BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT
JULY 2019

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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

Data as at 31 July 2019

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

	Rates	FX	Commodity	Credit	Equity	Total
July 2019	-1.24	0.56	0.05	0.00	-0.03	**-0.66**
Q1	3.16	-0.68	0.05	-0.03	-0.09	**2.41**
Q2	9.14	-1.79	0.25	-0.04	-0.29	**7.14**
YTD	11.19	-1.91	0.35	-0.07	-0.41	**9.00**

Methodology and Definition of Contribution to Performance:
Attribution by asset class is produced at the instrument level, with adjustments made based on risk estimates.

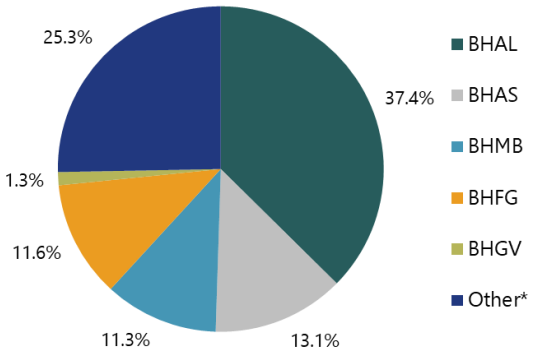
The above asset classes are categorised as follows:
"Rates": interest rates markets
"FX": FX forwards and options
"Commodity": commodity futures and options
"Credit": corporate and asset-backed indices, bonds and CDS
"Equity": equity markets including indices and other derivatives

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

Component Parts of the Fund



	Return		Attribution	
	MTD	YTD	MTD	YTD
Brevan Howard Alpha Strategies Master Fund Limited (BHAL)	2.64%	19.37%	0.93%	6.24%
Brevan Howard AS Macro Master Fund Limited (BHAS)	-0.28%	8.64%	-0.03%	1.06%
Brevan Howard MB Macro Master Fund Limited (BHMB)	-1.14%	10.11%	-0.13%	1.07%
Brevan Howard FG Macro Master Fund Limited (BHFG)	-2.07%	-2.23%	-0.24%	-0.26%
Brevan Howard Global Volatility Master Fund Limited (BHGV)	-2.08%	-14.53%	-0.03%	-0.21%
Other*	-4.37%	12.92%	-1.23%	4.02%

The performance figures listed above, other than the performance figures for "Other", 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 "Other" 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).

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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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.

BH Macro Limited – performance overview

The NAV per share of BHM's USD shares depreciated by 0.66% and the NAV per share of BHM's GBP shares depreciated by 0.78% in July 2019. The majority of the losses came from directional trading of shorter dated US interest rates. These losses were partially offset by gains from relative value and tactical trading of US interest rates as well as from directional trading of European and emerging market interest rates. Gains from trading FX instruments, primarily positions linked to EUR/USD, also contributed positively.

BHAL

Directional positions in longer dated European interest rate instruments and the EUR FX markets generated the majority of the gains in July. Directional trades on shorter dated US interest rate instruments generated losses that were almost completely offset by tactical directional trading in longer tenors and US basis swap trades, and heightened volatility. FX trading outside of EUR/USD had little net impact.

BHAS

While BHAS lost some ground in USD interest rates positions, it made some gains in EUR and GBP rates, through an overall long risk exposure. Other asset classes and minor interest rates markets contributed only marginally to the performance.

BHMB

Long volatility positions in Chinese and related equity and FX markets lost money over the month following a broadly uneventful G20 meeting. Further losses were incurred from long-biased directional trading of interest rates in US and Singapore, as well as from yield curve trading strategies in US and Hong Kong rates. Partially offsetting gains came from directional and volatility positioning in Korean interest rates as well as from short biased currency positions in Hong Kong, Singapore and Taiwan.

BHFG

The majority of the losses arose from front end USD rates positions and CMS curve caps. This was offset in part by a gain in long gold and gold miners equity positions. Other positions linked to Brexit and European rates were neutral over the period.

BHGV

High realized volatility gave support to implied volatility in interest rates. However, swaption implied volatility still ended the month near all-time low levels and particularly in EUR, significantly below realized volatility. Equity and FX volatilities were heavy at the beginning of the month.

Other*

Losses came predominately from directional and yield curve trading in US interest rates.

* Please see section "Performance Attribution".

NAV PERFORMANCE

BH Macro Limited NAV per Share

Monthly performance in % terms; net of fees and expenses

Data as at 31 July 2019

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.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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	-0.59	2.36	-3.48	**-1.42**
2016	0.71	0.73	-1.77	-0.82	-0.28	3.61	-0.99	-0.17	-0.37	0.77	5.02	0.19	**6.63**
2017	-1.47	1.91	-2.84	3.84	-0.60	-1.39	1.54	0.19	-0.78	-0.84	0.20	0.11	**-0.30**
2018	2.54	-0.38	-1.54	1.07	8.41	-0.57	0.91	0.90	0.14	1.32	0.38	0.47	**14.16**
2019	0.67	-0.70	2.45	-0.49	3.55	3.97	-0.66						**9.00**

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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	-0.49	2.27	-3.39	**-0.86**
2016	0.60	0.70	-1.78	-0.82	-0.30	3.31	-0.99	-0.10	-0.68	0.80	5.05	0.05	**5.79**
2017	-1.54	1.86	-2.95	0.59	-0.68	-1.48	1.47	0.09	-0.79	-0.96	0.09	-0.06	**-4.35**
2018	2.36	-0.51	-1.68	1.01	8.19	-0.66	0.82	0.79	0.04	1.17	0.26	0.31	**12.43**
2019	0.52	-0.88	2.43	-0.60	3.53	3.82	-0.78						**8.19**

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.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

ASSETS AND NAV PER SHARE

Data as at 31 July 2019

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

	NAV per Share	USD MM
USD Shares	$26.90	64.8
GBP Shares	£26.11	458.4
BH Macro Limited		523.3

ASC 820 ASSET VALUATION CATEGORISATION

% of Gross Market Value

Brevan Howard Master Fund Limited

Unaudited as at 31 July 2019

Source: BHCM, sum may not total 100% due to rounding.

	On a non-look through basis*	On a look through basis**
Level 1	13.3	69.5
Level 2	12.9	30.2
Level 3	0.3	0.4
At NAV	73.5	-

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.

At NAV: This represents the level of assets in the portfolio that are invested in other funds and priced or valued at NAV as calculated by IFS.

*This data is unaudited and has been calculated by BHCM using the same methodology as that used in the most recent audited financial statements of the Fund. The relative size of each category is subject to change.

**This data reflects the combined ASC 820 levels of the Fund and the underlying allocations in which the Fund is invested, proportional to each of the underlying allocation's weighting in the Fund's portfolio. The data is unaudited and has been calculated by BHCM using the same methodology as that used in the most recent audited financial statements of the Fund and any underlying funds (as the case may be). The relative size of each category is subject to change.

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MANAGER'S MARKET REVIEW AND OUTLOOK

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

US

Real GDP in the current quarter is tracking at a trend-like pace of 2%. However, manufacturing and capex are relatively weak, especially in areas that are exposed to trade. The labour market appears healthy, but there are hints of a slowdown in the pace of overall hiring and hours worked. Inflation excluding food and energy has picked up from the soft readings earlier in the year, but the year-over-year change is 1.6%, somewhat below the Federal Reserve's 2% target. Looking ahead, it is questionable whether the apparent distress in manufacturing/capex will spread to services and the labour market.

UK

The latest set of national accounts saw GDP decline -0.2% q/q (1.2% y/y), the first quarterly contraction since 2012 and a surprise compared to the Bank of England's forecast of 0%. Lower investment and a reversal of Q1 inventory stockpiling before the original Brexit date were the major drivers of the decline. Meanwhile, inflation positively surprised as the Consumer Price Index increased 2.1% y/y in August, higher than the general expectations of 1.9%. The Bank of England's Andy Haldane gave a speech emphasising a "wait and see" approach until the Brexit date of 31 October; despite weak economic data he expressed caution over cutting rates, especially if a 'no deal' Brexit leads to a currency shock and a spike in inflation expectations. The pound fell approximately 4% against the euro in late July/early August after Prime Minister Johnson asserted that the Northern Ireland backstop would need to be abolished to reach a deal, and markets perceived an increased chance of a 'no deal' outcome.

EMU

Recent data confirmed a contraction in German and Italian Q2 GDP, with Economic and Monetary Union ("EMU") Q2 GDP growing just 0.2% q/q. The renewed escalation of the trade war, despite some postponement, appears to have created a negative confidence shock, hitting an already fragile global economy. Indications stemming from both August German Sentix and ZEW surveys have been particularly bad, with levels at the lowest points since the 2009 financial crisis. EMU flash Harmonised Index of Consumer Prices inflation edged down to 1.1% y/y in July, as core inflation dropped back from 1.1% to 0.9%. With pan-EMU gross domestic product levels seemingly indicating a worse Q3 outcome and the euro up from the July meeting, the European Central Bank may be forced to ease in September.

Japan

The Bank of Japan ("BoJ") has left policy unchanged, lowered its inflation forecast and announced that it stands ready to add accommodation if needed. It is not clear what more can be done; long rates have continued to fall. The BoJ will in all likelihood have to monitor the yen as it appreciated against the dollar in early August. Inflation in Japan has not responded as the BoJ expected. The national core Consumer Price Index slipped -0.1% in June. Tokyo prices did tick up in July on a seasonally adjusted basis, but July is only 0.1% above January's level. Real GDP rose 1.8% (annual rate) in Q2, with solid increases in consumption and fixed investment.

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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

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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.

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