

BREVAN HOWARD

BH MACRO LIMITED
MONTHLY SHAREHOLDER REPORT:
October 2015

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BH Macro Limited Overview

Manager: BH Macro Limited ("BHM") is a closed-ended investment company, registered and incorporated in Guernsey on 17 January 2007 (Registration Number: 46235).

Brevan Howard Capital Management LP ("BHCM") BHM invests all of its assets (net of short-term working capital) in the ordinary shares of Brevan Howard Master Fund Limited (the "Fund").

Administrator: 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.

Northern Trust International Fund Administration Services (Guernsey) Limited ("Northern Trust")

Total Assets: \$1,632 mm¹

Corporate Broker: 1. Estimated as at 30 October 2015 by BHM's administrator, Northern Trust.

J.P. Morgan Cazenove

Listings:

London Stock Exchange (Premium Listing)

NASDAQ Dubai - USD Class (Secondary listing)

Bermuda Stock Exchange (Secondary listing)

Summary Information

BH Macro Limited NAV per Share (estimated as at 30 October 2015)

Share Class	NAV (USD mm)	NAV per Share
USD Shares	366.8	\$20.58
EUR Shares	104.7	€20.71
GBP Shares	1,160.7	£21.47

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	-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	0.92	1.66	3.86
2013	1.01	2.32	0.34	3.45	-0.10	-3.05	-0.83	-1.55	0.03	-0.55	1.35	0.40	2.70
2014	-1.36	-1.10	-0.40	-0.81	-0.08	-0.06	0.85	0.01	3.96	-1.73	1.00	-0.05	0.11
2015	3.14	-0.60	0.36	-1.28	0.93	-1.01	0.32	-0.78	-0.64	-0.60*			-0.23*

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	-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	0.90	1.63	3.63
2013	0.97	2.38	0.31	3.34	-0.10	-2.98	-0.82	-1.55	0.01	-0.53	1.34	0.37	2.62
2014	-1.40	-1.06	-0.44	-0.75	-0.16	-0.09	0.74	0.18	3.88	-1.80	0.94	-0.04	-0.11
2015	3.34	-0.61	0.40	-1.25	0.94	-0.94	0.28	-0.84	-0.67	-0.62*			-0.04*

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	-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	0.94	1.66	3.94
2013	1.03	2.43	0.40	3.42	-0.08	-2.95	-0.80	-1.51	0.06	-0.55	1.36	0.41	3.09
2014	-1.35	-1.10	-0.34	-0.91	-0.18	-0.09	0.82	0.04	4.29	-1.70	0.96	-0.04	0.26
2015	3.26	-0.58	0.38	-1.20	0.97	-0.93	0.37	-0.74	-0.63	-0.50*			0.33*

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 BHCM. 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 by BHCM as at 30 October 2015

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASC 820 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited

Unaudited estimates as at 30 October 2015

	% of Gross Market Value*
Level 1	76.1
Level 2	22.9
Level 3	1.0

Source: BHCM

* These estimates are unaudited and have been calculated by BHCM 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

The information in this section has been provided to BHM by BHCM.

Performance by Asset Class

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

	Rates	FX	Commodity	Credit	Equity	Discount Management	Total
October	0.08	-0.43	-0.08	-0.03	-0.21	0.07	-0.60
Q1 2015	-0.34	2.21	-0.16	0.15	1.01	0.04	2.90
Q2 2015	0.48	-1.16	-0.05	-0.18	-0.46	0.00	-1.37
Q3 2015	-0.23	-0.02	-0.01	-0.17	-0.79	0.11	-1.10
QTD 2015	0.08	-0.43	-0.08	-0.03	-0.21	0.07	-0.60
YTD 2015	-0.01	0.57	-0.29	-0.23	-0.46	0.22	-0.23

Monthly, quarter-to-date and year-to-date figures are calculated by BHCM as at 30 October 2015, based on total performance data for each period provided by the Fund's administrator, International Fund Services (Ireland) Limited. Figures rounded to two decimal places.

The performance attribution above is derived from estimates calculated by BHCM, based on total performance data provided by the Fund's administrator, International Fund Services (Ireland) Limited and risk estimates, estimated as at 30 October 2015.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

Performance by Strategy Group

Monthly, quarterly 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	Discount Management	Total
October	-0.39	-0.27	0.06	0.04	0.01	-0.00	-0.09	-0.02	0.07	-0.60
Q1 2015	1.66	0.66	0.13	-0.04	0.03	-0.01	0.39	0.03	0.04	2.90
Q2 2015	-1.17	-0.02	0.10	-0.12	-0.00	-0.00	-0.12	-0.03	0.00	-1.37
Q3 2015	-1.37	0.56	-0.08	-0.14	-0.00	-0.00	-0.19	0.00	0.11	-1.10
QTD 2015	-0.39	-0.27	0.06	0.04	0.01	-0.00	-0.09	-0.02	0.07	-0.60
YTD 2015	-1.29	0.93	0.20	-0.25	0.03	-0.01	-0.01	-0.01	0.22	-0.23

Monthly, quarter-to-date and year-to-date figures are calculated by BHCM as at 30 October 2015, based on total performance data for each period provided by the Fund's administrator, International Fund Services (Ireland) Limited. Figures rounded to two decimal places.

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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

“**Discount Management**”: buyback activity for discount management purposes

Manager's Market Review and Outlook The information in this section has been provided to BHM by BHCM

US

The lull in economic activity at the end of the third quarter appears to have been temporary. At the start of the fourth quarter, payrolls scored their best gain of the year, the unemployment rate fell to 5.0%, and wage growth firmed. The latter development is especially important since it's a tangible signal that the labour market is strengthening.

Real GDP growth in the third quarter was held down by a sizable liquidation of inventories. Apart from inventories, growth was strong. Domestic demand is being led by steady gains in housing and robust car sales. Trade is languishing and manufacturing is suffering from weak external demand as well as the higher exchange value of the US dollar.

Inflation is still low but core prices appear to be rising. For headline prices, there may be a substantial lift at the turn of the year due to base effects. Inflation expectations should be watched closely. The market implied measures of inflation compensation are very weak and survey-based measures are at the bottom end of their historical range.

Federal Reserve officials have said liftoff from the zero lower bound will depend on whether their confidence in the economic outlook is bolstered by the latest data. Given the strong labour market, above-trend growth, and inflation that looks like it has bottomed, the Fed finally has the economic mix that allows them to raise rates at their next meeting in December. As long as there is no renewed flare up in the financial markets, liftoff seems likely.

EMU

In Q3 EMU GDP expanded by 0.3% q/q, slowing from both Q1 and Q2 and disappointing consensus estimates. Economic surveys went up marginally in October, to levels still consistent with a modest growth recovery in the monetary union. This was mainly due to an improved outlook in services sectors, with the Composite Purchasing Managers' Index ("PMI") gaining 0.3 points in October to a level of 53.9, last seen in July 2015. Other indicators such as the European Commission Business Climate index also recorded a small increase of 105.9 in October from 105.6 in September. However, despite some decent levels of economic sentiment, actual activity data was again more subdued than expected in September, especially in Germany where industrial production suffered a second consecutive monthly decline of -1.1% m/m. Third quarter industrial activity contracted for the first time since Q3 2014, with orders falling sharply too. Looking ahead, the effects of the VW emissions cheating scandal, as well as the weakness in emerging market demand represent downside risks for the economy, especially in Germany. Domestic demand remains a bright spot, as European consumers continue to benefit from low energy prices as well as from the unclogging of the bank lending market. This has been facilitated by an easier ECB monetary policy, with retail sales expanding at an annualised rate of 2.5% on a 3m/3m metric during Q3. Moreover, at 10.8%, the September EMU jobless rate reached its lowest level since February 2012, continuing its gradual adjustment in most member states, although still remaining at a high level by both international and historical standards. Turning to price developments, the euro area continued to suffer from very low consumer price inflation, with the Harmonised Index of Consumer Prices ("HICP") being flat on a y/y metric in October, up only marginally from the -0.1% y/y recorded in September. At the same time, the annual growth rate of broad money supply M3 remained unchanged at 4.9% y/y in September.

Being concerned by the very low level of inflation, far from its definition of price stability, the ECB upgraded its readiness to act at its October monetary policy meeting. They signalled that at the December ECB meeting they may re-examine the degree of monetary policy

accommodation in light of new growth and inflation projections, which are poised to be revised downward. In the Q&A session, ECB President Mario Draghi delivered a dovish message, not only reiterating the flexibility provided by the Quantitative Easing ("QE") programme, but also, and importantly mentioning that the ECB deposit rate could potentially be cut further into negative territory. A number of ECB governing board members have since continued to point at the risks associated with very low inflation levels during speeches and interviews.

UK

UK GDP recorded a 0.5% q/q expansion in Q3, below market expectations of 0.6%. The distribution of growth between the various sectors affirmed the recent theme of "weak external growth versus robust domestic demand". At the beginning of Q3, however, we have seen an interesting development in activity surveys. The PMI manufacturing survey, which had recently been pointing to next virtually no growth in the industrial sector, jumped in October back to the high levels experienced in early 2014. This improvement had already transpired into actual data, with September manufacturing production growing 0.8% m/m. Still, given the higher sterling and modest global growth, optimism in the manufacturing sector may be short-lived. Moreover, other manufacturing surveys have not yet seen a similar pick up. The PMI services surveys, which moderated markedly over Q3, edged back up to long-term average levels. Actual services output remains resilient growing 0.7% q/q in Q3. Retail sales volumes have moderated slightly from the high pace experienced earlier in the year, but overall are still growing quite briskly. Low interest rates, high consumer confidence and higher wage inflation should continue to support household consumption. Data around the construction sector has been mixed. Although surveys have performed decently, construction output contracted -2.2% q/q in Q3. Activity in the housing market is no longer accelerating, but surveys continue to sit around their recent highs. Moreover, mortgage lending has accelerated in recent months. Overall, economic growth has moderated gradually from an annual pace of 3% in 2014 to 2.2% y/y in Q3 2015. Given the persistent headwinds caused by a high exchange rate, modest global growth and fiscal consolidation, it's reasonable to expect the economy will continue to grow around this pace, which is slightly below its long-term average. After the sharp decline throughout most of 2014, the unemployment rate had been hovering around 5.5-5.6% in the 6 months to July, ticking down to 5.4% in August. Employment has resumed growing at a modest rate after experiencing a short-fall over Q2: employment surveys have also improved. Although wage inflation stopped rising in the three months to August, it had risen markedly over the past year, recording 2.8% on a 3m/12m basis. Overall, wage inflation remains somewhat below its pre-crisis average rates. The UK has recently experienced a pick-up in productivity growth which will likely offset the inflationary impact of the rise in wage inflation.

At the Bank of England's ("BoE") most recent monetary policy committee ("MPC") meeting, again only one member voted to raise the policy rate, whilst the remaining eight members voted to keep interest rates unchanged. In the November inflation report, the BoE revised down their forecast for inflation over the next two years, but at the same time revised up the forecast out to three years to 2.2%, above the 2% target. The BoE continue to discuss the process of balancing rising domestic costs against disinflationary pressures from abroad (due to the higher sterling and subdued commodity prices). Compared to the previous inflation report press conference, BoE Governor Carney appeared slightly more focussed on the risks of running inflation above target when the persistent foreign headwinds to inflation dissipate over the coming years; but with headline and core inflation at -0.1% and 1% y/y respectively, there seems still no imminent need to raise interest rates.

Japan

The Bank of Japan ("BoJ") kept policy unchanged at its late October policy meeting, despite

marking down its inflation forecast by half a percentage point in fiscal years 2015 and 2016. In his press conference, Governor Kuroda attributed the weakness to energy prices, which have dropped 12% over the past year. He cited inflation progress elsewhere as suggestive of a stronger underlying trend. The year-on-year rate in so-called western core prices, which exclude all food and energy, is up half a percentage point since April, and the seasonally adjusted one-month increases suggest further gains. There were, however, two disappointing data pieces of late. Firstly, western core prices in Tokyo fell in October, indicating that the national data will show some weakness in the upcoming report. Secondly, consumer inflation expectations over the next year dropped a quarter percentage point to 2.4% in October, which is the weakest rate since expectations began to move up in the first half of 2013, after Prime Minister Abe's three-arrows announcement.

Activity measures and survey data were mixed on the month. Manufacturing improved with industrial production bouncing back, and the Markit Purchasing Managers' Index ("PMI") moving up. On the other hand, the real trade balance deteriorated in September with real imports rising by more than exports. Rising imports is good news going forward as it suggests strength in underlying demand, but mechanically it translates to lower GDP. The Shoko-Chukin survey of small and medium-sized businesses improved in November. The Cabinet Office's synthetic consumption index rose in September, but the Economy Watchers survey deteriorated again.

China

Activity in China continues to decline in the industrial sector, while remaining more robust in other sectors. In October, the y/y growth rate of industrial production fell further, from 5.7% to 5.6%, disappointing consensus expectations of acceleration. On the demand side, signals from various indicators are inconsistent. Indeed, on the domestic side, while indicators of retail sales and investments' growth show signs of stabilisation, imports continue to contract both in volumes and in nominal terms; moreover, inflation continues to slow at the consumer level and to deflate for producer prices. Exports resumed their contracting trends, after a few months in which they were showing signs of improvement, disappointing consensus forecasts.

The People's Bank of China ("PBoC") again cut both the Required Reserve Ratio ("RRR") and official interest rates in October, hinting in the statement that more cuts may follow in the foreseeable future. The 7-day repo rate also fell by roughly another 10 bps following the cuts. However, the transmission mechanism from interbank market rates to economic growth is less clear. Credit data in October was a negative surprise, compounding concerns on the outlook for China's growth. The Communist Party held its fifth plenum in late October, stating that China needs an average growth of 6.53% for the next five years in order to become a moderately prosperous society by 2020. This seems to hint that the next five-year growth target will likely be set at 6.5%. Such growth targets will require more supportive macro policy and accelerated structural reforms.

Enquiries

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Important Legal Information and Disclaimer

BH Macro Limited ("BHM") is a feeder fund investing in Brevan Howard Master Fund Limited (the "Fund"). Brevan Howard Capital Management LP ("BHCM") has supplied certain information herein regarding BHM's and the Fund's performance and outlook.

The material relating to BHM and the Fund included in this report is provided for information purposes only, does not constitute an invitation or offer to subscribe for or purchase shares in BHM or the Fund and is not intended to constitute "marketing" of either BHM or the Fund as such term is understood for the purposes of the Alternative Investment Fund Managers Directive as it has been implemented in states of the European Economic Area. 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 to be reliable, but none of BHM, the Fund or BHCM make any 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 BHCM expressly disclaim any obligations to update or revise such estimates to reflect any change in expectations, new information, subsequent events or otherwise.

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. All investments are subject to risk. You are advised to seek expert legal, financial, tax and other professional advice before making any investment decisions.

THE VALUE OF INVESTMENTS CAN GO DOWN AS WELL AS UP. YOU MAY NOT GET BACK THE AMOUNT ORIGINALLY INVESTED AND YOU MAY LOSE ALL OF YOUR INVESTMENT. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE RESULTS.

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 gaining exposure to the Fund) should consult an authorised person specialising in advising on such investments. Any person acquiring shares in BHM must be able to bear the risks involved. These include 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 Fund's 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.
- 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 and its investment managers are 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 of BHM or the Fund and therefore reference should be made to publicly available documents and information.