

BH Macro Limited

Monthly Shareholder Report

30 June 2007

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Disclaimer / Important information

BH Macro Limited (the "Fund"), is a feeder fund investing in the Brevan Howard Master Fund Limited (the "Master Fund"). Brevan Howard Asset Management LLP ("BHAM") has supplied the following information regarding the Master Fund's May 2007 performance and outlook.

The material relating to the Fund and the Master Fund 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 the Master Fund 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. BHAM is authorised and regulated by the Financial Services Authority.

Summary information

BH Macro Limited NAVs* (as at 30 June 2007)

Shares Class	NAV* (USD mm)	NAV* per Share
USD Shares	477.3	\$10.35
EUR Shares	416.5	€10.30
GBP Shares	238.8	1035p

BH Macro Limited NAV per Share* % Monthly Change

2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
USD	-	-	0.10	0.90	0.28	2.33							1.29
EUR	-	-	0.05	0.70	0.15	2.23							0.91
GBP	-	-	0.11	0.83	0.30	2.33							1.24

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

Source: Underlying Master Fund NAV data is provided by the Administrator of the Master Fund, 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. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

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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 GY1 3QL, Channel Islands.

Performance review

The majority of the Master Fund's gain in June was made in fixed income. The Master Fund was positioned to profit from the rise in long-dated rates and steepening of the US curve. Additionally, the Master Fund profited from being long volatility in the USD, EUR and GBP curves. The Master Fund also made significant profits from FX and equity trading.

Outlook

US

Growth picked up in Q2, largely due to inventory investment. However, underlying final demand is growing at a below-trend rate. The housing recession continues, consumption has slowed and business investment, apart from commercial construction, is lacklustre. We expect growth to remain at, or slightly below, trend.

Core price inflation fell to 1.9% in June, which is within the Fed's implicit comfort zone. Nonetheless, the Fed is cautious about declaring victory over inflation, lest the return to the comfort zone proves to be temporary. As a consequence, the June FOMC statement maintained an "inflation watch bias".

Regardless of its focus on inflation, BHAM believes the Fed is unlikely to raise rates whilst core inflation is falling, economic growth is below trend, the CDO market is stressed and the housing market has yet to bottom out. The Master Fund is positioned for a steepening of the curve.

Europe

In line with market expectation, the ECB increased policy rates by 25 basis points to 4% at its June meeting. The ECB also published its macroeconomic projections which remain in line with their previously stated assumptions on growth and inflation.

June data suggest inflation was in line with market expectation. While activity surprised slightly on the down side due to the decline in industrial production and the weak reading of retail sales in some large euro area economies, the data still suggest that the euro area is developing at, or marginally above, trend growth.

BHAM believes that the ECB will maintain a tightening bias for now, but that the market is over-discounting the speed at which rates will be raised. Consequently, the Master Fund is tactically long the very short end of the curve at this point.

UK

June data suggest that growth continued to be robust in Q2. The strength of the UK economy has pushed the BoE to accelerate the pace of rate hikes and the MPC was close to a further hike in June.

CPI inflation is softening from the March peak and yearly growth declined to 2.5% in May due to the energy base effect and decline in utility prices.

BHAM expects the BoE to increase the base rate further in the coming months. The Master Fund is positioned for a steepening of the curve.

The Master Fund is long the short end of the curve.

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Japan

The continuation of strong GDP growth in Q2 was driven by high levels expenditure, private consumption and net exports. Furthermore, labour continued to tighten and total household income increased, which should expansion of private consumption during Q3 and Q4.

Although CPI is still negative, BHAM believes the BoJ will continue normalisation of rates. BHAM believes there is a small possibility that this in July, but with Upper House elections occurring in late July, it seems that most likely to hike rates after this date.

The Master Fund has limited exposure to Japanese interest rates.

Positioning

The following table broadly summarises the Master Fund's positioning as at the end of June:

Fixed income: long the EUR very short end, long USD 0-2 year
Fixed income: curve steepener in USD & GBP
FX: long vega from straddles across a range of currency pairs
FX: long straddles across a range of strategies
Equity: small long
Commodities: moderate long Energy & Metals

Enquiries

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