BREVAN **HOWARD**

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT

SEPTEMBER 2010

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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 BHMF 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 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 BHMF 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, the Fund 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 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

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Summary information

BH Macro Limited NAV per share (estimated as at 30 September 2010)

Shares Class	NAV (USD mm)	NAV per Share
USD Shares	575.4	$17.43
EUR Shares	374.0	€17.48
GBP Shares	927.7	1792p

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	1.48*				2.06*

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	1.37*				2.08*

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	1.41*				2.13*

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 30 September 2010

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FAS 157 Asset Valuation Categorisation*

Brevan Howard Master Fund Limited ("BHMF")

Unaudited Estimates as at 30 September 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.

Organisational Update

Brevan Howard is pleased to announce its success at the Financial News Awards for Excellence in Institutional Asset Management on 13 October 2010. Brevan Howard was presented with the award for the European Asset Management Firm of the Year for the second year in a row, and was also named Hedge Fund Manager of the Year.

In September, Brevan Howard announced that it intends to open an economic research office in São Paulo, Brazil. The LatAm office will be headed by Mário Mesquita, formerly a Deputy Governor of the Brazilian Central Bank (2006-2010). Brevan Howard believes that the new office will further broaden its global reach, which includes offices in Europe, the United States and Asia.

Performance Review

During the month, BHMF made profits in interest rates, volatility, swap spreads, curve and directional trading strategies as well as in FX. Smaller profits were also made in equity, commodity and credit trading strategies. Small losses were incurred in LIBOR / overnight rate spread trading.

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

	Total	Macro	Rates	FX	EMG	Equity	Commodity	Credit	Systematic
September 2010	1.48	0.95	-0.10	0.21	0.08	0.11	0.07	0.09	0.07

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

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Market Review and Outlook

Market Commentary

US

The US economy stabilised in September after showing threatening signs of lapsing into a double-dip recession in August. Hiring picked up and initial claims for unemployment insurance edged down. Consumer spending and business investment also improved. However, the advances in the labour market and activity data are only expected to bring GDP growth back towards an annual rate of approximately 2% in the third quarter.

With positive momentum on growth diminishing from the inventory cycle, the fiscal stimulus and asset reflation, a lacklustre recovery appears vulnerable to negative shocks. In particular, we are concerned about fragile consumer sentiment, a relapse of recession in the housing sector, and uncertainty emanating from Washington. Indeed, Congress adjourned for midterm elections before finalising the spending bills, and the expiry of the Bush tax cuts still looms. The President and Congress would have to reach a compromise in a lame duck session in order to avoid a large unexpected tax hike in the new year. Prospects for compromise between the President and newly empowered Republicans appear to be finely balanced.

Developments in monetary policy were more favourable. The September Federal Open Market Committee statement displayed dissatisfaction with the economy and a willingness to intervene. For the first time, the Federal Reserve highlighted its failure to achieve its legal mandate to promote full employment in the context of price stability. In essence, the Federal Reserve has adopted an inflation target by citing its mandate to return inflation into the comfort zone. Subsequent speeches and press reports suggest the Federal Reserve will reinitiate large-scale asset purchases of longer-term Treasury securities.

During the month, the promise of additional monetary policy easing and the stabilisation of data buoyed investor sentiment. Stocks marched higher on nearly every day of the month, ending up more than 9% and producing the best September in the post-war period. Commodities also rallied and the US dollar depreciated in sympathy as investors added risk. We believe that one way forward to an improved recovery would be if there is a sustained positive feedback loop between asset prices, sentiment, spending, and the prospects of the labour market.

EMU

Going into the final quarter of the year, activity in the EMU economy appears to be moderating as inventories and net trade are contributing less to GDP growth. The recovery continues to be bumpy across EMU countries and the macroeconomic divergences within the monetary union are widening. Looking ahead, the debt overhang in certain EMU countries, the need for fiscal consolidation and the renewed appreciation of the euro are all headwinds to growth of the economy.

Despite renewed concerns over the fiscal situation of certain EMU countries, a key market test was passed with countries such as Ireland, Italy, Portugal and Spain all having successful bond issues in September. Furthermore, at the end of the month EMU banks returned a substantial amount of excess liquidity back to the European Central Bank ("ECB") with the maturing of the second one-year repo. However, regardless of these improvements, the market continues to be highly segmented with certain banks in certain countries relying solely on central bank funding. In such a fragile environment, market concerns about the sustainability of the fiscal position in certain countries might worsen, given that the growth slowdown will make it harder to achieve the promised consolidation targets.

In contrast, the ECB has recently become increasingly constructive about the EMU outlook and at its September meeting it further upgraded its growth expectations. The decline in the demand for ECB funding and the renewed dynamic in bank lending have underpinned this positive view. Nevertheless, the ECB's course of action appears to be at odds with the decision by other leading central banks to provide further policy accommodation. Such divergence between the actions of central banks has contributed to the appreciation of the euro.

UK

In September, activity indicators appeared to suggest that growth has found a below trend floor for the time being. Housing and labour market indicators, which showed some temporary strength in late 2009 and early 2010, have shown renewed weakness. Retail sales surveys have been robust, which is somewhat surprising given the low level of consumer confidence, low real wage growth and high unemployment. Inflation remains stubbornly above target, but other indicators of inflation pressure remain subdued. Nominal wage growth remains low, producer price inflation is easing, and inflation expectations are only elevated for the year ahead to reflect the upcoming VAT increase. Overall, the data suggests little near-term progress in taking up slack in the economy and medium-term inflation pressures remain weak. Moreover, the headwinds from fiscal consolidation have barely begun, with the largest adjustments beginning in 2011. The headwinds from consumer and bank deleveraging remain as new credit extension remains broadly zero.

Given this outlook, some members of the Bank of England's ("BoE") Monetary Policy Committee ("MPC") are beginning to consider the possibility of further monetary stimulus. However, communication challenges for the BoE persist when considering further policy stimulus, because although inflation is expected to ease, current inflation remains well above target. This is limiting policy flexibility at the present time. A moderation in inflation and further possible weakening of growth, especially early next year, could push the MPC more decisively towards quantitative easing.

Japan

The cooling of external demand is spreading to the whole economy, which shows weakening also in the more domestically oriented sectors. Both industrial production and exports showed a disappointing performance in August and are poised to contract in Q3 as a whole. At the same time, the Manufacturing PMI pointed to more softening in September, dropping further below the 50 threshold. Indications from the rest of the economy were not encouraging either, as the services PMI fell, having been more resilient in previous months.

The deterioration of external conditions for the Japanese economy is the result of the combined effects from a moderation in global demand, related to both final demand and inventories, as well as from the significant strengthening of the yen. In response, the Ministry of Finance decided to intervene to prevent further appreciation of the yen. Moreover, in an attempt to prevent a further deepening of deflationary pressure, the Bank of Japan decided to cut rates to close to zero and to undertake new forms of expansion to its balance sheet.

China

In China, a recovery of domestic demand drove a further rebound of the September Manufacturing PMI, as evidenced by the strength of total orders, while export orders remained stagnant. At the same time, the non-manufacturing PMI fell slightly, leaving the composite PMI at levels consistent with moderate growth, albeit firmer than in Q2. Food inflation remained strong and it appears likely to drive CPI inflation further upward in the near-term.

Policy-wise, the Chinese government has announced more property tightening measures aimed at curbing speculative demand in response to renewed property price appreciation. Meanwhile, the People's Bank of China Monetary Policy Committee statement pointed at future increases in renminbi flexibility.

Enquiries

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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.