BH Macro Limited

Monthly Shareholder Report

31 July 2009

www.bhmacro.com

Disclaimer / Important information

BH Macro Limited (the "Fund"), is a feeder fund investing in the Brevan Howard Master Fund Limited ("BHMF"). Brevan Howard Asset Management LLP ("BHAM") has supplied the following information regarding BHMF's July 2009 performance and outlook. BHAM is authorised and regulated by the Financial Services Authority.

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").

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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

Summary information

BH Macro Limited NAVs per share (as at 31 July 2009)

Shares Class	NAV (USD mm)	NAV per Share
USD Shares	749.22	$16.40
EUR Shares	437.58	€16.46
GBP Shares	618.02	1686p

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						13.36

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						13.77

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	6.85	-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						13.36

* 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.

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 calculations made 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.

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FAS 157 Asset Valuation Categorisation

Brevan Howard Master Fund Limited (the "Master Fund")
Unaudited Estimates as at 31 July 2009

	% of NAV (Gross Market Value)
Level 1	55%
Level 2	45%
Level 3	0%

Source: BHAM

The estimates set out above 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.

July 2009 Performance Review

During the month, Brevan Howard Master Fund Limited (the "Master Fund") generated most of its gains from fixed income directional trades and curve trades. Smaller profits were also made in fixed income relative value, credit and FX. The other asset classes in the Master Fund did not contribute significantly towards P/L.

Monthly contribution (%) to basic performance by asset class:

	Total	Interest Rates	FX	Equity	Commodity	Credit	Other
July 2009	1.36	1.07	0.20	0.03	-0.10	0.20	-0.03

Source: BHAM

- Trading in BHMF is managed on a strategy basis rather than on an asset class basis. The data in the table above does not make this distinction and instead reflects approximate gains and losses of the asset classes that comprise BHMF's strategies. Investors should therefore be circumspect as to any inferences that they draw from this data.
- 'Other' includes non-trading items such as treasury returns.

Outlook

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

US

The longest and deepest recession in the post-war period appears to be ending this summer. The impetus is coming primarily from three sources: fiscal stimulus is helping to support household spending and boosting infrastructure investment; firms are restarting production because inventories have fallen below target, especially in the auto sector; and, housing is inching up after a three-and-a-half year drought.

However, two out of three of these positives - inventory restocking and fiscal stimulus – will fade after the current quarter, leaving the economy facing fierce headwinds. Consumer balance sheets have been ravaged by the destruction of wealth in the stock market and housing; banks are reluctant to lend as they rebuild capital; and, most of the developed world's economies continue to languish. To be sure, monetary policy is accommodative and risk appetite has returned. Nevertheless, we anticipate a lacklustre recovery as the economy deleverages.

Meanwhile, the labour market continues to suffer. Indeed, the flip side of a weak labour market is better earnings, as firms cut labour costs. Hence, we believe a weak labour market can coexist with the stock market reaching new yearly highs. If this recession and the last two are a guide, then cost cutting will not finish as GDP growth turns positive. Firms will continue to grind on labour in an effort to keep margins elevated. In fact, the incentives to keep costs lean are supercharged in the current environment because there is so little pricing power. Nominal GDP is declining for the first time since the 1950s and, with further disinflation in train, we expect nominal GDP growth to be very subdued in the expansion.

Europe

In July, further signs of stabilization emerged across the EMU economy. Business surveys recovered for the fourth consecutive month as firms benefitted from the huge monetary and fiscal stimulus provided both internationally and within the EMU. Although, the adjustment of the inventories overhang continues to be a drag for production across the EMU, the industrial sector is starting to see through it as orders and business expectations are recovering.

On the household side, spending dynamics continue to be supported both by fiscal measures (especially the scrap incentives for car purchases) and by the decline in inflation. Nevertheless, looking forward, the resilience of the EMU consumer is at danger of being jeopardized by the deterioration of the labour market. The unemployment rate has already reached the highest level since the launch of the euro and a further leg-up related to the end of government subsidies to firms is a risk.

In July, inflation dropped further into negative territory, due to declines in food prices and negative base effects related to energy prices. This is going to be the trough for EMU inflation, which we believe will return into positive territory towards the end of the year. So far, core inflation has fallen more gently, only a little below the ECB comfort zone.

In such an environment, the ECB is taking a “wait and see” stance, monitoring the impact of its credit enhancing program. Clearly, the recent data flow has been stronger than anticipated and it is very likely that the EMU economy will return to positive GDP growth earlier than they had previously envisaged. Nevertheless, the ECB wants to see confirmation of those developments and any reassessment of the outlook will have to wait until September.

UK

During the month, there was a further improvement in activity data in the UK. Surveys were consistent with small positive underlying growth rates, a big change from the large and disruptive falls in activity earlier in the year. The housing market is stabilising: activity and lending are picking up from low levels, excess inventories are falling back and prices have stabilised. Money and credit data is showing tentative signs of improvement.

We believe the economic recovery that is taking place is likely to be subdued, as households still face substantial headwinds from weak income growth, high debt levels, lower wealth levels and rising unemployment. The near-term stimulus from the car scrappage scheme has been highly effective but it is set to run out within months.

Core inflation remains relatively unchanged from earlier in the year, as upward effects from FX depreciation and downward effects from the weak economy are broadly offsetting each other. We expect the upward effects to fade, and the downward effects to dominate in the coming quarters. The outlook for monetary policy is that QE is likely to taper off in the coming months, while policy rates are likely to remain low.

Japan

Japan's Q2 GDP figures have confirmed that the economy is rebounding from the disruption of the previous two quarters. However, despite the pronounced GDP increase (close to 4% quarter-on-quarter annualised in Q2), the recovery is still very partial with respect to the past output loss. The output gap remains particularly wide and puts downward pressure on wages, putting at risk the sustainability of the ongoing policy-induced rebound in spending.

Still, the improvement in activity is poised to continue in the second half of the year, as its driving forces – namely, the rebound of exports towards China and the policy stimulus – are not going to run out of steam very soon. The fallout from the upcoming elections is also likely to be positive, as fiscal policy should remain supportive.

Importantly, machinery goods orders have started to rebound, especially due to exports. Their improvement is crucial for a sustainable recovery of the economy.

Enquiries

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Your attention is drawn to the Disclaimer set out at the beginning of this document.

BH Macro Limited is a closed-ended investment company registered and incorporated in Guernsey on 17 January 2007 (Registration Number: 46235) with its registered office at Trafalgar Court, Les Banques, St. Peter Port, Guernsey GYI 3QL, Channel Islands.

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