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# BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT  
NOVEMBER 2020

**OVERVIEW****Manager:**

Brevan Howard Capital Management LP ("BHCM")

**Administrator:**

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

**Corporate Broker:**

J.P. Morgan Cazenove

**Listing:**

London Stock Exchange (Premium Listing)

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 ("BHMF" or 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.

**PERFORMANCE ATTRIBUTION**

Performance contribution (%) by asset class for BHM USD Shares (net of fees and expenses)

The information in this section has been provided to BHM by BHCM. Based on performance data for each period provided by BHM's administrator, Northern Trust. Figures rounded to two decimal places

Performance attribution (%) by underlying component for BHMF

The information in this section has been provided to BHM by BHCM. Derived from data calculated by BHCM, based on total performance data for each period provided by BHMF's administrator, International Fund Services (Ireland) Limited ("IFS") and risk data provided by BHCM

See notes for definitions of underlying components

Data estimated as at 30 November 2020

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

	Rates	FX	Commodity	Credit	Equity	Discount Management	Total
October 2020	0.09	0.44	-0.09	-0.28	-0.16	0.00	-0.01
November 2020*	-0.09	0.64	-0.32	-0.13	0.67	0.00	0.77
Q1	19.04	0.12	0.26	1.62	2.11	0.00	23.22
Q2	-0.27	-2.18	0.70	0.82	-0.16	0.10	-1.01
Q3	0.24	0.63	0.80	0.07	-0.06	0.00	1.68
QTD*	-0.00	1.08	-0.41	-0.42	0.51	0.00	0.76
YTD*	19.00	-0.38	1.35	2.10	2.40	0.10	24.97

\* Calculated on the basis of estimated performance data.

**Methodology and Definition of Contribution to Performance:**

Attribution by asset class is produced at the instrument level, with adjustments made based on risk estimates.

The above asset classes are categorised as follows:

"Rates": interest rates markets

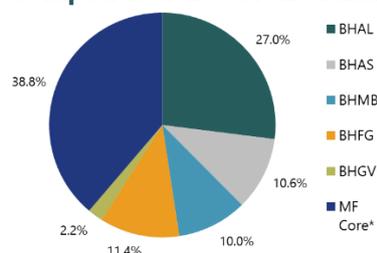
"FX": FX forwards and options

"Commodity": commodity futures and options

"Credit": corporate and asset-backed indices, bonds and CDS

"Equity": equity markets including indices and other derivatives

"Discount Management": buyback activity or sales of shares from treasury

**Component Parts of the Fund**

	Return		Attribution	
	MTD	YTD	MTD	YTD
<b>Brevan Howard Alpha Strategies Master Fund Limited (BHAL)</b>	1.21%	17.16%	0.31%	4.66%
<b>Brevan Howard AS Macro Master Fund Limited (BHAS)</b>	0.65%	19.26%	0.07%	2.03%
<b>Brevan Howard MB Macro Master Fund Limited (BHMB)</b>	0.13%	18.28%	0.01%	1.61%
<b>Brevan Howard FG Macro Master Fund Limited (BHFG)</b>	-1.39%	68.72%	-0.16%	5.99%
<b>Brevan Howard Global Volatility Master Fund Limited (BHGV)</b>	-0.03%	40.72%	0.00%	0.88%
<b>BHMF – Core Portfolio Manager Team (MF Core)*</b>	1.84%	40.82%	0.75%	16.82%

The performance figures listed above, other than the performance figures for MF Core, represent the actual returns of Class X Shares in each underlying fund in which the Fund invests. The Class X Shares in each underlying fund do not charge any performance or management fees. Management, performance and other fees and expenses are payable by BHM. BHM's investment in the Fund is subject to an operational services fee.

\* The performance figures listed for MF Core represent returns from (i) direct capital allocations to individual traders, (ii) treasury trades placed for BHMF, (i) and (ii) each represented gross of all performance fees, management fees and the operational services fee (however net of all other fees and expenses payable by the Fund), and (iii) actual returns of Class X Shares in Brevan Howard AH Master Fund Limited (see above paragraph for fee characteristics of Class X Shares in underlying funds).

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## PERFORMANCE REVIEW

The information in this section has been provided to BHM by BHCM. Derived from data calculated by BHCM, based on total performance data for each period provided by the Fund's administrator (IFS) and risk data provided by BHCM.

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### BH Macro Limited – performance overview

The NAV per share of BHM's USD shares appreciated by 0.77%\* and the NAV per share of BHM's GBP shares appreciated by 0.76%\* in November 2020. Emerging market FX trading generated gains, primarily from US dollar vs Asia and to a lesser extent Latam and CEEMEA currencies. Additional gains came from equity trading and tactical positioning of US interest rates. Partially offsetting these gains were losses from UK and European interest rate strategies, G10 currency trading and commodity trading of precious metals.

#### **BHAL**

FX trading across G10 and emerging markets drove returns in November. Further gains came from tactical directional trading of US rates and inflation bonds and from emerging market interest rate strategies. Smaller losses were incurred in UK interest rate trading, commodity trading of precious metals and from equity index trading.

#### **BHAS**

Most of the positive performance stemmed from FX trading via USD shorts, with some offsetting losses being realised in commodities space. In the interest rates space, gains in EUR were offset by losses of similar magnitude in USD.

#### **BHMB**

Gains from FX trading, primarily from short dollar positioning vs Asian currencies, were partially offset by losses from directional and yield curve trading of US, HKD and Korean interest rates.

#### **BHFG**

The majority of the loss for this month was caused by long precious metals positions as gold and silver prices fell over the month. BHFG had a small loss on curve cap positions due to flattening of the USD rates curve. These losses were offset in part by gains in short USD FX positions.

#### **BHGV**

The market went into the US elections with a very large risk premium for volatility across asset classes. The election outcome and positive news on a COVID-19 vaccine caused risk assets to rally significantly and volatility was sold very aggressively. In particular, short-dated equity volatility, where the premium had been high, had one of the worst months in history. FX and rates volatility also followed to much lower levels. BHGV had most positions in forward volatility which performed significantly better as term structure normalized after the election.

#### **Other\*\***

FX positioning in USD vs Asia together with equity and credit positioning drove gains over the month. Smaller losses were incurred in European sovereign bond trading and G10 FX trading.

\* Estimated as at 30 November 2020.

\*\* Please see section "Performance Attribution".

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**NAV PERFORMANCE****BH Macro Limited NAV  
per Share**

Monthly performance in % terms;  
net of fees and expenses

Source: Fund NAV data is provided by the administrator of the Fund, IFS. 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.

USD	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2007</b>			0.10	0.90	0.15	2.29	2.56	3.11	5.92	0.03	2.96	0.75	<b>20.27</b>
<b>2008</b>	9.89	6.70	-2.79	-2.48	0.77	2.75	1.13	0.75	-3.13	2.76	3.75	-0.68	<b>20.32</b>
<b>2009</b>	5.06	2.78	1.17	0.13	3.14	-0.86	1.36	0.71	1.55	1.07	0.37	0.37	<b>18.04</b>
<b>2010</b>	-0.27	-1.50	0.04	1.45	0.32	1.38	-2.01	1.21	1.50	-0.33	-0.33	-0.49	<b>0.91</b>
<b>2011</b>	0.65	0.53	0.75	0.49	0.55	-0.58	2.19	6.18	0.40	-0.76	1.68	-0.47	<b>12.04</b>
<b>2012</b>	0.90	0.25	-0.40	-0.43	-1.77	-2.23	2.36	1.02	1.99	-0.36	0.92	1.66	<b>3.86</b>
<b>2013</b>	1.01	2.32	0.34	3.45	-0.10	-3.05	-0.83	-1.55	0.03	-0.55	1.35	0.40	<b>2.70</b>
<b>2014</b>	-1.36	-1.10	-0.40	-0.81	-0.08	-0.06	0.85	0.01	3.96	-1.73	1.00	-0.05	<b>0.11</b>
<b>2015</b>	3.14	-0.60	0.36	-1.28	0.93	-1.01	0.32	-0.78	-0.64	-0.59	2.36	-3.48	<b>-1.42</b>
<b>2016</b>	0.71	0.73	-1.77	-0.82	-0.28	3.61	-0.99	-0.17	-0.37	0.77	5.02	0.19	<b>6.63</b>
<b>2017</b>	-1.47	1.91	-2.84	3.84	-0.60	-1.39	1.54	0.19	-0.78	-0.84	0.20	0.11	<b>-0.30</b>
<b>2018</b>	2.54	-0.38	-1.54	1.07	8.41	-0.57	0.91	0.90	0.14	1.32	0.38	0.47	<b>14.16</b>
<b>2019</b>	0.67	-0.70	2.45	-0.49	3.55	3.97	-0.66	1.12	-1.89	0.65	-1.17	1.68	<b>9.38</b>
<b>2020</b>	-1.25	5.39	18.40	0.34	-0.82	-0.54	1.84	0.97	-1.11	-0.01	0.77*		<b>24.97*</b>

GBP	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
<b>2007</b>			0.11	0.83	0.17	2.28	2.55	3.26	5.92	0.04	3.08	0.89	<b>20.67</b>
<b>2008</b>	10.18	6.86	-2.61	-2.33	0.95	2.91	1.33	1.21	-2.99	2.84	4.23	-0.67	<b>23.25</b>
<b>2009</b>	5.19	2.86	1.18	0.05	3.03	-0.90	1.36	0.66	1.55	1.02	0.40	0.40	<b>18.00</b>
<b>2010</b>	-0.23	-1.54	0.06	1.45	0.36	1.39	-1.96	1.23	1.42	-0.35	-0.30	-0.45	<b>1.03</b>
<b>2011</b>	0.66	0.52	0.78	0.51	0.59	-0.56	2.22	6.24	0.39	-0.73	1.71	-0.46	<b>12.34</b>
<b>2012</b>	0.90	0.27	-0.37	-0.41	-1.80	-2.19	2.38	1.01	1.95	-0.35	0.94	1.66	<b>3.94</b>
<b>2013</b>	1.03	2.43	0.40	3.42	-0.08	-2.95	-0.80	-1.51	0.06	-0.55	1.36	0.41	<b>3.09</b>
<b>2014</b>	-1.35	-1.10	-0.34	-0.91	-0.18	-0.09	0.82	0.04	4.29	-1.70	0.96	-0.04	<b>0.26</b>
<b>2015</b>	3.26	-0.58	0.38	-1.20	0.97	-0.93	0.37	-0.74	-0.63	-0.49	2.27	-3.39	<b>-0.86</b>
<b>2016</b>	0.60	0.70	-1.78	-0.82	-0.30	3.31	-0.99	-0.10	-0.68	0.80	5.05	0.05	<b>5.79</b>
<b>2017</b>	-1.54	1.86	-2.95	0.59	-0.68	-1.48	1.47	0.09	-0.79	-0.96	0.09	-0.06	<b>-4.35</b>
<b>2018</b>	2.36	-0.51	-1.68	1.01	8.19	-0.66	0.82	0.79	0.04	1.17	0.26	0.31	<b>12.43</b>
<b>2019</b>	0.52	-0.88	2.43	-0.60	3.53	3.82	-0.78	1.00	-1.94	0.47	-1.22	1.52	<b>7.98</b>
<b>2020</b>	-1.42	5.49	18.31	0.19	-0.85	-0.53	1.74	0.94	-1.16	-0.02	0.76*		<b>24.32*</b>

BHM NAV data is unaudited and net of all investment management and all other fees and expenses payable by BHM. In addition, the Fund is subject to an operational services fee.

With effect from 1 April 2017, the management fee is 0.5% per annum. BHM's investment in the Fund is subject to an operational services fee of 0.5% per annum.

No management fee or operational services fee is charged in respect of performance related growth of NAV for each class of share in excess of its level on 1 April 2017 as if the tender offer commenced by BHM on 27 January 2017 had completed on 1 April 2017.

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 2020.

PAST PERFORMANCE IS NOT  
INDICATIVE OF FUTURE RESULTS

**ASSETS AND NAV  
PER SHARE**

Data estimated as at 30  
November 2020

Source: Share data is provided by  
BHM's administrator, Northern  
Trust.

	NAV per Share	USD MM
<b>USD Shares</b>	\$33.73	74.0
<b>GBP Shares</b>	£32.40	649.2
<b>BH Macro Limited</b>		723.1

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## MANAGER'S MARKET REVIEW AND OUTLOOK

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

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### US

Job gains slowed in November and the decline in the unemployment rate to 6.7% was entirely accounted for by persons dropping out of the labour force. Wage and price inflation were tame with core PCE inflation unchanged on the month and moderate on a 12-month change basis. The big news in November was the election, which saw the incumbent, President Trump, failing to earn a second term - only the third time this has occurred in the post-war period. Meanwhile, Republicans made gains in the House and will maintain control of the Senate if they win one of the special-election races in Georgia. Investors appeared to welcome divided government.

### UK

The second lockdown in England was lifted in early December and the country placed back in a tiered system, although the government announced a planned relaxation of rules over the Christmas period. The UK became the first Western country to authorise and begin administering a Covid vaccine. Meanwhile, the Chancellor's spending review laid bare the enormous levels of public borrowing in 2020 and pointed to less fiscal support next year. In data, GDP grew significantly (15.5%) in Q3, but was still nearly 10% below pre-crisis levels. The unemployment rate rose from 4.5% to 4.8%, growing at a slightly slower pace than in the previous month, whilst inflation for November was higher than expected. The ongoing Brexit negotiations between the UK and the EU remain stuck as compromises over state aid, fisheries and governance are yet to be found.

### EMU

The November Flash Composite PMI dropped sharply in the EMU (-4.7pts), back well-below the 50-threshold at 45.3. The driver of the pullback was in Services, hardest hit by renewed lockdown restrictions, while Manufacturing continued to provide resistance and will provide some offset, though EMU Q4 GDP will likely contract again. Recent news on a Covid vaccine is welcome and reduces greatly uncertainties, as well as chances of tail risks, even as its implementation is challenging. EMU Core inflation remained rooted at its record-low 0.2% in November and headline inflation at -0.3% against a backdrop of ongoing deflationary tendencies, resulting in additional easing and recalibration of ECB policy at the December meeting.

### Japan

Like most of the developed world, Japan's near-term economic prospects are tied to Covid. With the turn to colder weather, cases have picked up, which may explain the deterioration in the Economic Watcher's Survey. Prime Minister Suga announced a new support package with a heavy emphasis on spending and incentives for green energy and digital technologies. This third round is smaller than the first two but brings the level of total Covid related stimulus to \$3 trillion.

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**NOTES**

Acronym	Fund name	Type	Primary area of focus
BHAL	Brevan Howard Alpha Strategies Master Fund Limited	Multi PM Fund	Relative value ("RV") and directional strategies in developed and emerging fixed income and FX markets
BHAS	Brevan Howard AS Macro Master Fund Limited	Single PM Fund	Macro / RV strategies in developed market interest rate markets
BHMB	Brevan Howard MB Macro Master Fund Limited	Single PM Fund	Macro / RV strategies in Asia-focused interest rate and FX markets
BHFG	Brevan Howard FG Macro Master Fund Limited	Single PM Fund	Multi-asset class macro trading
BHGV	Brevan Howard Global Volatility Master Fund Limited	Opportunistic Fund	Long volatility in multiple asset classes
Other*	N/A	Multi PM: Capital allocations to various trading strategies or individual traders that are not part of the funds listed above.	Multi-asset class macro, systematic and RV trading

\* Please see section "Performance Attribution".

**ENQUIRIES**

**The Company Secretary**  
**Northern Trust International Fund Administration Services (Guernsey) Limited**

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## IMPORTANT LEGAL INFORMATION AND DISCLAIMER

Brevan Howard Capital Management LP ("BHCM") has supplied certain information herein regarding BHM, BHMF and the funds which BHMF invests, or has invested, in (together the "Funds").

The material relating to the Funds included in this report is provided for information purposes only, does not constitute an invitation or offer to subscribe for or purchase shares in the Funds and is not intended to constitute "marketing" of the Funds 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 the Funds have been obtained or derived from sources believed to be reliable, but none of the Funds 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, the Funds 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 BHMF and the investment funds in which BHMF invests (together with BHMF "the Underlying Funds")) 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 Underlying Funds are speculative and involve substantial risk.
- The Underlying Funds will be leveraged and will engage in speculative investment practices that may increase the risk of investment loss. The Underlying Funds may invest in illiquid securities.
- Past results of each Underlying Fund's investment manager(s) are not necessarily indicative of future performance of that Underlying Fund, and that Underlying Fund's performance may be volatile.
- An investor could lose all or a substantial amount of his or her investment.
- An investment manager may have total investment and trading authority over an Underlying Fund and each Underlying Fund is dependent upon the services of its investment manager(s).
- Investments in the Underlying Funds are subject to restrictions on withdrawal or redemption and should be considered illiquid.
- The investment managers' incentive compensation, fees and expenses may offset an Underlying Fund's trading and investment profits.
- No Underlying Fund is required to provide periodic pricing or valuation information to investors with respect to individual investments.
- The Underlying Funds are not subject to the same regulatory requirements as mutual funds.
- A portion of the trades executed for the Underlying Funds may take place on foreign markets.
- The Underlying Funds are subject to conflicts of interest.
- Each Underlying Fund is dependent on the services of certain key personnel, and, were certain or all of them to become unavailable, an Underlying Fund may prematurely terminate.
- Each Underlying Fund's managers will receive performance-based compensation. Such compensation may give such managers an incentive to make riskier investments than they otherwise would.
- An Underlying 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 or the Underlying Funds and therefore reference should be made to publicly available documents and information.