BH Macro Limited
Monthly Shareholder Report

30 November 2008 www.bhmacro.com

Disclaimer / Important information

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Tax treatment depends on the individual circumstances of each investor in the Fund 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 the Fund, 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 the Fund should seek their own independent financial 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

Summary information

BH Macro Limited NAVs per share (as at 30 November 2008)

Shares Class	NAV (USD mm)	NAV per Share
USD Shares	811.79	$14.57
EUR Shares	412.28	€14.54
GBP Shares	411.27	1497p

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		21.14

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		22.20

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		24.09

*NAV performance is provided for information purposes only. Shares in BH Macro Limited do not necessarily trade at a price equal to the prevailing NAV per Share.
Source: Underlying BHMF NAV data is provided by the Administrator of BHMF, 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.

Your attention is drawn to the Disclaimer set out at the beginning of this document.

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 GYI 3QL, Channel Islands.

November 2008 Performance review

In November, the Brevan Howard Master Fund Limited (the "Master Fund") profited from fixed income directional and curve trades. Profits were also made in volatility trading and fixed income relative value trades.

Going into December, the Master Fund continues to be positioned with a low level of securities leverage (calculated as the ratio of absolute value of securities, excluding derivatives, to NAV) of approximately 0.5 (as at 30 November); a simplified derivatives book with lower gross exposure; a high "unencumbered cash"* balance of greater than 80% of the Master Fund's capital (a majority of which is invested in T-Bills); a focus on liquid asset classes and markets; and a low level of VaR utilisation.

*Unencumbered assets consist of cash, bonds bought by Brevan Howard's Treasury which are not given up to counterparties, bonds received from counterparties as collateral and cash on overnight repo; substantially all of the bonds are Treasury Bills issued by the governments of the US, France, Germany and the UK. Please note that all of the assets of the Master Fund are potentially at risk in the case of margin calls on derivative positions.

Outlook

US

Markets and the economy continued their downward spiral in November. Stocks dropped 8%, private risk spreads rose to record highs and Treasury yields fell further still. Indeed, the combination of financial turmoil, recession and the expectation of more aggressive policy caused the Treasury curve to bull flatten as market participants came to appreciate the view that the Fed will keep rates at or near zero for a long time.

In terms of economic indicators, the labour market is suffering through larger declines in payroll employment and an unemployment rate that could reach 7% by early next year. Problems in the labour market combined with declines in housing/equity wealth as well as credit constraints have led households to curb their spending. With no impetus from consumption and no end in sight for the housing downturn, businesses have begun to retrench in earnest, which will lead to further cutbacks in payrolls and less investment. With the rest of the world suffering from similar ills, the external sector is no longer a reliable source of buoyancy for the domestic economy. Hence, it seems there is a perfect storm for recession with fiscal and monetary policy as the only countervailing forces.

Toward the end of the month, there were promises of more aggressive policy action which should help the economy out of recession sometime next year. The Obama economic team appears to be contemplating a sizeable fiscal package in the order of $500 billion or more spread over two years, which would represent about 4% of GDP. Meanwhile, the Fed virtually promised more rate cuts (and, indeed, the latest FOMC decision was a 75bps cut of the Fund Rate Target at the 16th December 2008 meeting) and introduced a massive pair of programs to re-energize lending in the asset-backed securities market and the agency mortgage market. Once these programs are up and running, they will spur new lending at narrower spreads, which is what the economy needs to be able to turn the corner. Nevertheless, fiscal and monetary policy can only do so much and BHAM still anticipates a prolonged economic downturn. Aggressive policy action mitigates the downside risks and, with the possibility of even larger fiscal/monetary action, the risks may become more two-sided in the new year.

Europe

The fears of a deep global recession are spreading across the EMU. The November activity data show no signs of a bottoming-out in the EMU economy. Across the various sectors, orders are plunging, particularly those coming from emerging economies. Firms are scaling down production and BHAM believes that this process will accelerate over the coming months. In addition, firms have begun to reduce employment. The EMU unemployment rate has already ticked up in October and is set to rise meaningfully over the coming months.

Growing fears about unemployment are harming the already-low consumer sentiment. EMU consumers are postponing spending decisions, particularly of durable goods. Indeed, car sales across the EMU have reached unprecedentedly low levels in November.

Overall, BHAM thinks that the EMU faces a protracted period of deep economic weakness and tight financing conditions, which is expected to lead to large quarterly contractions of GDP well into 2009. Inflation pressures are disappearing very rapidly, thanks to the drop in international commodity prices and the subdued wage dynamics.

The ECB cut policy rates in October, November and December and is poised to continue its easing in the coming months.

UK

In November the macro data deteriorated at an even sharper pace than in previous months. Property prices, both residential and commercial, continued to fall. Labour market indicators suggest that unemployment is set to rise at an accelerating pace, which is putting substantial downward pressure on wages. Inflation expectations continued to fall, as households rapidly switched from expecting sustained above-target inflation to expecting sustained below-target inflation.

Meanwhile, financial market stress showed little sign of abating, as the spread between LIBOR and OIS remained at very high levels, corporate bond and mortgage spreads remained stubbornly high, and there were increasing concerns from small businesses that credit availability was being reduced rapidly. Sterling depreciated further.

On the policy front, the Bank of England cut rates by 150bps at its November meeting (and by 100bps again in December), more than the market expected, and acknowledged that further cuts would be required to meet the inflation target. The government announced a fiscal expansion of 1% of GDP, which is likely to have some small beneficial impact, but does not change the broad economic outlook of a deep recession and a prolonged period of below-target inflation, with a substantial risk of outright deflation.

Japan

Japan is no exception to the dramatic global slowdown. In Q3, GDP contracted by 1.8% q/q (seasonally adjusted annual rate), marking the beginning of the Japan recession. For the time being, the consumer is holding up relatively better than the corporate sector as it is helped by the improvement in purchasing power induced by the fall in energy and food prices. However, the clouds on the job market are getting bigger and darker, while consumer confidence is falling to record low levels, indicating that households' spending is poised to fall as soon as Q4.

The corporate sector is shrinking. The collapse of external demand is causing firms to contract investment spending at a fast clip. Profits are likely to be damaged also by the sharp appreciation of the yen against all major currencies; abruptly reversing after years of weakening which had been induced by carry trades.

Economic policies are providing no support, neither on the fiscal side, nor on the monetary side.

Enquiries

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