

BREVAN HOWARD

BH MACRO LIMITED
MONTHLY SHAREHOLDER REPORT:
JUNE 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: \$1,754 mm¹

Corporate Broker: 1. As at 30 June 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 (as at 30 June 2015)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	388.8	\$20.93
EUR Shares	112.3	€21.10
GBP Shares	1,253.3	£21.80

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							1.49

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							1.83

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							1.85

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.

As at 30 June 2015

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited estimates as at 30 June 2015

	% of Gross Market Value*
Level 1	69.0
Level 2	30.1
Level 3	0.9

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 and equity trading were the main detractors for the month, losing 45 and 44 basis points respectively while credit trading detracted an additional 11 basis points. Interest rate and commodity trading were essentially flat over the month.

Within FX trading, short EUR positioning versus the US dollar was the main detractor, with additional losses incurred in other currency pairs including USD/JPY. Smaller gains were made trading NZD and SEK.

Losses in equity trading resulted from long positioning in Japan, China and European equity indices which were partially offset by small gains in equity volatility trading.

Small losses were also suffered in credit trading, including in asset backed securities.

Interest rate trading was overall close to flat with small gains from USD and EUR curve positions, EUR sovereign asset swaps as well as long volatility positions offset by small losses in directional trading in EUR, JPY, GBP and BRL interest rates markets.

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 30 June 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
June	-0.01	-0.45	0.00	-0.11	-0.44	0.00	-1.01
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
YTD 2015	0.15	1.02	-0.21	-0.03	0.54	0.04	1.49

Monthly, quarter-to-date and year-to-date figures are calculated by BHCM as at 30 June 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
June	-0.83	-0.08	0.02	-0.07	0.00	-0.00	-0.04	-0.01	0.00	-1.01
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
YTD 2015	0.47	0.64	0.23	-0.15	0.03	-0.01	0.27	-0.00	0.04	1.49

Monthly, quarter-to-date and year-to-date figures are calculated by BHCM as at 30 June 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

Economic activity rebounded in the second quarter, led by steady job gains and improved household spending. The unemployment rate resumed its downward trend in June, dropping 0.2 percentage points to 5.3%. The economy will most likely reach conventional estimates of full employment during the second half of the year. However, the degree of additional slack in the labour market is debatable with broader measures of the health of the labour market pointing to additional slack. Given the uncertainty about full employment, the behaviour of wages is expected to take on increasing importance. Statistical evidence, company announcements and anecdotes suggest wages are accelerating, but the indicators are noisy and the trend is not definite.

Consumption spending appears to be growing more than 3% annualised rate in the second quarter, after having slowed in the winter. Forward-looking indicators are positive, led by solid consumer sentiment, moderate income growth, and gains in financial and housing net worth. In fact, housing is turning into a source of strength after having been the epicentre of the Great Recession. New and existing home sales are trending up, building is advancing, and house prices are headed above their prior nominal peak in the next year. Meanwhile, manufacturing and investment are moving sideways due to lower oil prices coupled with the higher exchange value of the US dollar. The worst of the adjustment in the energy sector appears to have passed, with the number of drilling rigs stabilising at a relatively low level and job losses subsiding. However, the strain on manufacturing from both weak growth abroad and the less-competitive dollar will probably persist for some time. This equates to real GDP growth in the second quarter tracking around 3%.

Inflation indicators are mixed, but all point to subdued inflation pressures. Core CPI prices have risen 1.7% over the past year. However, the methodologically preferable core personal consumption expenditure price index is a more subdued 1.2%. Both indexes suggest inflation is poised to bottom this summer, although there is little reason to expect a quick acceleration to 2%. Goods prices are in persistent deflation owing to declining import and input prices. Services inflation is steady as higher housing inflation is being offset by lower medical inflation.

At its June meeting, the Federal Reserve said that it was looking for more decisive evidence that the expansion was on track and suggested that rate hikes would be gradual. If current trends continue into the fall, the September meeting could be pivotal with key voices such as New York Fed President Bill Dudley saying that a September rate hike is "very much in play." However, any timeline for rate hikes is contingent on European policy makers containing the potential fallout from the unpredictable developments in Greece.

EMU

EMU hard data released in June, referring to industrial production in April and retail sales and car registrations in May, indicated some loss of momentum in the second quarter of 2015, relative to the pace recorded in the first quarter. Industrial production grew by 0.1% m/m, while retail sales increased by 0.2% m/m and car registrations fell by -1.5%: the 3m/3m growth rate slowed for all three activity indicators. However, June survey data were mixed, the EMU Composite PMI increased from 53.6 to 54.2, while measures more correlated with

the business cycle, including orders, indicated further deterioration, as did the IFO which also fell, especially in the expectations component. The HICP inflation rate fell back to 0.2% y/y in June from 0.3% y/y in May, due to a payback in some noisy core inflation items related to travel, which had spiked in May. Recovery in credit growth continued in May, with the annual growth rate of lending to the private sector increasing from 0.8% y/y to 1.0% y/y, although credit impulse, more relevant to track activity growth, is showing signs of fatigue.

The ECB's purchase programme continues to be implemented as planned. Simultaneously, the ECB allotted its fourth targeted long-term refinancing operation in June. Demand was broadly in line with market expectations, as banks took a total of EUR73.8bn of funds in the operation, mainly due to the high demand from some banks in Spain and Italy. The European Court of Justice in its final ruling backed the ECB's OMT programme, in line with the non-binding opinion delivered by the Advocate General in mid-January. In addition, the safeguards built into the programme are sufficient to exclude any monetary financing of governments.

Despite many attempts through calls, emergency Euro area meetings and finance ministers' teleconferences, Greece and its creditors did not manage to find a common position by the end of June. Greece's Prime Minister Alexis Tsipras unexpectedly called a referendum on the bailout offer made by the creditors three days before the expiry of the second bailout programme, which put an end to the negotiations. However, following negotiations mid-July, the European Council and Greece's Government agreed upon a third bailout programme: the agreement was approved by Greece's parliament. Negotiations on a new Memorandum will start in the upcoming weeks.

UK

Indicators related to households and housing have improved in recent months, while indicators related to manufacturing have remained subdued. UK growth looked likely to lose some momentum from the strong pace in excess of 3% for a few quarters last year, slowing to a more moderate pace of 2-2.5%. This has now happened and growth does not appear to be slowing any further. Housing market indicators have clearly turned up since the start of the year, with both activity and, to a lesser extent, prices, gaining momentum. The reduction in mortgage rates and the absence of further macro-prudential tightening appear to be the main drivers of this recovery. Car registrations and consumer confidence reached 25-year and 15-year highs, respectively. Business surveys have been mixed, with manufacturing momentum continuing to ease, but services and construction momentum starting to pick-up after slowing for most of the past year. A strong trade-weighted exchange rate will be a moderate headwind, as will subdued growth in the rest of the world. Heightened turmoil in Greece remains an important downside tail-risk even for the UK, via both confidence and financial contagion channels. Domestically, the main risk to growth stems from another round of fiscal austerity that is expected to begin shortly. This next wave of austerity is likely to be front-loaded again within the Government's term of office.

The patterns in the labour market data have changed recently. In 2014, employment growth was very strong, the unemployment rate fell rapidly, but wage growth was very weak. In the past few months, employment growth has slowed, the unemployment rate is barely falling anymore, but wage inflation has started to pick-up, albeit from a depressed pace. The interpretation of this set of labour market facts is not straightforward. The slowing in employment growth at a time the economy is maintaining its new – lower – pace, implicitly

means productivity growth is picking up. That is encouraging for the durability of the recovery. However if slowing employment growth is merely a pre-cursor to a further slowing of overall growth, this would be worrying. Inflation is expected to remain close to zero until late 2015, and by the end of the year it is still likely to be below 1%. Core inflation is subdued too, with momentum still downward. Against a background of moderate but not booming growth, combined with weak inflationary pressure, and considering the tensions stemming from the Greek crisis, there seems to be no urgency for the Bank of England to hike rates.

Japan

The latest Japanese data points to ongoing moderate increases in economic activity. The Tankan survey released in early July showed expectations of activity have improved. The monthly Shoko-Chukin survey of small and medium-sized businesses also moved up in July after some net deterioration over the spring. The Economy Watchers' Survey fell slightly in May, but its level is still consistent with ongoing improvements. Industrial production weakened in May, falling back towards the bottom of the range seen in the last 2-2.5 years.

The recent inflation data were mixed. After three consecutive months of 0.1% monthly increases, prices excluding food and energy were flat in May on a seasonally adjusted basis. Core prices were also unchanged. However, Tokyo prices increased 0.2% m/m, offsetting the drop in energy prices in June. Recent increases in oil prices and the depreciation in the yen should provide modest support for inflation in the near term.

After a final burst of drama, the U.S. Congress passed the fast-track bill, which allows for an up-or-down vote on a final Trans-Pacific Partnership treaty. This sets the stage for the conclusion of negotiations. U.S and Japanese representatives plan to meet soon to consider outstanding bilateral issues with respect to agricultural and autos, with a broader meeting among the participating countries scheduled for the end of July.

The Bank of Japan (BoJ) announced changes to its meeting schedule and operating procedures that will have some effect on its behaviour and markets going forward. The BoJ has reduced the number of meetings from fourteen to eight per year but simultaneously has increased the number of outlook reports it will issue to four a year. These changes are expected to give the BoJ more flexibility as markets have come to expect policy changes only at the meetings that include a new outlook. The BoJ will now present its own dot plots, similar to what the US Federal Reserve publishes. This could lead to some additional chatter, even market volatility, as some Board members may use the projections as a means to issue public, soft dissents. Finally, a summary of discussions at the policy meetings will be released relatively quickly post meeting, with the regular minutes to be published as usual.

China

Activity in China has shown clearer signs of improvement in June. The PMIs produced by both Markit (HSBC) and the National Bureau of Statistics improved marginally, however the synthetic HSBC Composite PMI fell further from 51.2 in May to 50.6 in June. Details of the surveys were rather mixed, with new orders rising but new export orders falling. Disinflationary pressures intensified, and employment remained in contraction territory.

Real activity indicators including industrial production, fixed-asset investment, and retail sales in June beat market expectations, especially industrial production. Industrial production growth improved to 6.8% y/y in June. CPI yearly inflation increased to 1.4% y/y in June, above the 1.3% consensus mostly due to rising food prices, while PPI remained in negative territory at -4.8% y/y, thus providing room for more policy easing. According to trade data in June, the trade surplus recorded a US\$46.5bn surplus, below the expected figure of US\$56.7bn. That said, details of the report were encouraging, as export growth somewhat recovered and imports rebounded on oil and hi-tech/electrical imports. Second quarter growth recorded 7% y/y, better than the market's expectation and is a clear sign of sequential improvement. However, the pace of the recovery will have to accelerate to achieve the 7% target.

Since March's National People's Congress, the 7-day repo rate fixing fell by nearly 300 bps although it has recently stabilised at 2.5%. However, the transmission mechanism from interbank market rates to economic growth is less clear. Credit data in June recorded a better figure, mostly due to the poor April/May credit data. If such acceleration in credit and investment could be sustained from this point, the foundation of a sustainable recovery could be better established.

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.