BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT

MAY 2011

ADV02741 CONFIDENTIAL DO NOT COPY OR DISTRIBUTE

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

Important Legal Information and Disclaimer

BH Macro Limited ("BHM"), is a feeder fund investing in Brevan Howard Master Fund Limited (the "Fund"). Brevan Howard Asset Management LLP ("BHAM") has supplied the information herein regarding the Fund's performance and outlook. BHAM is authorised and regulated by the Financial Services Authority.

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

The material relating to the Fund and BHM 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 BHM or 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 BHM 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, BHM 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.

Tax treatment depends on the individual circumstances of each investor in BHM and may be subject to change in 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. BHAM neither provides investment advice to, nor receives and transmits orders from, investors in the Fund 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

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT: MAY 2011

BREVAN HOWARD

T +44 (0)20 7022 6250 www.bhmacro.com

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.

Summary Information

BH Macro Limited NAV per share (estimated as at 31 May 2011)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	559.2	$17.77
EUR Shares	335.9	€17.87
GBP Shares	1,082.5	1829p

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	0.63*								3.10*

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	0.74*								3.37*

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	0.68*								3.18*

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 International Fund Administration Services (Guernsey) Limited. BHM NAV per Share % Monthly Change is calculated by BHAM. 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 31 May 2011.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited Estimates as at 31 May 2011

	% of Gross Market Value
Level 1	62
Level 2	38
Level 3	0

Source: BHAM

* These estimates are unaudited and have been calculated by BHAM 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 made profits in USD and EUR interest rates trading strategies. Some losses were experienced in FX.

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

	Total	Macro	Rates	FX	EMG	Equity	Commodity	Credit	Systematic
May	0.63	0.09	0.86	-0.12	-0.03	-0.01	-0.03	-0.10	-0.04
Q1	1.95	0.91	-0.13	0.06	0.33	-0.05	-0.04	0.88	0.00
QTD	1.12	-0.39	1.08	0.00	0.13	-0.10	0.18	0.15	0.06
YTD	3.10	0.52	0.96	0.06	0.46	-0.14	0.14	1.03	0.06

Monthly, quarter-to-date and year-to-date figures are estimated by BHAM as at 31 May 2011, based on total performance data for each period provided by BHM's Administrator, Northern Trust International Fund Administration Services (Guernsey) 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

T +44 (0)20 7022 6250 www.bhmacro.com

Market Review and Outlook

Market Commentary

US

The macro data showed substantial weakness in May. We had been expecting a bounceback after an especially weak first quarter, but it appears likely that the second quarter is poised to be just as soft due to downside surprises in virtually all sectors. Furthermore, real consumption has disappointed as house prices and construction have shown no signs of recovery and indicators for business spending have slowed. Trade has failed to lead the expansion, despite the depreciation of the US dollar.

Some analysts are attributing the soft patch to higher energy prices, bad weather and supply chain disruptions stemming from the impact of the natural disasters in Japan. However, the underlying economy is weaker than generally appreciated and continues to face significant headwinds. Indeed, the drags on growth are poised to worsen in the coming months, as the Federal Reserve stops purchasing Treasury securities and fiscal policy begins to subtract from growth. Given the vulnerabilities in the economy, it would not be a surprise if growth disappoints in the second half of the year as well. In addition, uncertainties related to Europe still loom and the financial markets remain nervous.

The labour market has been the brightest spot in the macro picture in recent months. The unemployment rate fell sharply and payrolls were expanding at a steady rate. However, in recent weeks the outlook has become less positive. Initial claims for unemployment insurance have risen and other forward-looking indicators have worsened; a development that leads us to believe that employment gains will be muted in the coming months. Neither growth nor the labour market are in a clear self-sustaining recovery as yet.

Inflation has risen sharply this year, primarily as a result of surging food and energy prices. If food and energy prices are subtracted, core inflation has risen at a pace of 2% annualised since the beginning of the year. We expect both headline and core inflation to peak soon and then subside. Since wages are somewhat subdued and inflation expectations remain in check, we do not foresee an extended bout of inflationary pressures.

EMU

In May, the sovereign debt crisis took centre stage once again. The June review by the EU/IMF of the Greek consolidation programme, the funding gap for 2012 and reports that Germany is favouring a restructuring or re-profiling of the debt have kept the financial markets on tenterhooks. At this point, the EU, the European Central Bank ("ECB") and the IMF are attempting to replace the programme approved in May 2010 with a new one, which still needs approval. Looking ahead, another challenge for the EU is likely to be in September, when discussions on the governance of the EU and approval of the European Stability Mechanism are set to reach a head.

On the activity side, recent data releases have confirmed that the EMU cycle is losing momentum as the business cycle matures. The appreciation of the euro, higher oil prices, the impact of the natural disasters in Japan and the fiscal drag are proving to be strong headwinds for activity. Recently, the inflation outlook has improved somewhat, although it remains a concern for the ECB. The recent acceleration of prices has affected the disposable income of households, which are cutting spending as indicated by the latest retail data. A concern for the ECB is the combination of the inflation outlook with the upcoming wage negotiation rounds in Germany, given that the labour market is particularly tight and the unemployment rate is running at the lowest level since unification. The labour market and overall economic picture shows an increasing degree of divergence; the upbeat outlook in Germany and in other core countries in the euro area is in deep contrast with the ongoing deterioration in the periphery.

The ECB has signalled its intention to continue hiking rates in July, three months after the 25bps increase in April. Future interest rate hikes will depend upon the extent of the activity slowdown, the strength of the euro and financial developments in the periphery.

UK

The broad outlook remains one of subdued, below-trend growth and persistently high inflation. The household sector continues to be the most vulnerable part of the economy as negative real income growth, stagnating house prices and high unemployment generate fierce headwinds. Fiscal austerity measures are causing government spending to detract from growth. Only exports and business investment are driving the recovery as the economy rebalances. Recent activity surveys point to slowing growth, primarily in the manufacturing sector. This moderation from the record pace experienced around the turn of the year is mirroring the slowdown in global manufacturing. Consumer confidence, which had been pointing to an even weaker situation, has recovered somewhat, and is now consistent with our view that consumption is likely to be broadly flat in real terms over the year.

Meanwhile, the outlook continues to signal persistently high inflation (above 4%) for the rest of this year, underpinned by the VAT hike, but also as a result of the continued pass-through from a weaker Sterling and higher commodity prices. After a period during which both inflation expectations surveys and pay settlements were picking up late last year and early this year, the past few months have seen some stabilisation in both. Near-term inflation expectations surveys have stabilised at high levels, while pay settlements have stabilised at levels that are still historically low. This should provide some comfort to the Monetary Policy Committee as unobserved longer-term inflation expectations remain anchored, despite inflation having been mostly above target for the past four years. While the near-term pressure for the Bank of England to hike rates has abated given the downside growth news and absence of further upside inflationary pressures, persistently high inflation continues to create a difficult environment for policymakers in which central bank credibility will be stretched significantly.

Japan

The contraction in first quarter GDP was worse than expected (-3.7% quarter-on-quarter) and actual and survey data still signal a steep contraction until April. However, in May the economy appeared to be on the path to a rebound, as activity gradually normalised and reconstruction gained traction. The May PMI rebounded strongly both in Manufacturing (from 45.7 to 51.3) and Services (from 35.0 to 43.8). We would expect the economic rebound to consolidate in the coming months.

China

In May, the China HSBC Composite PMI inched up from 52.6 to 53.3, the highest level since January, but still below the 55.0 historical mean. The Composite PMI dynamics provide a reliable representation of the evolution of overall growth in China, which appears to have stabilised in May, rather than losing further ground. The small improvement in the Composite PMI is entirely due to the Services component, while the Manufacturing PMI remained almost unchanged. Available evidence suggests that the most likely outcome is a soft-landing for China's economy.

There were renewed concerns of inflationary pressures in May due to the rising price of pork, as the year-on-year growth rate of the CPI rose to 5.5% from 5.3% in April. The People's Bank of China ("PBOC") hiked the Reserve Requirement Ratio ("RRR") twice by 50bps, both on 18 May 2011 and again on 14 June 2011. The PBOC has hiked rates every two months by 25bps since October 2010 and we expect this policy tightening to continue as tackling inflation remains the top priority.

Enquiries

Northern Trust International Fund Administration Services (Guernsey) Limited

Harry Rouillard +44 (0) 1481 74 5315

T +44 (0)20 7022 6250 www.bhmacro.com

Risk Factors

Acquiring shares in the Company 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 the Company (and therefore the Fund) should consult an authorised person specialising in advising on such investments. Any person subscribing for Shares must be able to bear the risks involved. These include, among others detailed in the Company'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 will invest in illiquid securities.

• Past results of the Funds' investment manager is not necessarily indicative of future performance of the Fund, and the Funds' performance may be volatile.

• An investor could lose all or a substantial amount of his or her investment.

• The investment manager has total investment and trading authority over the Fund, and the Fund is dependent upon the services of the investment manager. The use of a single advisor could mean lack of diversification and, consequently, higher risk.

• 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 Manager's incentive compensation, fees and expenses may offset the Funds' 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 Funds' 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 Interests and therefore reference should be had to the Company's Prospectus and related offering documentation for a complete description of these and other relevant risks.