BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT

OCTOBER 2010

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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

BH MACRO LIMITED
MONTHLY SHAREHOLDER REPORT: OCTOBER 2010

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Summary information

BH Macro Limited NAV per share (estimated as at 29 October 2010)

Shares Class	NAV (USD mm)	NAV per Share
USD Shares	565.6	$17.37
EUR Shares	375.0	€17.42
GBP Shares	949.0	1786p

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	-0.37*			1.70*

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	-0.39*			1.70*

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	-0.40*			1.74*

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 is calculated 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. In addition, BHMF is subject to an operational services fee of 50bps per annum.

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.

* Estimated as at 29 October 2010

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FAS 157 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited ("BHMF")

Unaudited Estimates as at 29 October 2010

	% of NAV (Gross Market Value)
Level 1	59
Level 2	41
Level 3	0

Source: BHAM

* These estimates are unaudited and have been calculated by BHAM using the same methodology as that used for the 2009 audited financial statements of BHMF. 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, BHMF suffered losses in interest rates trading strategies; mainly curve and directional trading strategies and to a lesser extent in LIBOR basis swap spreads, which were partially offset by small gains in swap spreads and in volatility. Further gains were also made in credit.

Monthly contribution (%) to performance of BH Macro Limited USD Shares by strategy group

	Total	Macro	Rates	FX	EMG	Equity	Commodity	Credit	Systematic
October 2010	-0.37	-0.40	-0.31	0.00	-0.07	0.00	0.02	0.34	0.05

Source: BHAM

Methodology and definition of Monthly Contribution to Performance:

Attribution is approximate and has been derived by allocating each trader book in BHMF 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

Markets reacted positively in anticipation of further quantitative easing ("QE2") from the Federal Reserve, as well as a more business-friendly Congress and improved macroeconomic data. Stocks continued their march upwards, the US dollar depreciated, and fixed income yields touched record lows.

Fears of a double-dip recession receded as retail sales advanced at a decent pace. Initial claims for unemployment insurance started to edge down, and forward-looking indicators of business sentiment and capital spending were well-maintained. Real GDP rose by approximately 2% in the middle of the year and should accelerate a little going into 2011. Nevertheless, the economy will be restrained by the headwinds from a lacklustre labour market, balance-sheet deleveraging, and low house prices.

Inflation edged down below 1% on a year-on-year basis. Core prices were unchanged in the latest release and one half of the spending categories recorded outright deflation. In the commodities market, prices have been bid up in anticipation of QE2. For the consumer, however, the picture is of disinflation with a real risk of deflation. With the Federal Reserve poised to provide more accommodation, deflation risks should be mitigated, although certainly not dismissed.

Perhaps the biggest uncertainty concerns fiscal policy. Although it is anticipated that a deal will eventually forestall the higher taxes that would result from the expiry of the Bush-era tax cuts, the broader message from the mid-term election campaign is for fiscal retrenchment. Republicans appear poised to win major victories based on the promise of spending cuts. While fiscal rectitude is desirable in the medium term, it may retard an already slow expansion in the short term.

In summary, there do appear to be more reasons for optimism, however to expect robust self-sustaining expansion in the US would be a mistake.

EMU

Activity in the EMU economy is only gently slowing in the final quarter of the year, as inventories and net trade are contributing less to GDP growth. Business and household surveys for the month of October were pleasantly surprising, signalling that the economy is more resilient than expected. Indeed, the recovery continues at a moderate pace, only marginally below the pre-crisis trend. Importantly however, the pace of activity remains very uneven across EMU countries, with an unprecedented degree of dispersion.

At pan-EMU level, the disinflation phase seems to be over and the pace of increase in the Harmonised Index of Consumer Prices is gradually accelerating towards the European Central Bank ("ECB") objective. During September and October, the ECB balance sheet shrank further, as banks decided not to renew expiring long-term financing operations. Despite these improvements, the market continues to be segmented, as some banks in certain countries rely solely on ECB funding. In such a fragile environment, market concerns about the sustainability of the fiscal position of the most vulnerable peripheral economies are returning, especially given that their unsatisfactory growth performance makes the promised consolidation targets more difficult to achieve. Moreover, upward pressures on peripheral countries' government bond spreads have been compounded by the recently agreed reform of EU/EMU governance, which induced the market to reappraise sovereign risk. Indeed, the agreement will translate into revisions to the Lisbon Treaty, contemplating the creation of a "credible crisis resolution framework in the EMU" – which would enforce the application of the "no bail-out" principle and possibly translate into "orderly" restructuring procedures involving the private sector.

In this complex environment, the ECB has become more constructive regarding the EMU outlook, which they see as being underpinned by the spontaneous decline in the demand for ECB funding and the improvement in bank lending. Hence, the ECB has signalled that its course of action remains consistent with a gradual exit from non-standard policy measures. Nevertheless, this path will have to be tested against the possibility of renewed financial tensions in peripheral economies.

UK

Activity surveys have stabilized, but at levels that suggest growth remains only at or below trend. By sector, manufacturing continues to be the strongest performer, but indicators of services growth – a much larger sector – point to only subdued growth. In the construction sector, there has been a rapid recovery this year from extremely depressed levels, which has significantly boosted Q2 and Q3 GDP growth; however, the forward-looking indicators in this sector are less upbeat. Housing and labour market indicators continue to weaken after some temporary strength late in 2009 and earlier this year. Retail sales surveys have been robust to date, somewhat surprisingly given low consumer confidence, low real wage growth and high unemployment. Inflation remains persistently above target, but other indicators of inflation pressure remain subdued: nominal wage growth, money and credit growth remain very low. Further, inflation expectations are only elevated for the year ahead

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in anticipation of the VAT increase.

Overall, the data suggests little near-term progress in taking up slack in the economy. The government re-confirmed its commitment to the full scale of fiscal austerity announced earlier this year. The intended reduction of the structural deficit by 2.3% of GDP next year creates substantial downside risks to the economy, given already weak underlying growth and ongoing private sector deleveraging headwinds.

Japan

In October, indications were consistent with renewed moderation of the Japanese economy, after the robust expansion of GDP in Q3. The moderation stems from both external and domestic demand. In particular, the Composite PMI fell from 48.5 to 46.6, consistent with overall GDP contraction and the lowest level since July 2009. The drop in the Composite PMI stemmed from a significant fall in both in Manufacturing (from 49.5 to 47.2) and Services (from 48.5 to 47.2).

Looking forward, hopes of some form of improvement in activity are supported by the recent improvement in global manufacturing, most noticeably in China (see below) – a major trading partner for Japan. A depreciation of the yen would be extremely helpful in this economic environment, which is also experiencing ongoing consumer price deflation, but thus far the Japanese currency has stabilized at high levels.

China

In China, both the October Manufacturing and Services PMI continued to indicate a meaningful rebound of the economy after the slowdown recorded earlier in the year. The PMI indications were matched by October actual activity and credit data, all signalling strengthening. As such, sequential GDP growth should mark an improvement in Q4 relative to Q3. The source of the Chinese rebound is mainly domestic, while the contribution of external demand is likely to be quite contained, as signalled by the still moderate pace of export orders.

The acceleration in activity goes hand-in-hand with rising inflation expectation and food price increases. CPI and PPI inflation continue to creep up, marking new highs for this year. In an effort to lower inflation expectation and curb property price rises, the People's Bank of China ("PBOC") hiked its benchmark deposit and lending rates by 25bps (effective 20 October 2010). In addition, the PBOC hiked the reserve requirement ratio in an effort to mop up excess liquidity. In the currency market, the pace of renminbi appreciation against US dollar slowed in October (+0.2%) versus September (+1.6%), signalling that China is allowing only a gradual pace of renminbi appreciation pace against the US dollar. In effective terms, the renminbi has continued to depreciate.

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Risk Factors

Acquiring Interests 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 Funds should consult an authorised person specialising in advising on such investments. Any person subscribing for an Interest must be able to bear the risks involved. These include, among others detailed in the Prospectus, the following:

• The Funds are speculative and involve substantial risk.

• The Funds will be leveraged and will engage in speculative investment practices that may increase the risk of investment loss. The Funds will invest in illiquid securities.

• Past results of the Funds' investment manager is not necessarily indicative of future performance of the Funds, 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 Funds, and the Funds are 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 Funds are subject to restrictions on withdrawal or redemption and should be considered illiquid. There is no secondary market for investors' Interests in the Funds and none is expected to develop.

• There are restrictions on transferring Interests in the Funds.

• The Investment Manager's incentive compensation, fees and expenses may offset the Funds' trading and investment profits.

• The Funds are not required to provide periodic pricing or valuation information to investors with respect to individual investments.

• The Funds are not subject to the same regulatory requirements as mutual funds.

• A portion of the trades executed for the Funds may take place on foreign markets.

• The Funds are subject to conflicts of interest.

• The Funds are dependent on the services of certain key personnel, and, were certain or all of them to become unavailable, the Funds 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 Funds 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 Prospectus of the Funds and related offering documentation for a complete description of these and other relevant risks.