BREVAN **HOWARD**

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT: NOVEMBER 2012

ADV03897 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") and Brevan Howard Capital Management LP (together with BHAM, "Brevan Howard") have supplied the information herein regarding BHM's and the Fund's performance and outlook. BHAM is authorised and regulated by the Financial Services Authority (the "FSA") in the United Kingdom.

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").

The material relating to BHM and the Fund included in this report has been prepared by Brevan Howard 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 BHM and the Fund have been obtained or derived from sources believed by Brevan Howard to be reliable, but Brevan Howard makes no 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 Brevan Howard 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 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

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT: NOVEMBER 2012

BREVAN HOWARD

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

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 30 November 2012 by BHM’s administrator, Northern Trust.

2. This figure is net of the 2012 capital return.

Summary Information

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

Share Class	NAV (USD mm)	NAV per Share
USD Shares	585.3	$19.72
EUR Shares	193.5	€19.88
GBP Shares	1,356.2	£20.35

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	-0.40	-0.43	-1.77	-2.23	2.36	1.02	1.99	-0.36	0.86*		2.10*

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	0.65	-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	0.85*		1.91*

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

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	-0.37	-0.41	-1.80	-2.19	2.38	1.01	1.95	-0.35	0.88*		2.19*

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 November 2012.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited Estimates as at 30 November 2012

	% of Gross Market Value
Level 1	60
Level 2	40
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.

Fund Performance Review

During the month, the Fund generated gains mainly on directional positions in European rates and in European government bonds. Small gains in USD rates and credit trading were offset by small losses in commodities, equities and interest rate volatility trading.

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

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
November	0.21	0.32	0.01	0.34	-0.02	-0.03	0.05	-0.01	0.86
Q1	-0.42	0.27	0.01	0.23	-0.09	0.16	0.58	0.02	0.75
Q2	-1.69	-2.23	0.05	-0.19	-0.13	-0.13	-0.02	-0.07	-4.37
Q3	2.84	1.18	-0.02	0.45	-0.01	0.31	0.62	0.03	5.46
QTD	-0.12	0.15	-0.01	0.50	-0.05	-0.13	0.22	-0.08	0.49
YTD	0.55	-0.66	0.03	0.99	-0.28	0.21	1.41	-0.10	2.10

Monthly and annual figures are estimated by Brevan Howard as at 30 November 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

US

The status quo prevailed in the election: President Obama was re-elected in convincing fashion and Congress remained divided between Democratic control of the Senate and Republican control of the House. Following the election, the President and Congressional leaders immediately turned their attention to how to avert the fiscal cliff, the automatic spending cuts and tax increases that occur at the start of 2013. If the negotiators fail to reach an agreement, then the US will fall into recession and markets will lurch downward.

Each side has hinted at compromise, so a deal should be possible by year end. The White House says it sees some flexibility on tax rates on the rich and entitlement cuts. The House Republicans appear to be resigned to higher tax revenue and they are using their leverage on the debt ceiling to try to extract the best deal possible. After some tense negotiations—which may not sit well with the markets—we anticipate a deal will be agreed upon that consists of a down payment on deficit reduction and a framework for further negotiations next year—a little more austerity and a lot more "kick-the-can-down-the-road". Taking a broader perspective, this modest and temporary deal will mean more than one percentage point of fiscal drag in 2013. That is more than twice the magnitude of the expected positive contribution from home-building next year. Put differently, the economy will need to see more than just brisk growth in housing in order to grow above trend.

Recent developments suggest the economy is slowing into the end of the year. Last quarter, more than half of the reported 2.7% annual growth rate was driven by inventories and government spending - neither of which can be relied on to add to growth going forward. In the current quarter, growth is tracking below 1%, which is dangerously close to stall speed. Consumption outlays have been erratic but appear to be increasing albeit modestly. Capex is expected to rebound from the outright decline seen in the prior quarter but is hardly vigorous. Moreover, the forward-looking indicators are soft. Orders for core capital goods are well below the level of shipments of core capital goods; sentiment surveys are lacklustre; and manufacturing PMIs are mostly in contraction.

The labour market has been reasonably sturdy as growth has showed renewed signs of weakness. Nevertheless, the unemployment rate remains close to 8%, at least a couple of percentage points above full employment. High-frequency developments in inflation have had little attention to date. However it is worth pointing out that the Fed is missing this part of their dual mandate as well. In fact, core PCE inflation has been below 2% on a year-over-year basis for four years, a remarkably long time, especially in light of investors' fears (now mostly mothballed) that the Fed's extraordinary actions would promote inflation. Quite the opposite has occurred, which suggests that, if anything, policy has been too tight.

The Fed may be coming to a similar realisation. Policymakers' comments suggest that the FOMC will replace "Operation Twist" with open-ended Treasury purchases at the upcoming December meeting. More forceful policy guidance language is also being debated. Although monetary policy is not a panacea for the economy, it has provided important impetus to investors' confidence.

EMU

The EMU economy continues to deteriorate and the unemployment rate is on an accelerating path. In France the number of unemployed people rose to 3.1 million in October, at a pace that was the fastest since April 2009. Unemployment rose in Spain to slightly below five million in November, while the unemployment rate stood at 26.2% in October. In Greece, the latest data showed that the unemployment rate in September rose to similar, extremely high readings. In Italy unemployment climbed to 11.1%: a 0.3% jump in a single month. German industrial production fell sharply in October, on top of a decline already seen in September. The recent improvement in PMI and IFO as well as in the order data in October -- driven by foreign (outside the euro area) big-ticket orders -- points to a possible rebound in Industrial Production ("IP") in November. However given the deeply negative starting point, the fourth quarter as a whole is set to show a sizeable contraction in both IP and German GDP. On the back of a deceleration in energy and food prices, Eurostat's flash release showed that the eurozone's HICP inflation declined to 2.2% year-on-year in November, while core inflation remained broadly unchanged. The annual rate of broad money supply (M3) rose strongly in October. In contrast, and in line with previous months, loans to the private sector continued to contract.

The ECB Governing Council left interest rates unchanged in its December policy meeting. The new ECB macroeconomic projections saw very large downward revisions for both the GDP and inflation projections for 2013. The revisions were mostly due to significant downward revisions to GDP growth outlook of the core countries, including Germany and France. Importantly, the inflation forecast for 2014 was set at a low 1.4%. ECB President Draghi justified the decision not to cut rates immediately, despite the large forecast revisions, as a result of a recent improvement in financial market conditions and sentiment indicators which seemed to have broadly stabilised at low levels. In subsequent comments by individual ECB Council members it became clear that the ECB was closer to cutting policy rates at the December meeting than had been anticipated by most market observers. The majority of the Governing Council was actually in favour of a rate cut but President Draghi and the Bundesbank were against it.

The Greek government and its European creditors reached an agreement that EUR 10 bn worth of EFSF notes would be disbursed to buy back government bonds at discounted prices. The pricing schedule increased the hopes for relatively widespread participation among the holders of Greek government bonds, in which case the government would be able to retire around EUR 30 bn worth of debt. First indications after the bidding closed were that sufficient investor participation had been secured for a successful operation. The final settlement is scheduled to take place mid-December.

The European Council unveiled the proposal for a roadmap for further integration of the eurozone economy, discussed at the EU leaders' summit on 13-14 December. The roadmap continues to call for an approval of the legal basis for the single supervisory mechanism ("SSM") by end-2012, although a stalemate between France and Germany in the mid-December ECOFIN meeting means that this will no longer be possible before early 2013. Other proposals include a full implementation of the SSM and creation of a joint bank resolution authority before end-2013, as well as far reaching coordination and centralised surveillance of national budgetary policies. The draft paper did not include proposals for joint eurozone bond sales or a debt-redemption fund, but rather pointed vaguely to "borrowing capacity" and "joint insurance schemes", conditional on contractual obligations to manage public finances and to buffer country-specific shocks.

UK

We continue to believe underlying growth in the UK is around 0.0-0.5%, and we expect that pace to continue in 2013. After a very strong rebound in the third quarter, we anticipate growth to be negative again in the fourth quarter. The overall picture is that the UK's growth performance continues to be between the US (growth somewhat below trend) and the eurozone (recession). The domestic headwinds show no sign of fading: deleveraging across the private and public sectors and banks is ongoing. Only an export- and investment- led recovery could offset this, however the EMU recession and the associated uncertainty have made that impossible. The fact that inflation has dropped from last year's peak of more than 5% to between 2% and 3% has resulted in a substantial improvement in real income growth, from deeply negative to flat or slightly positive. Consumption growth has therefore returned to a small, positive growth pace. This is a substantial improvement from the consumer recession in 2011, but it is not strong enough to take economic growth anywhere near its historical average. Weakness in exports, government spending, construction and investment more than offset the mildly improved consumption picture. On the inflation front, the medium-term outlook remains benign. Inflation expectations surveys are slightly elevated but this is only due to the tick up in spot inflation. Wage growth remains subdued.

The Bank of England ("BoE") reached its QE target of GBP 375bn in November. Earlier this year, the BoE launched a Funding for Lending Scheme ("FLS"), intended to lower bank funding costs and generate loans to the real economy. There has been good progress against lowering bank funding costs, and while banks have declared an intention to lend more, actual lending has not risen yet. Even if loan supply increases,

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

it is by no means clear that there is any loan demand that will follow. The autumn Budget statement reiterated that fiscal policy will continue not to waver from the mantra of "sticking with the austerity plan". With tight fiscal policy, ongoing domestic deleveraging headwinds and an EMU recession continuing to hamper UK recovery prospects, weak growth and monetary stimulus look set to continue. However, a combination of BoE pessimism on what further QE can achieve and optimism on what the FLS will achieve has resulted in pause in QE. We expect that further growth disappointments and some reassurance that the uptick in headline inflation will abate again and will eventually trigger additional stimulus from mid-2013.

Japan

In Japan, there are signs that the pace of economic contraction, quite severe in the third quarter, is abating in the fourth quarter. The improvement appears to stem primarily from the domestic side of the economy, while the export side remains problematic.

In October, both IP and consumption data surprised: the former growing by 1.8% month-on-month (consensus was for a 2% contraction) after a 4.1% contraction in September, and the latter expanding by 0.5% month-on-month, compounding the 0.5% increase in September (revised upwards from the initial estimate of a 0.7% contraction). In November the Composite PMI slightly increased (from 48.9 to 49.9) owing to the domestic-related Services PMI component (up from 50.0 to 51.4) as the Orders Composite PMI, which better captures cyclical dynamics, stood at a low 48.6. The first available indications for December show that the Reuters Manufacturing Tankan improved for the first time in 5 months, albeit slightly (from -19 to -18), while the Non-Manufacturing index increased more decisively, from 1 to 5. Both labour market and price indicators were about stable: the former showing an ongoing low level of unemployment (although with some deterioration in the jobs-to-applicant ratio), while the latter showed moderate deflation.

A main topic for discussion in Japan concerns the monetary policy outlook, as the leader of the Liberal Democratic Party, the winner of the 16 December elections, has revealed their intention to potentially revise the inflation target of the Bank of Japan and undertake a more pro-active stance on the foreign exchange market to stem the strength of the yen. As a consequence, the yen weakened against major currencies in November.

China

November activity data showed a continued recovery in economic activity. China's manufacturing PMI rose to 50.6 from 50.2 in October while IP growth accelerated to 10.1% year-on-year from 9.6%. Importantly, a property sales recovery is under way, thus supporting property investment and construction activity. This data confirms that GDP growth will be higher in the fourth quarter than in the third quarter in both year-on-year and quarter-on-quarter metrics. Inflation-wise, CPI rose in November to 2.0% year-on-year, from 1.7% in October, due to a base effect as well as food price increases. The acceleration is likely to continue in December and it is anticipated that for 2012 CPI growth should average 2.6% year-on-year. In general, CPI inflation pressures this year were lower than the market expected, likely due to a small negative output gap and lower cost push effects stemming from labour costs. PPI inflation remains in negative territory, but on a clear upward path.

Policy-wise, the People's Bank of China ("PBOC") has turned to net withdrawals in the open market operation in November, for the first time since May. The PBOC is cautious about injecting excess liquidity and manages liquidity carefully with various tools. The PBOC is unlikely to reduce the required reserve ratio again this year. The China Politburo meeting mentioned that China will retain macro policy stability and continuity – in other words they will continue prudent monetary policy and proactive fiscal policy – in 2013. The major policy tasks for next year include expanding consumption demand, keeping investment and export growth stable, keeping the price level mostly stable, propelling urbanisation, putting forward major reforms and continuing to enhance property sector control.

Enquiries

Northern Trust International Fund Administration Services (Guernsey) Limited
Harry Rouillard +44 (0) 1481 74 5315

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.