset Management LLP, the principal investment manager of Brevan Howard Master Fund Limited:

Market Commentary

Events in Greece and the fear of contagion to other European sovereign debt markets have overshadowed economic data over the last several weeks. This has elicited a number of investors to ask about our views and our positioning in these securities; so rather than the usual economic analysis of each region, it may be more useful to devote this month's letter to a commentary on the European sovereign debt situation.

The last few months have undermined markets' confidence in the solvency of some member states of the Economic and Monetary Union (EMU). Until last year the prevailing "official" stance was that the EMU was a success story in the first ten years of its history, and had provided an anchor of stability to its participating countries during the biggest financial crisis since the Great Depression.

Following an unprecedented increase of the markets' perceived risk of a default of the government bonds of Greece and, to a lesser extent, of other member countries, the official stance has gradually given way to a more ambivalent but realistic view. What has come to the surface is the reality of a structural, growing divergence between countries evidenced by macroeconomic imbalances, from unit labour costs to current accounts, which are now evolving into adverse debt dynamics.

These imbalances were masked during the EMU's first decade by the "Euro dividend" – a huge drop in funding rates and a rapid rise of private debt in countries such as Portugal, Greece and Spain. However, the unveiling of the true situation of Greek public finances and the commencement of an excessive deficit procedure against Greece by the EU brought the underlying imbalances to the fore.

The main risk for EMU countries is the loss of confidence in the repayment of Greek government bonds spilling over to other sovereigns, which would be very difficult to tackle should it affect a large country. This risk compelled the EU Heads of State to issue a statement saying that "Euro area member states will take determined and co-coordinated action, if needed, to safeguard financial stability in the Euro area as a whole." In plain English the communiqué means that, in order to prevent spill-over to other countries, the EU will provide aid to Greece, should it be necessary, to prevent a public debt default.

Importantly, it will be a pre-condition of any aid package for "the Greek government to implement all the measures in a rigorous and determined manner to effectively reduce the budgetary deficit by 4% in 2010." Greece has proposed a consolidation plan envisaging deep cuts to the deficit, which was endorsed by the European Union.

Beyond principles, both the extent and the forms of support measures in favour of Greece remain unclear. In any event, in the short term it is very likely that Greece will be able to prevail without outside help. However, if needed, the EU will almost certainly provide aid so as to avoid a default.

We have virtually no exposure to Portuguese, Italian, Spanish and Greek debt or CDS; and have had only negligible exposure to these securities since the beginning of the year. We had no short Greek debt or CDS positions by mid-December, when the spread was in the low 200s, and have had an overall small net long credit bias over the course of this year. Similarly, we have had only negligible positions in the bonds or CDS of Portugal, Italy and Spain since the end of December 2009, with an overall small net long credit bias since then.

While it is highly unlikely that credit spreads on these government bonds could fall to anywhere near where they were during the first ten years of EMU, they will probably retrace from the extremes of the last few weeks. We believe that the short trade in these credits is extended, crowded, fully prices the fundamentals and is exposed to a regulatory squeeze, as occurred on short positions in financial stocks in 2008. Consequently, we are currently monitoring news flow for an opportunity to go long credit risk in these countries.

Since Greece is at the epicentre of the stress we will be monitoring the following dates:

1. By 16 March, the EU have asked Greece to set out the timetable for implementing budgetary target measures for 2010 and announce additional measures to ensure that the 2010 budgetary target is met. EU ECOFIN meets on 16 March.

2. March-May: Athens to detail budget control measures and reform plans for 2011 and 2012.

3. April-May: €17bn of Greek government bonds are due for repayment.

4. 15 May: Greece will deliver its first quarterly integrated report to the EU on the implementation of the EU recommendations and on the progress of long-term structural reform.

Enquiries

Northern Trust International Fund Administration Services (Guernsey) Limited

Harry Rouillard +44 (0) 1481 74 5315