BREVAN HOWARD

BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT
OCTOBER 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 October 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
October 2019	0.15	0.57	-0.10	0.00	0.04	**0.65**
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**
YTD	10.93	-1.56	0.43	-0.17	-0.64	**8.84**

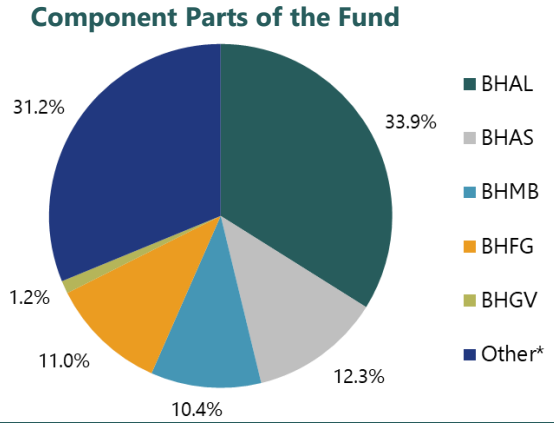
Methodology and Definition of Contribution to Performance:
Attribution by asset class is produced at the instrument level, with adjustments made based on risk estimates.

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)	2.04%	16.95%	0.66%	5.38%
Brevan Howard AS Macro Master Fund Limited (BHAS)	2.03%	12.34%	0.25%	1.49%
Brevan Howard MB Macro Master Fund Limited (BHMB)	-0.64%	10.87%	-0.07%	1.15%
Brevan Howard FG Macro Master Fund Limited (BHFG)	-0.03%	1.36%	0.00%	0.18%
Brevan Howard Global Volatility Master Fund Limited (BHGV)	-1.52%	-10.48%	-0.02%	-0.15%
Other*	0.16%	12.77%	0.05%	3.92%

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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).

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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 0.65% and the NAV per share of BHM's GBP shares appreciated by 0.47% in October 2019. FX drove returns with gains from GBP trading partially offset by losses from Asian and EM FX strategies. Interest rate trading generated small positive returns as gains from directional positioning in US rates were partially offset by losses from volatility strategies.

BHAL

Gains from directional and curve trading in US, European, GBP and emerging market interest rates were partially offset by losses in volatility trading strategies. FX trading also generated modest gains across developed and emerging market currencies.

BHAS

In October, BHAS realised most of its gains in directional USD interest rates trades, running a long exposure in the early part of the month, before reducing the directional risk allocation to trade more tactically, notably through option positions. Smaller gains were realised in FX where BHAS benefitted from Brexit developments that pushed GBP higher. Against these gains, BHAS incurred minor losses in European Asset Swap positions as well as in USD interest rates basis.

BHMB

Interest rate and FX trading strategies made losses overall while equity trading generated modest offsetting gains. Within interest rate trading, yield curve and directional trading of the dollar-block (USD/HKD/SGD) was profitable, while losses stemmed from directional, curve and relative value strategies in Japan, Korea and China. FX trading was negative overall with gains and losses across a wide range of currency pairs. Equity gains were generated from long positioning in Asian indices.

BHFG

Over the month gains were made from being long GBP via EURGBP puts and GBPUSD calls. GBP appreciated as a new deal was agreed between the UK government and the EU thereby reducing the risk of a hard Brexit. This was offset in part by losses on long USD rates positions.

BHGV

Risky assets had a strong month in October. Subsequently, volatilities came under pressure. FX volatility had a strong start to the month but as realised volatility failed to pick-up, implied volatilities dropped back to their recent lows. Equity volatility was relatively well supported as higher equity markets caused some structured products to knock-out. There is likely to be a significant amount of autocallable note knock-outs in Q4, but it remains to be seen how much of these will be reinvested. Interest rate volatility gave back some of the August and September gains but as realised volatility stayed elevated, the implied volatility decline was limited.

Other*

Gains from FX trading were offset by losses from directional trading of US 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 October 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	1.12	-1.89	0.65			**8.84**

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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	1.00	-1.94	0.47			**7.67**

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 October 2019

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

	NAV per Share	USD MM
USD Shares	$26.86	66.7
GBP Shares	£25.98	480.1
BH Macro Limited		546.8

ASC 820 ASSET VALUATION CATEGORISATION

% of Gross Market Value

Brevan Howard Master Fund Limited

Unaudited as at 31 October 2019

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

	On a non-look through basis*	On a look through basis**
Level 1	21.4	74.8
Level 2	8.5	25.2
Level 3	0.0	0.0
At NAV	70.1	-

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 rose 2% at an annual rate in the third quarter and looks set to slow below trend in the current quarter. However, the labour market remains strong with the unemployment rate at 3.6%. Core Personal Consumption Expenditures price index inflation remains below 2% and has slowed in recent months alongside a continued slide in inflation expectations. At its October meeting, the Federal Reserve cut interest rates by 25 basis points for the third time in a row, concluding for now its "insurance" easing cycle.

UK

The UK is heading for its second General Election in just over two years after Parliament backed the government's request of an election on 12 December 2019. The intention of the upcoming vote is to break the political deadlock around Brexit, after Prime Minister Boris Johnson was forced to extend the exit date to 31 January 2020. Most commentators see a Conservative majority as the most likely outcome, while also acknowledging inaccurate predictions in recent elections and the potential for polls to move. Economic growth increased to 0.3% y/y in the third quarter, although this was below both market expectations and the Bank of England's forecast. The Bank left interest rates unchanged in November, but fears of downside risks led to two out of nine members voting for a rate decrease.

EMU

EMU Q3 GDP increased by 0.2% q/q, slightly firmer than expected, while the annual growth rate remained at 1.2%, the slowest since Q4 2013. The EMU Composite Purchasing Managers' Index provided mixed indications in October; it edged up but to a level below the Q3 average, potentially signalling the prospect of slower Q4 GDP growth. EMU flash Harmonised Index of Consumer Prices inflation dropped from 0.8% to 0.7% y/y in October, while Core inflation edged up to 1.1%, reflecting upwards pressure from its most volatile components, but underlying trends remain subdued. The October European Central Bank ("ECB") Introductory Statement featured some subtle, but not insignificant, changes telling of an increasingly dovish view of the economy, and President Draghi left the ECB advising new President Lagarde to "never give up". Going forward, a sliding economy and inflation could yet force the Council to ease again in 2020.

Japan

The Bank of Japan held monetary policy unchanged at its latest meeting. The Statement emphasised there being "no further increase in the possibility" of a loss in inflation momentum. Moreover, the tone seems to have switched from promoting an increase in inflation to 2%, to preventing a loss in momentum. This should be taken in the context of little actual inflation momentum. National prices excluding food and energy have risen only 0.3% over the twelve months ending in September. That is better than what was seen in 2017 and 2018 but no different than the 12-month rate at the start of this year. Adjusted for the effects of the consumption tax, the 12-month rate in Tokyo prices has actually moderated this year to 0.4% in October.

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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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