BREVAN **HOWARD**

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT:
JUNE 2013

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Your attention is drawn to the disclaimer at the beginning and end of this document

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This material constitutes a financial promotion for the purposes of the Financial Services and Markets Act 2000 and the handbook of rules and guidance issued from time to time by the FCA (the "FCA Rules").

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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. Potential investors in BHM should seek their own independent financial advice. BHAM neither provides investment advice to, nor receives and transmits orders from, investors in the funds to which this material relates 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 FCA Rules.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS

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BH Macro Limited

Manager:

Brevan Howard Capital Management LP ("BHCM")

Administrator:

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

Corporate Broker:

J.P. Morgan Securities Ltd.

Listings:

London Stock Exchange (Premium Listing)

NASDAQ Dubai - USD Class (Secondary listing)

Bermuda Stock Exchange (Secondary listing)

Overview

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

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

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.

Total Assets

$2,135 mm[1,2]

1. Estimated as at 28 June 2013 by BHM's administrator, Northern Trust.

2. This figure is net of the 2013 capital return.

NAV per Share

BH Macro Limited NAV per Share (estimated as at 28 June 2013)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	581.1	$20.85
EUR Shares	186.7	€21.00
GBP Shares	1,367.0	£21.57

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	-3.04*							3.93*

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	-2.96*							3.89*

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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	-2.94*							4.21*

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 Brevan Howard. 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 as at 28 June 2013

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ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited Estimates as at 28 June 2013

	% of Gross Market Value*
Level 1	58
Level 2	42
Level 3	0

Source: Brevan Howard

* These estimates are unaudited and have been calculated by Brevan Howard 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

During the month, the Fund suffered losses mainly in interest rates trading, in particular in European rates; smaller losses were also registered in FX and in equity trading. Small gains were generated in interest rates volatility trading.

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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	TOTAL
June	-1.50	-0.48	-0.08	-0.80	-0.02	0.01	-0.16	-0.01	-3.04
Q1 2013	2.90	0.22	0.06	0.11	0.07	0.07	0.25	0.02	3.71
Q2 2013	1.68	-0.34	-0.08	-1.00	0.02	-0.13	0.17	-0.03	0.21
2013 YTD	4.63	-0.12	-0.02	-0.89	0.08	-0.07	0.42	-0.01	3.93

Monthly, quarter-to-date and year-to-date figures are estimated by Brevan Howard as at 28 June 2013, based on total performance data for each period provided by BMA's administrator, International Financial Services (Ireland) Limited.

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

Market Review and Outlook

Market Commentary

US

Monetary policy was the dominant force shaping market developments in June. The Federal Reserve stated that the downside risks to the outlook for the economy have "diminished since the fall". This subtle shift combined with (i) an improvement in the forecast for the unemployment rate in 2014, (ii) Chairman Bernanke's assessment that the recent decline in core inflation is "transitory", and (iii) a steeper path of rate hikes following lift-off in 2015 as indicated by Bernanke, evidently caught the market by surprise. Moreover, the so-called "tapering" of asset purchases appears likely to begin sometime later this year, with the odds favouring the September Fed policy meeting so long as the economy maintains its momentum.

Despite Bernanke's attempt to explain that "tapering" is not a tightening of monetary policy and that the Fed will maintain extraordinarily accommodative monetary policy at least until the unemployment rate falls to 6.5%, the market reacted as if the Fed had signalled a tightening. Stocks sold off, interest rates rose, and the Treasury curve flattened with rate hike expectations creeping into 2014. Subsequently, the market retraced some of these moves as a variety of Fed officials reiterated the message that while tapering asset purchases is likely later this year, monetary policy will remain highly accommodative.

After the final revision to first-quarter GDP, the consumer appears to be less resilient. Outlays on consumption services were revised down sharply, pushing first-quarter real GDP growth below 2% on an annualised basis. The second quarter looks to be about the

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same, pointing to first-half growth a little below 2%. That's still a reasonable result given the sizable fiscal drag confronting the economy both in terms of its direct subtraction in areas like defence spending as well as indirect effects on after-tax income.

The news in the housing market was mixed. On the positive side, house prices are advancing briskly in almost every part of the country. On the negative side, mortgage rates have risen rapidly to approximately 4.5%, still low by historical standards but approximately 100 basis points higher than last month. Homebuilders believe that higher rates won't threaten the health of the housing sector. Indeed, housing affordability is good, inventories are near record lows, and demographic factors are a tailwind. Nevertheless, the tightening in financial conditions is a downside risk that must be watched closely.

EMU

On the back of easier fiscal conditions, lower energy prices and the lagged effect of broadly more favourable financial conditions in May, eurozone economic sentiment indicators posted a broad-based improvement in June. The European Commission June Economic Sentiment indicator rose to the highest level since May 2012, while the EMU Composite PMI compounded the rebound in May climbing to 48.7, approximately 2 points above the March-April 2013 lows and the highest level since March 2012. The strength of the PMIs stemmed almost entirely from domestic sources, especially in peripheral economies, as services activity improved and domestic manufacturing orders recovered strongly, in contrast with soft export orders. The Eurostat's flash release showed that euro area HICP (Harmonised Index of Consumer Prices) inflation ticked up to 1.6% y/y in June, but only in relation to energy-related base effects, as core inflation remained unchanged at 1.2% y/y.

Financial conditions deteriorated in June, as Euribor rates spiked in conjunction with the sell-off in the US interest rate market and Draghi's hawkish comments. However, following the new guidance of future interest rates introduced by the ECB at the July policy meeting, tensions in the money market are subsiding. The ECB announced that it will keep rates at present or lower levels for an extended period of time, due to the subdued medium-term outlook for inflation induced by the broad-based weakness in the real economy. Future assessments of the stance will be based on an analysis of all economic activity, the balance of risks in global financial markets and inflation. Importantly, although they stopped short of announcing additional liquidity providing measures, the ECB announced that apart from the price stability mandate, their policy stance is also geared towards promoting stable money market conditions.

EU officials reached a deal on bank's bail-in rules, paving the way for the next step towards the banking union. The agreement sees some flexibility in the national application of bail-in rules until the new resolution directive comes into effect in 2018. However the agreement was vague on the specific objectives of the ECB's coming Asset Quality Review, on financial backstops for weak banks and on the circumstances where direct ESM bank recapitalisations due to past losses could take place. Even in its incomplete form, the agreement nevertheless forms a breakthrough in that it sees the bail-in mechanism as the "new normal" for future European bank resolutions.

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UK

The UK's growth momentum, as measured by business activity surveys, has risen further over the past month, providing further confirmation that second quarter GDP growth will indeed be stronger than the first quarter. The housing recovery, which was just tentative at the start of the year, is gaining momentum: price indicators, especially activity indicators, are picking up sharply from low levels. Both the government's Help to Buy scheme and lower mortgages rates driven by the Bank of England's ("BoE") FLS scheme have likely contributed to this improvement. Consumer confidence has been rising and purchases of large-ticket items such as cars have been buoyant. It remains to be seen whether momentum can improve much further in the second half of 2013 than it already has so far: real wage growth remains negative, fiscal austerity continues, and the desired export-led recovery continues to be undermined by weakness in euro area growth. We anticipate that the UK's growth performance will therefore remain somewhere between the US and the euro area.

Despite the weakness of the economy, core CPI remains somewhat resilient, and headline inflation is set to rise to around 3% this summer, before easing. However, the downward pressure from spare capacity on prices is abundantly clear in the labour market: nominal wage growth is extremely weak. So while the UK's growth momentum is improving, the outlook remains below what Governor Carney has called "escape velocity". Even taking the most recent improvements on board, the output gap is closing at far too slow a pace. Together with weak underlying inflation pressure, this leaves room for additional policy actions. As we expected, Carney has begun to be more explicit about the path of future policy rates in a July policy statement – the publication of a statement in July was in itself a break with previous BoE practice. The July communication made the point that the recent rise in short term yields was "not warranted" by the UK's domestic developments, i.e. that higher yields at this stage could undermine the recovery. We expect a further forward guidance step in August, where the BoE is likely to provide a more quantitative framework linking the future path of policy rates to specific economic variables.

Japan

The monthly data flow suggests that Japan's economic recovery continues apace. In May, industrial production rose 2% and retail sales rose 1.5% according to preliminary estimates. The Tankan survey indicates improved conditions among large manufacturers in the second quarter, as well as across all industries. Expectations also point to a further pick-up in the third quarter. Surveys of small and medium enterprises also advanced. Deflationary conditions continue to abate as broad measures of changes over the preceding 12 months moved up again in May. Energy prices helped push up seasonally adjusted prices in the month, but the flat reading for May in the so-called western core measure that excludes food and energy is not a bad outcome. Following a surprising 0.3% gain in April, unchanged prices for the month were still sufficient to push up the 12-month change another 0.2%. Tokyo prices, which are available through June, suggest additional improvement.

Fiscal and regulatory policy changes have been minimal other than some opening negotiating positions with other countries participating in the Trans-Pacific Partnership talks. Prime Minister Abe is awaiting the Upper House elections later this month before undertaking specific reforms. With the opposition in disarray and the Liberal Democrats and coalition partners winning almost two-thirds of the seats in the Tokyo Metropolitan Assembly, analysts expect the Liberal Democratic Party to easily regain control of the Upper House and end gridlock from a "twisted parliament."

While there were some concerns a few weeks ago when market conditions deteriorated, this has now reversed. Since then, stock prices reversed about half their losses, and the yen moved back above one hundred to the US dollar.

China

China's incoming data remained soft, as shown by the June HSBC Manufacturing PMI, which fell further below the 50 threshold, and trade data, which showed a below consensus drop for both exports and imports. While CPI rebounded from 2.1% to 2.7% on the back of higher food prices, PPI deflation continued due to soft activity and overcapacity, although at a slightly slower pace than in May. CPI inflation expectations remained stable in the second quarter based on the People's Bank of China ("PBOC") survey. Last, but not least, property prices continued to rise in June, but at a slower pace.

The China interbank money market experienced a severe liquidity squeeze in the second half of June on the back of seasonal factors (tax payments, holiday cash demand), a large expansion of new loans (near Rmb1tr during the first 10 days of June) and a large maturity mismatch in interbank lending business for some banks. Initially, the PBOC took no action, noting that the overall liquidity was ample (Rmb1.5tr excess liquidity in June) and told banks not to expect monetary easing. As a result, the interbank overnight repo fixing rate surged to a record high of 10.8% on 20 June. The PBOC then injected liquidity to certain banks and interbank money market rates eased sharply, returning to levels close to the original ones, although still a bit higher. Higher interbank monetary rates have caused higher financing cost for the corporate sector, via a higher discount rate for banker's acceptance bills, higher corporate bond yields, and likely higher general lending rates. Additionally, higher bond yields also curbed the demand on corporate bonds, and thus lowered non-bank financing activity. However, the impact on the real economy is unlikely to be particularly sizeable due to the short duration of the interbank rate shock. China is poised to continue its 'prudent' (neutral) monetary policy despite the soft current growth environment. China's leaders have sent a clear signal to the market that there will be no additional stimulus because the outstanding monetary aggregates are still high and they should be utilised in a more efficient way in order to ensure that they help the real economy. The leaders also think that current growth remains within target.

Enquiries

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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 the Fund) should consult an authorised person specialising in advising on such investments. Any person subscribing for shares in BHM must be able to bear the risks involved. These include, among others detailed in BHM's Prospectus, 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 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.

• There are restrictions on transferring interests in the Fund.

• 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 is 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 in BHM and therefore reference should be had to BHM's Prospectus and related offering documentation for a complete description of these and other relevant risks.