BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT

JULY 2010

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PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS

BH MACRO LIMITED
MONTHLY SHAREHOLDER REPORT: JULY 2010

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Summary information

BH Macro Limited NAVs per share (estimated as at 30 July 2010)

Shares Class	NAV (USD mm)	NAV per Share
USD Shares	602.2	$16.96
EUR Shares	347.2	€17.02
GBP Shares	853.2	1745p

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	-2.07*						-0.70*

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	-1.99*						-0.60*

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	-2.02*						-0.57*

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.

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.

* Estimated as at 30 July 2010

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FAS 157 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited ("BHMF")

Unaudited Estimates as at 30 July 2010

	% of NAV (Gross Market Value)
Level 1	59
Level 2	41
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 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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Performance Review

During the month, BHMF incurred losses in FX and interest rate spreads strategies, in particular, LIBOR and overnight rate spreads.

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

	Total	Macro	Rates	FX	EMG	Equity	Commodity	Credit	Systematic
July 2010	-2.07	-1.14	-0.59	-0.46	0.22	-0.04	0.04	-0.07	-0.03

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.

The above asset classes are categorised as follows:
"**Macro**": multi-asset global markets, mainly directional (for BHMF, 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

In July, the data flow continued to disappoint and the majority of analysts marked down their forecasts to resemble the subdued outlook that we have anticipated. Nevertheless, in what has been a roller-coaster year, investor sentiment brightened and risk assets enjoyed another rally, bolstered by the sturdy data out of Europe and Asia, relief in the interbank funding market and the shelving of the Fed's exit strategy. Indeed, most of the key developments during the month were policy related. The European bank stress test results revealed manageable problems and the Fed began the process of evaluating options for further policy accommodation if growth were to deteriorate significantly. These policy responses enabled the market to stage a comeback. With interest rates set to be, in our view, "lower for even longer," fixed income markets enjoyed another strong rally.

In the wake of the annual revisions to the national income and product accounts and the incoming data, we have adjusted our thinking about consumption spending. On the one hand, downward revisions showed that spending rose at a rate of less than 2% since the end of the recession, a path confirmed by the latest disappointing retail sales releases. On the other hand, the saving rate was revised up significantly. With the savings rate now reported to be above 6%, consumption should be less encumbered by the need to rebuild savings going forward.

There have been pockets of strength in the recent data announced. Business expenditures on equipment and software rose at an annual rate of more than 20% in the last quarter. Orders for capital equipment remain sturdy pointing to further gains

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ahead. However, firms are making layoffs at a rate of more than 450,000 workers each week and are still cautious about adding to payrolls. Given the reluctance to hire and the restrained wages, we remain confident that the economy will expand at a slow rate in the second half of the year.

EMU

In the first half of the year, activity in the EMU largely benefited from the combined effects of the government stimulus, the inventory rebound and the weakening of the euro, which contributed to a sharp acceleration of activity into the summer. Moving into the second half of the year, the contribution of those factors to growth will begin to fade. The debt overhang in certain EMU countries, the needed fiscal consolidation and the still impaired banking sector will continue to be headwinds for the economy. The recent publication of the EU bank stress test results provided relief to the market, despite some scepticism of the reliability and questions over whether the tests were tough enough. The real test for the EMU banking sector will arrive in the coming months when there is the large funding roll-over. The interconnection between the liquidity needs of certain EMU countries and certain segments of the banking system will remain a critical issue.

Activity was exceptionally strong in Q2 as transitory factors such as cold weather, which negatively affected actual data in Q1 unwound. Moreover, confidence rose in July as the functioning of the bond market found some normalisation and the substantial policy response put in place since May 2010 by both EU and national bodies appears to have calmed investor concerns of a sovereign default. Business surveys have shown a strong improvement in Germany, in particular, as its economy is benefiting more than others from a weak euro, lower interest rates and expansionary fiscal conditions. Consequently, the divergence between the economic performance of Germany and the weakest EMU economies is widening to unforeseen levels. Meanwhile, inflation pressures in the EMU remain subdued. The European Central Bank has become increasingly constructive on the EMU outlook, providing support to its strategy of a normalisation of liquidity conditions.

UK

In July, there was further evidence of slowing growth momentum in the UK. Activity surveys generally eased and expectations about future activity as well as consumer confidence fell sharply. Credit remains stagnant, as the small net positive extension of household credit is offset by a net reduction of bank credit to the corporate sector. In summary, these indicators suggest that a recovery is still underway, but at a sluggish rate only slightly above the trend. The fact that the UK economy is losing some momentum at the same time as the global economy indicates that the prospect for an investment and export driven recovery is unlikely. The more rapid pace of growth witnessed in Q2 appears to be an outlier.

Inflation remains stubbornly above the target, and given the VAT hike in January 2011, it is likely to exceed the target until the end of 2011. However, the subdued money and wage growth suggest that the economy is not experiencing a more broad-based rise in inflationary pressure. Nevertheless, a prolonged period of above-target inflation means that inflation expectations are most likely to be less solidly anchored than at any time since the Bank of England ("BoE") independence. The BoE is trying to balance the fragile recovery and prospective fiscal tightening, which justifies the current highly stimulative monetary stance, with the upside risks to inflation expectations. This policy dilemma is unlikely to be resolved any time soon and in fact, will probably intensify around the turn of the year.

Japan

In July, indicators continued to signal an on-going softening of the recovery phase. The PMI survey showed a further fall for both manufacturing and services, as the moderation affects both the domestic and more export-oriented sectors of the economy. When combined together, estimates of the Composite PMI encompassing both sectors of the economy still point at a positive expansion rate. However, as suggested by the disappointing Q2 GDP release, the pace of the expansion is slowing from the early stages of this cycle. The stubbornly elevated level of the yen does not help the Japanese economy, either to fill the still ample output gap, which was opened by the steep recession of 2008-2009, or to stem deflationary pressures. Looking ahead, the soft landing phase in China, as well as the probable weakening of US and European imports, is likely to continue to weigh on the Japanese economy for the rest of this year.

China

Both the official and HSBC manufacturing PMI weakened in July, with the latter falling further below the 50 threshold. The breakdown of orders suggests that the current slowdown is mainly due to weaker domestic demand under tighter economic policies. There are also some positive signs in economic activity, which signal that a hard landing is not on the cards for the time being. Property sales volume recovered from the June 2010 bottom and the price of steel rebounded rapidly in the last two weeks of July. This information suggests that the GDP growth which is likely to be experienced in the second half of the year is the soft landing that authorities are looking for. Food inflation intensified this month due to pork and vegetable price rises, pushing the July headline CPI to new highs this year. The authorities have shown, thus far, no intention to ease policy conditions. Tightening measures in the property sector will continue to be implemented and the People's Bank of China has reiterated its ¥7.5 trillion yearly credit target.

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