

BREVAN HOWARD

BH MACRO LIMITED

**MONTHLY SHAREHOLDER REPORT:
JULY 2015**

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BH Macro Limited Overview

Manager: BH Macro Limited ("BHM") is a closed-ended investment company, registered and incorporated in Guernsey on 17 January 2007 (Registration Number: 46235).

Brevan Howard Capital Management LP ("BHCM") BHM invests all of its assets (net of short-term working capital) in the ordinary shares of Brevan Howard Master Fund Limited (the "Fund").

Administrator: 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.

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

Total Assets: \$1,737 mm¹

Corporate Broker: 1. Estimated as at 31 July 2015 by BHM's administrator, Northern Trust.

J.P. Morgan Cazenove

Listings:

London Stock Exchange (Premium Listing)

NASDAQ Dubai - USD Class (Secondary listing)

Bermuda Stock Exchange (Secondary listing)

Summary Information

BH Macro Limited NAV per Share (estimated as at 31 July 2015)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	392.4	\$20.99
EUR Shares	110.6	€21.15
GBP Shares	1,233.5	£21.87

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	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	-0.43	-1.77	-2.23	2.36	1.02	1.99	-0.36	0.92	1.66	3.86
2013	1.01	2.32	0.34	3.45	-0.10	-3.05	-0.83	-1.55	0.03	-0.55	1.35	0.40	2.70
2014	-1.36	-1.10	-0.40	-0.81	-0.08	-0.06	0.85	0.01	3.96	-1.73	1.00	-0.05	0.11
2015	3.14	-0.60	0.36	-1.28	0.93	-1.01	0.30*						1.79*

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	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	-0.46	-1.89	-2.20	2.40	0.97	1.94	-0.38	0.90	1.63	3.63
2013	0.97	2.38	0.31	3.34	-0.10	-2.98	-0.82	-1.55	0.01	-0.53	1.34	0.37	2.62
2014	-1.40	-1.06	-0.44	-0.75	-0.16	-0.09	0.74	0.18	3.88	-1.80	0.94	-0.04	-0.11
2015	3.34	-0.61	0.40	-1.25	0.94	-0.94	0.26*						2.09*

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	6.86	-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	-0.41	-1.80	-2.19	2.38	1.01	1.95	-0.35	0.94	1.66	3.94
2013	1.03	2.43	0.40	3.42	-0.08	-2.95	-0.80	-1.51	0.06	-0.55	1.36	0.41	3.09
2014	-1.35	-1.10	-0.34	-0.91	-0.18	-0.09	0.82	0.04	4.29	-1.70	0.96	-0.04	0.26
2015	3.26	-0.58	0.38	-1.20	0.97	-0.93	0.35*						2.21*

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 BHCM. 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 by BHAM As at 31 July 2015

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited estimates as at 31 July 2015

	% of Gross Market Value*
Level 1	73.4
Level 2	26.0
Level 3	0.6

Source: BHCM

* These estimates are unaudited and have been calculated by BHCM 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.

Performance Review

The information in this section has been provided to BHM by BHCM

FX trading was the main positive contributor to July P&L, adding 49 basis points. Gains came from tactical trading as well as long positioning in the USD against a basket of currencies including EUR, AUD and CAD and to a lesser extent the JPY and KRW.

Interest rate trading overall was positive, adding 18 basis points. Gains from European directional positions were partially offset by smaller losses from USD directional positions as well as from curve positions in EUR and USD and from declining levels of interest rate implied volatility. Smaller gains also came from tactical directional trading in CAD, NZD, JPY, NOK and BRL interest rate markets.

Equity trading suffered losses of 40 basis points in Chinese and Japanese equity indices as well as from declines in European implied volatility. Losses were offset to a small degree by gains from long positioning in European and US equity indices.

There were small gains from short positions in commodities and small losses in credit trading.

The attribution above is in respect of BHM and is derived from estimates calculated by BHCM, based on total performance data provided by the Fund's administrator, International Fund Services (Ireland) Limited and risk estimates, estimated as at 31 July 2015.

Performance by Asset Class

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

	Rates	FX	Commodity	Credit	Equity	Discount Management	Total
July	0.18	0.49	0.07	-0.05	-0.40	0.01	0.30
Q1 2015	-0.34	2.21	-0.16	0.15	1.01	0.04	2.90
Q2 2015	0.48	-1.16	-0.05	-0.18	-0.46	0.00	-1.37
QTD 2015	0.18	0.49	0.07	-0.05	-0.40	0.01	0.30
YTD 2015	0.32	1.52	-0.14	-0.09	0.14	0.05	1.79

Monthly, quarter-to-date and year-to-date figures are calculated by BHCM as at 31 July 2015, based on total performance data for each period provided by the Fund's administrator, International Fund Services (Ireland) Limited. Figures rounded to two decimal places.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

Performance by Strategy Group

Monthly, quarterly 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	Discount Management	Total
July	-0.02	0.43	-0.02	0.02	-0.01	-0.00	-0.12	0.01	0.01	0.30
Q1 2015	1.66	0.66	0.13	-0.04	0.03	-0.01	0.39	0.03	0.04	2.90
Q2 2015	-1.17	-0.02	0.10	-0.12	-0.00	-0.00	-0.12	-0.03	0.00	-1.37
QTD 2015	-0.02	0.43	-0.02	0.02	-0.01	-0.00	-0.12	0.01	0.01	0.30
YTD 2015	0.45	1.07	0.21	-0.13	0.02	-0.01	0.15	0.00	0.05	1.79

Monthly, quarter-to-date and year-to-date figures are calculated by BHCM as at 31 July 2015, based on total performance data for each period provided by the Fund's administrator, International Fund Services (Ireland) Limited. Figures rounded to two decimal places.

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Methodology and Definition of Monthly 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

"Discount Management": buyback activity for discount management purposes

Manager's Market Review and Outlook The information in this section has been provided to BHM by BHCM

US

The annual revision to the GDP accounts delivered disappointing news. Downward revisions to growth indicated that the economy expanded at an annual rate of only 2% over the last three years. Over the same period, productivity growth was barely positive, the worst performance since the early 1980s. Those sobering statistics put the other major disappointment in July—weak wage data in the Employment Cost Index—into perspective. Real wages and salaries are nearly stagnant, partly because productivity growth has been so lacklustre.

Payroll employment has expanded over the last year at an average monthly pace of 240,000 and the unemployment rate has fallen by 0.9 percentage points to 5.3%, a little above most estimates of full employment. Broader measures of labour market slack have improved more rapidly. Eventually, tighter labour markets will feed upward pressure on wages but expectations about the acceleration may have to be tempered if productivity growth fails to pick up.

After a slowdown in the first quarter, GDP growth in the middle two quarters of the year appears to have picked up. The second-quarter numbers increased to approximately 3% at an annual rate, due to stronger spending on consumption and construction. The current quarter is expected to slow due to the overhang of inventories which has to be worked off.

Overall price inflation is still muted because of the decline in energy prices and lower import prices. However, core inflation appears to have bottomed out at 1.3% during the summer. With recent outturns a little firmer, core inflation could potentially end the year at approximately 1.5%.

In terms of monetary policy, the decline in the unemployment rate in spite of slow growth implies that potential growth is less than 2%. Such weak potential growth has mixed implications for monetary policy. On the one hand, it suggests there's less slack than meets the eye—a hawkish implication pointing to the need to raise rates relatively soon. On the other hand, it suggests that interest rates need not rise as much as they have historically in order to bring the economy into equilibrium. Such macro dynamics support the Federal Reserve's plan to raise interest rates this year but do so gradually.

EMU

Recently released EMU hard data confirmed a moderate slowdown of the economy in the second quarter of 2015 following a stronger first quarter. In particular, June EMU retail sales and industrial production were subdued, falling by -0.6% m/m and -0.4% m/m respectively, which were especially weak in Germany. As a result, GDP growth decelerated to 0.3% q/q in Q2 from 0.4% in Q1. At the same time, survey data for July were mixed while the EMU Composite PMI showed a small deterioration to 53.9 from 54.3 in June, and the German IFO gained somewhat, to 108.0 from 107.4 in June. Survey indicators also suggested that the Greek economy will be hit hard by the capital controls in place since the beginning of July. The Harmonised Index of Consumer Prices (HICP) inflation rate remained unchanged at 0.2% y/y in July, as weaker energy prices were offset by one-off increases in some core prices. Money and credit indicators were little changed in June with the annual growth rate of money supply M3 constant at 5.0% y/y and EMU lending to the private sector slipping to

0.9% y/y in June from 1.0% y/y in May. The ECB's bank lending survey showed continued net easing in credit conditions to the private sector in Q2, with corporate loan demand improving again after having stalled in Q1.

The European Central Bank ("ECB") bond buying programme entered its sixth month in August 2015, with holdings of government bonds and agencies under the Public Sector Purchase Programme ("PSPP") totalling €249bn EUR as of 31 July, and a weighted average remaining maturity of eight years. The ECB added a small amount of Cypriot bonds to the other government purchases for the first time in July. With the ECB QE well in place, excess liquidity rose above €450bn EUR at the beginning of August, the highest since the beginning of 2013. As Greece and its creditors finally agreed to a third bailout package of around €85bn EUR, the discussion has now focused on the details of the memorandum which should be agreed upon and approved by European parliaments in August. Meanwhile, Greece received bridge financing from the European Financial Stabilisation Mechanism (EFSM) in July in order to meet its obligations and repayments until the bailout package is completed. Capital controls are still in place for the moment, with cash withdraws now limited to €420 EUR per customer per week. Greek banks have been able to build a liquidity buffer after the bailout agreement; the ECB funding for Greek banks via Emergency Liquidity Assistance (ELA) remained at around €91bn EUR at the beginning of August. Prime Minister and Syriza leader Alexis Tsipras stood down on Thursday 20 August, paving the way for new elections to take place in September. Tsipras's decision was due to the lack of support from many of his own MPs over Greece's new bailout with European creditors at the beginning of August. This in turn has led to rebels from Syriza breaking away to form their own party. The new party will be led by former energy minister Panagiotis Lafazanis.

UK

Output from the manufacturing sector has remained subdued over the latest quarter, having fallen by -0.4% q/q in the latest Q2 GDP release. Surveys suggest that the manufacturing sector will continue to grow at a fairly moderate pace in the near future, slower than the healthy pace experienced throughout 2014. In contrast, the services sector continued its strength from the previous year and is growing at a robust pace. Consumer confidence, consumer lending and surveys in the services sector continue to point towards solid domestic demand for services. This split between the softer manufacturing sector and the stronger domestic services sector is expected to continue due to stronger trade-weighted Sterling and somewhat weaker global demand. Consumption in volume terms will also continue to contribute towards growth as lower oil prices and a higher exchange rate continue to keep consumer prices restrained. The turmoil in Greece has now eased, and is now less likely to put pressure on the UK economy through either confidence or fiscal contagion. Domestically, tighter fiscal policy, as announced in the July budget, is expected to weigh slightly more on the overall economy in the next year than had originally been anticipated from the previous budget in March. However, this will be offset by slightly looser fiscal policy in the following year. On balance, the UK economy has decelerated from a pace of growth in excess of 3% in 2014, and has stabilised at a pace between 2-2.5%.

Employment continues to slow (and has fallen slightly in recent months), while wage inflation continues to rise. More recently, various employment surveys have also indicated that employment may slow further. The Bank of England (BoE) continues to find it difficult to interpret the divergence between employment growth and wage inflation. The estimate of the degree of slack within the labour market has diverged among the monetary policy committee (MPC) members. In the latest MPC meeting, one member (out of nine) voted to raise interest

rates, one less than the market expectations. The BoE also released their August Inflation Report in which they lowered their near-term forecast for inflation on account of the stronger pound and lower oil prices. Otherwise, their longer term forecast for inflation and GDP growth was broadly unchanged, anticipating a return to the inflation target of 2% by Q3 2017.

Japan

For the second month running, the underlying inflation data for Japan were solid. Western-style core measures moved up again over the month on a seasonally adjusted basis, and both the national and Tokyo data indicated an acceleration from a flat period which occurred between the fourth quarter of 2014 and the first quarter of 2015. A pick up in the rate of inflation was also seen in the University of Tokyo's scanner data, although Brevan Howard does not suggest assigning a tight correlation between this measure and the official figures. Core inflation isn't doing as well; this is due to utility providers decreasing their input costs, and the more recent decline in crude oil prices presages further declines in gasoline prices.

The message from the Bank of Japan on inflation is mixed. On the one hand, the Bank published a core measure that excludes energy costs with the message that the underlying trend is better than that implied by the official core measure. On the other hand, Governor Kuroda stepped on that message announcing that the Bank would add accommodation if the slide in energy costs started to affect underlying inflation. Taken at face value, it's merely a conditional statement, and if the underlying trend were to ebb, then further accommodation would be expected. That statement, however, shows willingness to link energy prices to underlying inflation, which could be confusing. In 2014, Kuroda-san pointed to a drop in oil prices as a reason to add accommodation. The difference between then and now is that Western-style core inflation had been slowing then, and if anything, the Bank was too slow to appreciate the backsliding, as opposed to now where underlying inflation is improving. Ultimately, Brevan Howard believes the momentum in underlying inflation will carry the day for monetary policy, but the mixed messages could equate to differences in opinion among analysts and market participants.

Policy developments elsewhere continue to frustrate. Trans-Pacific partnership talks ended in Hawaii without a final agreement, due to a handful of thorny issues to resolve. Many of these, such as textiles and dairy, do not require compromises from Japan. Analysts continue to expect these remaining hurdles to be resolved by the end of the year. Prime Minister Abe has refocused his attention on military matters, and the Diet passed a number of defence-related measures. Increasing the military's footprint in Japan, however, is controversial, and as a result Abe-san's popularity has deteriorated. While there is no threat to his office, it invariably means that there's less political capital to spend on important third-arrow reforms.

China

Activity in China has continued to slow in July, confirming that the improvement in June was short-lived. The PMIs produced by both Markit (Caixin) and the National Bureau of Statistics declined, and the synthetic Markit Composite PMI fell further from 50.6 in June to 50.2 in July. Details of both surveys were discouraging too, with both new orders and new export orders falling. Disinflationary pressures intensified, and employment remained in contraction territory. Hard data on real activity indicators including industrial production, fixed-asset investment, and retail sales disappointed market expectations in July. All areas indicated a meaningful slowdown, more marked for Industrial production, whose y/y growth rate fell from 6.8% in July 2014 to 6.0%. CPI yearly inflation increased from 1.4% y/y in June to 1.6% y/y in

July, above the 1.5% consensus, mostly due to rising pork prices, while PPI deflation remained elevated at -5.4% y/y, thus providing room for more policy easing. According to trade data, in July the trade surplus narrowed slightly to a US\$43.1bn surplus, below the expected figure of US\$54.7bn. Details of the report were discouraging too, as export growth slowed steeply from 2.8% y/y to -8.3% y/y, while import growth y/y continued to contract by a meaningful -8.1% y/y.

The 7-day repo rate fixing has fallen by nearly 300 bps since the March's National People's Congress, and it has recently stabilised at approximately 2.5%. However, the transmission mechanism from interbank market rates to economic growth remains uncertain. Credit data in July recorded a poor figure after a temporary improvement in June, suggesting that demand is still quite weak. Since August 12 to the time of writing, China devalued its onshore fixing by approximately 4%, in a step which is likely aimed at supporting the economy and stemming deflationary pressures.

Enquiries**Northern Trust International Fund Administration Services (Guernsey) Limited**

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Important Legal Information and Disclaimer

BH Macro Limited ("BHM") is a feeder fund investing in Brevan Howard Master Fund Limited (the "Fund"). Brevan Howard Capital Management LP ("BHCM") has supplied certain information herein regarding BHM's and the Fund's performance and outlook.

The material relating to BHM and the Fund included in this report is provided for information purposes only, does not constitute an invitation or offer to subscribe for or purchase shares in BHM or the Fund and is not intended to constitute "marketing" of either BHM or the Fund as such term is understood for the purposes of the Alternative Investment Fund Managers Directive as it has been implemented in states of the European Economic Area. 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 BHM and the Fund have been obtained or derived from sources believed to be reliable, but none of BHM, the Fund or BHCM make any representation as to their accuracy or completeness. Any estimates may be subject to error and significant fluctuation, especially during periods of high market volatility or disruption. Any estimates should be taken as indicative values only and no reliance should be placed on them. Estimated results, performance or achievements may materially differ from any actual results, performance or achievements. Except as required by applicable law, BHM, the Fund and BHCM expressly disclaim any obligations to update or revise such estimates to reflect any change in expectations, new information, subsequent events or otherwise.

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.

You should note that, if you invest in BHM, 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. All investments are subject to risk. You are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions.

THE VALUE OF INVESTMENTS CAN GO DOWN AS WELL AS UP. YOU MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED AND YOU MAY LOSE ALL OF YOUR INVESTMENT. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS.

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 gaining exposure to the Fund) should consult an authorised person specialising in advising on such investments. Any person acquiring shares in BHM must be able to bear the risks involved. These include 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 Fund's 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.
- 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 and its investment managers are 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 of BHM or the Fund and therefore reference should be made to publicly available documents and information.