BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT
DECEMBER 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 December 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
December 2019	1.23	0.25	0.01	0.14	0.04	**1.68**
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**
Q3	-1.61	0.35	0.23	-0.10	-0.30	**-1.45**
Q4	0.53	0.74	-0.40	0.15	0.15	**1.15**
YTD	11.35	-1.39	0.12	-0.02	-0.53	**9.38**

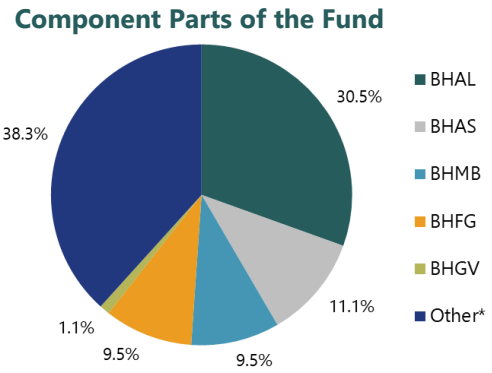
Methodology and Definition of Contribution to Performance:
Attribution by asset class is produced at the instrument level, with adjustments made based on risk estimates.

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



	Return		Attribution	
	MTD	YTD	MTD	YTD
Brevan Howard Alpha Strategies Master Fund Limited (BHAL)	1.62%	17.11%	0.48%	5.37%
Brevan Howard AS Macro Master Fund Limited (BHAS)	1.08%	13.39%	0.12%	1.59%
Brevan Howard MB Macro Master Fund Limited (BHMB)	1.77%	14.46%	0.17%	1.47%
Brevan Howard FG Macro Master Fund Limited (BHFG)	-0.63%	-1.42%	-0.06%	-0.11%
Brevan Howard Global Volatility Master Fund Limited (BHGV)	-0.33%	-12.62%	0.00%	-0.18%
Other*	3.83%	14.49%	1.45%	4.71%

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 appreciated by 1.68% and the NAV per share of BHM's GBP shares appreciated by 1.52% in December 2019. Tactical trading of US interest rates and FX across a range of DM and EM currencies generated gains. Smaller gains were generated in commodity, equity index and sovereign EM bond trading. Returns were further boosted by the pending receipt of settlement proceeds from an ISDAfix antitrust class action in which BHMF participated.

BHAL

Gains came from directional and tactical trading across the US interest rate curve, as well as from emerging market trading strategies in both FX and interest rates. Small, partially offsetting losses came from trading strategies in inflation, sovereign swap spreads and developed market FX.

BHAS

BHAS gained mainly by successful trading of USD basis and rates volatility. Some smaller losses were incurred in European Government Bond positions.

BHMB

Interest rate and equity index trading drove returns, while FX trading detracted modestly. Yield curve and directional trading of interest rates was profitable, with the dollar-block (USD/HKD/SGD) driving returns, alongside New Zealand, Korea and China. Long positioning in HSCEI contributed to equity index returns. Gains from FX trading of commodity currencies was more than offset by losses from non-Japan Asian FX including HKD. Small gains from gold positioning also contributed.

BHFG

The main losses stemmed from FX and rates positions related to Brexit where BHFG was positioned for a strengthening of the pound following the election in December. Even though the outcome of the election was an emphatic win for the Conservative party, which was seen as a positive by the markets, there was little follow through in the pound.

BHGV

Volatilities dropped at the start of the month but recovered somewhat as equity markets weakened in the final days of the year. Realised volatility was high in the interest rate markets but again disappointed in FX markets. However, the short dated implied volatility in G10 currencies is even lower than the realised volatility. Long dated implied volatility is again at all-time lows in many FX pairs. The market is expecting heavy volatility selling from corporate hedging programs.

Other*

Gains were generated from G10 FX trading and sovereign EM bond trading.

* Please see section "Performance Attribution".

2019 PORTFOLIO UPDATE

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

The Fund generated positive returns throughout the year, driven in particular by interest rate trading in the US, Europe and emerging markets. At the beginning of 2019, the Fund was positioned in anticipation of monetary policy easing by the Federal Reserve, the ECB and the Bank of England. These views were expressed through a combination of directional, yield curve and volatility positions. In the event, global growth slowed as the year unfolded, led by notable weakness in the manufacturing sector, and punctuated by an intensification in trade tensions between the US and China. As markets started to anticipate the potential for rate cuts and, in the case of Europe, further QE, these positions profited, in particular during the second quarter of the year. Markets became more choppy after the summer. Investors were caught off guard by President Trump's demand that US companies move out of China, the designation of China as a currency manipulator, and the announcement of new tariffs covering all of US trade with China. The consequences of this escalation were immediately felt in markets and were reflected in a further deterioration in business sentiment. Fears of an uncontrolled trade war and cliff-edge Brexit increased the odds of global recession. However, risk assets recovered on plans for a phase one trade deal between the US and China, the prospects for a resolution to Brexit following the UK election, and hopes that fiscal and monetary policy easing would buoy growth. Growth in China and Europe stabilised and fears of recession in the US waned. In this environment, some of the gains from US interest rate positioning were given back in the third quarter and position taking became more tactical into the end of the year. In a number of emerging markets, political and social unrest weighed heavily on economic activity, enabling the Fund to profit in every quarter from a wide range of idiosyncratic interest rate trading strategies. Looking into 2020, global growth remains soft, inflation is low, and geopolitics remains volatile. Although there is no statistical evidence that expansions die of old age, the global economy is in the eleventh year of the business cycle with slowing profit growth, weak business spending and sentiment, and little further stimulus forthcoming. Moreover, the populist impulses seen in recent years may find their expression in a variety of political events in 2020, punctuated by the US presidential election in November. Given these factors, and with risk assets at seemingly ebullient levels, the macro backdrop can be expected to remain of particular interest to investors.

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NAV PERFORMANCE

BH Macro Limited NAV per Share

Monthly performance in % terms; net of fees and expenses

Data as at 31 December 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.

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	1.12	-1.89	0.65	-1.17	1.68	**9.38**

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	1.00	-1.94	0.47	-1.22	1.52	**7.98**

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 December 2019

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

	NAV per Share	USD MM
USD Shares	$26.99	65.9
GBP Shares	£26.06	493.9
BH Macro Limited		559.8

ASC 820 ASSET VALUATION CATEGORISATION

% of Gross Market Value

Brevan Howard Master Fund Limited

Unaudited as at 31 December 2019

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

	On a non-look through basis*	On a look through basis**
Level 1	26.5	78.1
Level 2	7.8	20.8
Level 3	1.1	1.1
At NAV	64.6	-

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

Consumption spending moderated and business investment remained soft in the fourth quarter. Nevertheless, tracking estimates of fourth-quarter real GDP growth are running about 2 percent at an annual rate as surprisingly weak imports narrowed the trade deficit. Hopes that a strong labour market would spur wage and price inflation have been misplaced, as measures of average hourly earnings and core inflation moved down over the same period. Federal Reserve policymakers remained comfortably on hold in their last meeting of the year, describing the economy as being in a "good place." Elsewhere in Washington, successful trade talks with China pointed to a cease-fire in the trade war, albeit with tariffs maintained on the majority of bilateral trade.

UK

Following the Conservative party's resounding general election victory, the government brought back the Withdrawal Agreement Bill, adding an amendment which prevents any extension of the transition period. The bill completed its passage through parliament and confirms that the UK will leave the EU on 31 January 2020. The Bank of England in its December meeting left the bank rate unchanged at 0.75%. Following the meeting, speeches by members of the Committee (Carney, Vlieghe, Tenreyro) indicated that interest rates may be lowered if economic data continues to be weak. The monthly GDP release for November was weaker than expected at -0.3%, although upward revisions of previous months led to an improvement in the 3m/3m average.

EMU

Q4 2019 GDP is tracking 0.2% q/q, in line with the European Central Bank ("ECB") forecast, following firmer construction and retail sales in October (via revisions) and November, while the composite PMI edged up in December. EMU flash Harmonised Index of Consumer Prices ("HICP") inflation rose from 1.0% to 1.3% y/y in December, due to an energy base effect, while core inflation was steady at 1.3% y/y but will likely be volatile in coming months. The December 2019 ECB meeting confirmed policy continuity at the helm and that monetary policy is not exhausted and the ECB is ready to act if necessary. The ECB upgraded its assessment of growth risks, but its macroeconomic projections remain low, with GDP growth forecast at 1.4% in 2022 and HICP inflation still well-below target at 1.6% in 2022 (Q4 2022: 1.7%). President Lagarde confirmed the ECB will conduct a strategy review that will commence in January and will be completed before the end of 2020.

Japan

Chair Kuroda said that the Bank of Japan would not hesitate to ease policy further if momentum toward the 2% inflation goal came under threat. The 12-month change in inflation excluding all food and energy was only 0.4% in November, the same seen since the start of the year. Moreover, that measure includes the effects of the latest hike in the consumption tax, which the authorities estimate boosted the inflation rate by 0.1 to 0.2 percentage points.

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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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