BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT: MARCH 2012

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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 FSA (the "FSA 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 FSA Rules.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS

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BREVAN HOWARD

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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: $2,111mm[1]

1. Estimated as at 30 March 2012 by BHM's administrator, Northern Trust.

Summary Information

BH Macro Limited NAV per share (estimated as at 30 March 2012)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	590.3	$19.45
EUR Shares	232.6	€19.65
GBP Shares	1,288.0	£20.07

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	-2.01	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	-0.42*										0.72*

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	-1.93	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	-0.42*										0.74*

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	-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	-0.40*										0.76*

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 30 March 2012.

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ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited Estimates as at 30 March 2012

	% 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.

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Performance Review

During the month, the Fund incurred small losses predominantly in macro trading in FX and commodities, which were partially offset by small gains in credit trading.

Monthly 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
March	-0.36	0.01	-0.04	-0.11	0.02	-0.01	0.13	-0.05	-0.42
QTD	-0.43	0.27	0.01	0.22	-0.09	0.16	0.57	0.02	0.72
YTD	-0.43	0.27	0.01	0.22	-0.09	0.16	0.57	0.02	0.72

Monthly and annual figures are estimated by Brevan Howard as at 30 March 2012, based on performance data for each period provided by the Fund's administrator, International Fund Services (Ireland) Limited.

Methodology and Definition of Monthly and Annual 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

A reduction in job growth in March raised questions over the sustainability of the expansion in the US. Growth in payroll employment dropped to 120,000 in March, after having averaged approximately 250,000 per month in the previous three months. In response, risk assets gave back their recent gains and Treasury yields retreated towards historic lows. The unseasonably mild winter appears to have flattered employment growth figures in previous months. The latest drop is therefore likely to be a correction, as well as being pushed further downwards by technical factors. Our best estimate of the trend in payrolls is therefore somewhere between the prior increases and the latest data.

Consumption spending firmed during the first quarter of 2012 but is running ahead of personal income, resulting in a decline in the saving rate. Consumers are tempering their saving rate partly because they are looking through the jump in gasoline prices and partly because they are more confident about the future. Indeed, consumer sentiment has bounced back after last year's swoon, stock prices are up nearly 10% this year, and there are tentative signs of an improvement in housing. Meanwhile, indicators of business investment were choppy around the start of the year but now look consistent with moderate growth.

Headline and core inflation are both near 2%, which is the rate the Federal Reserve has specified as being the most consistent over the longer run with its statutory

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mandate. The slide in core inflation in the second half of 2011 – which was part of the reason for the Fed initiating its maturity extension programme – now appears to have been a temporary phenomenon. Looking forward, the Fed seems content to wait and see how the economy develops and to add further stimulus if the expansion falters.

EMU

In March, the focus in the euro area was predominantly on Spain, where the government announced additional fiscal measures to cut the budget deficit in 2012 by €27bn (2.5% of 2011 GDP). According to the plan, approximately half of the deficit reduction will come from tax hikes and half from expenditure cuts. The Eurogroup finance ministers' meeting agreed on the financial firewall for the euro area. The package of €700bn total EFSF/ESM lending ceiling combines the new €500bn ESM and the existing €200bn of commitments of the EFSF. The EFSF will expire in mid-2013, however it is permitted to enter new commitments out of its remaining resources between mid-2012 and mid-2013. This is to ensure that the ESM's total lending capacity of €500bn is fully available. In addition to the agreed firewall and the almost €1trillion in long-term repos extended by the ECB, euro area countries have also committed another €150bn for an IMF facility (plus other EU countries have committed a further €50bn). The aim of the facility is to reach a capacity of USD 600bn, so an additional €250bn is required from the international community.

On the activity side, PMI indicator releases saw the euro area composite PMI decline slightly from February to reach 49.1 in March. The orders component declined by more, to reach 47.6, well below the expansionary threshold of 50. Looking forward, the outlook for the peripheral economies remains bleak, due to both the fiscal drag and low availability of credit, with rising energy prices acting as an additional burden. At the same time, euro area HICP inflation declined to 2.6% year-on-year in March from 2.7% year-on-year in February. The reading was marginally higher than the consensus estimate of 2.5% year-on-year, due to higher commodity prices and increases in indirect taxes and administered prices. February data for money and credit aggregates showed a slight acceleration in the growth rate of money, but a renewed deceleration in credit. The slight acceleration in money reflected in large part a further accumulation in banks' government bond holdings, particularly in Italy, Spain and Portugal. The data does not yet show the impact of the second ECB LTRO operation which was settled on 1 March 2012 and will therefore only be visible in the March money and credit data. At the April ECB press conference, ECB President Draghi confirmed that the ECB remains firmly in 'wait-and-see mode', although both hawkish (as regards the sensitivity of the ECB to possible second round effects of energy price increases) and dovish (as regards the need not to discuss the exit strategies from non-standard measures at the current juncture) elements could be detected.

UK

In the UK, March activity data suggests little change to the broader picture of positive, but below-trend, growth. The recent improvement in the housing market is likely to be primarily due to an acceleration of activity ahead of the expiry of the stamp duty holiday. Consumer confidence remains stable, but low. Labour market data suggests some increases in employment, but not a sufficient enough increase to prevent unemployment from drifting higher at a slow pace. An increase in GDP in the first quarter should steer the economy clear of two consecutive negative growth quarters. Fiscal austerity and household and bank deleveraging continue to represent substantial headwinds to growth, and a return to above-trend growth is unlikely until these forces start to abate meaningfully. Effective new bank lending to households and firms has been zero for approximately three years now. Money growth has started to pick up marginally, although it remains very subdued.

The risk of a further downturn driven externally by the eurozone crisis eased following the ECB liquidity action and the Greek debt restructuring. However, the deeper balance of payments problems in the eurozone remain unresolved, and cannot be resolved by liquidity assistance alone. The UK remains highly exposed to this situation. The drag from high inflation on real income growth that prevailed in 2011 is subsiding. With nominal wage growth at around 2-2.5%, real wage growth is likely to be approximately zero in 2012, a marked improvement relative to the sharp real wage contraction in 2011. Inflation has already dropped to halfway between its peak and the Bank of England target of 2%. From here, we expect further moderation in inflation, but at a more gradual pace. Given somewhat resilient underlying CPI inflation and renewed increases in producer prices and energy prices, inflation is unlikely to fall quite as fast or as far as the Bank of England expects. Against this background of a stable but subdued growth outlook, and slightly increased inflationary pressures, the Bank of England seems unlikely to add further stimulus to the economy. Stimulus is already provided by existing monetary policy, with a stock of quantitative easing that represents a fifth of GDP and a third of the stock of gilts outstanding. Additional easing cannot be ruled out, but could only be justified by a renewed deterioration in growth prospects or a sharper-than-expected fall in inflation.

Japan

In March, there were stronger indications of the revival of the Japanese economy which has been evident in the last few months. The combination of expansionary fiscal policy, renewed quantitative easing and consequent weakening of the value of the Yen is providing support to demand arising from both domestic and foreign sources. Indeed, the composite PMI shot up by 2 points, to 53.2, an all-time high in the history of this survey. This increase stemmed from both manufacturing and, in particular, services. Other business and consumer surveys recorded similar increases, indicating a broad-based recovery. Actual data for February also painted a strong picture, with the exception of industrial production, but this seems poised to rebound. In particular, both consumption and the labour market are improving at a relatively fast pace, helping to slow the pace of deflation. Indeed, thanks also to temporary factors, the year-on-year growth rate of the core CPI surprised the consensus on the high side, rising from -0.9% to 0.6% year-on-year.

China

The Chinese economy is experiencing a policy-engineered soft landing, aimed at curbing inflationary pressures in both the CPI and the property market. A moderation is thus observable in most indicators of domestic demand for the first few months of 2012, including retail sales, auto registrations, investments and imports. In the first quarter of 2012, China's GDP growth slowed from 8.9% to 8.1% year-on-year, the slowest pace since mid-2009. The official March PMI and HSBC surveys provided conflicting indications, as the former bounced (mainly due to seasonal factors), while the latter (which is adjusted for both seasonality and working days) moderated. In particular, HSBC composite orders PMI fell by approximately one point to 50.0, well below its 54.4 long-term average. Looking forward, fine tuning of monetary conditions is likely to put a floor on activity; credit formation rebounded in March following dismal

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dynamics in the first two months of the year, but the degree of freedom of monetary policy appears to be constrained by inflation dynamics. Indeed, CPI inflation picked up again in March, from 3.2% to 3.6% year-on-year, due to higher food and energy prices. Moreover, Premier Wen reaffirmed that property prices are at far from reasonable levels. Fiscal policy, however, is moderately expansionary.

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.