BREVAN HOWARD

FEB 2021

BH Macro Limited

MONTHLY SHAREHOLDER REPORT

ADV012550

Your attention is drawn to the important legal information and disclaimer set out at the end of this document

Overview

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.

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)

Performance Attribution

Performance Contribution (%) by Asset Class for BHM USD Shares (net of fees and expenses)

	RATES	FX	COMMODITY	CREDIT	EQUITY	DISCOUNT MANAGEMENT	TOTAL
Jan-21	0.84	-0.10	-0.11	0.05	0.54	0.00	**1.21**
Feb-21	0.04	0.37	-0.03	0.01	-0.10	0.00	**0.31**
QTD	0.88	0.27	-0.14	0.06	0.45	0.00	**1.52**
YTD	**0.88**	**0.27**	**-0.14**	**0.06**	**0.45**	**0.00**	**1.52**

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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.

Data as at 26 February 2021. Data for February 2021, QTD and YTD is calculated by BHCM, on the basis of estimated performance data from Northern Trust.

Methodology

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

Performance Attribution (%) by Underlying Component of BHMF

	RETURN		ATTRIBUTION	
	MTD	YTD	MTD	YTD
Brevan Howard Alpha Strategies Master Fund Ltd (BHAL)	0.35	2.37	0.10	0.67
Brevan Howard AS Macro Master Fund Ltd (BHAS)	2.98	5.26	0.25	0.45
Brevan Howard FG Macro Master Fund Ltd (BHFG)	-0.10	0.21	-0.01	0.02
Brevan Howard MB Macro Master Fund Ltd (BHMB)	-0.13	1.79	-0.01	0.15
Brevan Howard Global Volatility Master Fund Ltd (BHGV)	4.22	6.39	0.09	0.14
BHMF – Core Portfolio Manager Team* (MF Core)	0.05	1.45	0.02	0.60

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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" section below for definitions of underlying components.

Data estimated as at 26 February 2021.

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 and Brevan Howard TN Master Fund Limited (see above paragraph for fee characteristics of Class X Shares in underlying funds).

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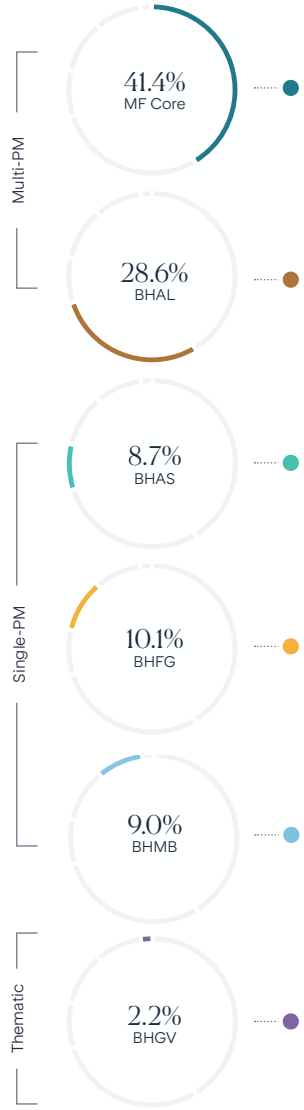
Performance Overview

The NAV per share of BHM's USD shares appreciated by 0.31% and the NAV per share of BHM's GBP shares appreciated by 0.31% in February 2021. Gains from interest rate yield curve positioning and FX trading in early February were partially given back towards the end of the month as markets reversed. Overall BHMF made small gains from US and European curve positions as well as from DM FX trading, while emerging market FX and interest rate trading detracted over the month.

Component Parts of the Fund



MF Core*

Gains from equity index positioning were offset by losses, primarily from FX trading of USD/Asia.

BHAL

Gains through the month from tactical trading of US interest rates were offset by small losses across a range of strategies, including inflation, EM and G10 interest rate trading. Gains in G10 FX trading, in particular from GBP and EUR more than offset losses from EM FX trading. Further small losses were incurred from tactical trading of equity indices.

BHAS

The positive performance in February was quite evenly split between FX and interest rates trading. In interest rates, gains came in about two thirds from GBP and in another third from EUR, through short positioning designed to benefit from steeper interest rates curves, with some losses however occurring in USD interest rates trading. In FX, the positive performance stemmed from a short exposure in the USD, playing the depreciation against various other currencies. Smaller losses occurred in equity, commodity and inflation space.

BHFG

In February there were losses stemming from short USD FX positions, long precious metals positions and also from tactical and hedge trades. The losses were offset in large part by gains in FX trades which were long the British Pound against the Euro. There were also gains from CMS curve cap positions as the USD rates curve steepened.

BHMB

Gains from short positioning and curve steepening across a range of interest rate markets were broadly offset by opposing positions in other markets as the sell-off in US interest rates was widely replicated across markets globally. Short USD/Asia FX positioning detracted somewhat while equity index trading made a positive contribution over the month.

BHGV

In February interest rate implied volatility rose significantly. Realised volatility was high as positive economic news, the improved coronavirus situation and upcoming fiscal stimulus had markets question the sustainability of low interest rates. Equity volatility traded weaker as the high expected volatility was not realised. However, the implied/realised risk premium remains high in equities. BHGV added exposure to interest rate volatility.

Data may not add to 100% due to rounding

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, IFS and risk data provided by BHCM.

Data estimated as at 26 February 2021.

* Please see section "Performance Attribution (%) by Underlying Component of BHMF" for further information on the "MF Core" component.

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NAV Performance

BH Macro Limited NAV per Share (monthly performance in % terms; net of fees and expenses)

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**
2020	-1.25	5.39	18.40	0.34	-0.82	-0.54	1.84	0.97	-1.11	-0.01	0.76	3.15	**28.89**
2021	1.21	0.31											**1.52**

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**
2020	-1.42	5.49	18.31	0.19	-0.85	-0.53	1.74	0.94	-1.16	-0.02	0.75	3.04	**28.09**
2021	1.20	0.31											**1.52**

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

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.

Sources and notes: 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.

Data as at 26 February 2021. Data for February 2021 and YTD is estimated.

Assets and NAV Per Share

	NAV PER SHARE	USD MM
USD Shares	$35.31	73.9
GBP Shares	£33.89	714.6
BH Macro Limited		788.5

Sources and notes: Share data is provided by BHM's administrator, Northern Trust.

Data estimated as at 26 February 2021.

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Manager's Market Review and Outlook

Market Commentary

US

As the number of new cases of Covid-19 declined and vaccination penetration increased, the US economy enjoyed a bounce in activity in February. After having languished around the turn of the year, payrolls surged, led by hiring in the leisure and hospitality industry. The unemployment rate ticked down to 6.2%, but remains a long way away from full-employment. Consumer spending in the current quarter looks on track to rebound as well. Combined with robust business and housing investment, overall GDP growth in the first quarter is expected to be impressive. Price inflation was solid at the beginning of the year and base effects will flatter the year-over-year figures in the Spring. However, inflation is still well short of the Federal Reserve's goal that it exceeds 2% for some time. Finally, the biggest macroeconomic news is the swift movement toward passage of President Biden's $1.9 trillion American Rescue Plan. Combined with the prior stimulus packages, the sum total of fiscal spending since the start of the coronavirus pandemic is the largest in history apart from World War II.

UK

The UK remains under a strict lockdown with the past month seeing the government finally unveil its roadmap for returning to normality. Restrictions are scheduled to be lifted in stages, spaced five weeks apart and culminating in the removal of all social distancing measures in late June. To date, 22 million people have received at least one dose of either the Pfizer or AstraZeneca vaccine, putting the UK ahead of all other major, developed economies. The Chancellor unveiled his long awaited budget in the first week of March; fiscal support is to remain elevated this year, but set to tighten in the years ahead as the Treasury seeks to make government borrowing more sustainable. Relations with the EU deteriorated in the last week with the UK unilaterally extending the grace period on some imports into Northern Ireland; the European Commission responded by initiating legal action and the European Parliament has shelved ratification of the trade deal negotiated at the end of last year.

EMU

EMU GDP contracted -0.6% q/q in Q4 2020, albeit by less than the ECB forecast of -2.2%, though emerging hard data (e.g., Ger Jan retail sales: -5.8% m/m; Ger Jan IP -2.5% m/m) point to a deeper contraction in Q1 2021 than the initial ECB December forecast. The EMU Composite PMI rose 1pt in February but remains weak at 48.8, with the Services PMI (45.7) particularly affected by ongoing coronavirus lockdown restrictions. Meanwhile, EMU coronavirus daily cases are rising again and the relatively slow pace of vaccination rollout remains a risk going forward, with the EMU lagging behind the US and UK. EMU Core inflation eased from 1.4% to 1.1% y/y in February, the beginning of an unwind of one-off factors that boosted inflation in January, while underlying inflation remains low. The ECB's Panetta warned that yield curve steepening is unwelcome and must be resisted, and that the ECB should not hesitate to increase the volume of PEPP purchases and spend the entire PEPP envelope or more if needed.

Japan

Even though expectations for the Bank of Japan's ("BoJ") March policy review were ratcheting down, most analysts still had expected that it would still be meaningful. Chair Kuroda, however, appears to have lowered expectations even further. Asked in a Diet session, he said that he is not considering widening the margin in which the BoJ allows long-term JGB rates to fluctuate. The BoJ could still tinker with its ETF purchase program, though even those have been running at a relatively slow rate the last few months.

Notes

ACRONYM	FUND NAME	TYPE	PRIMARY AREA OF FOCUS
BHAL	Brevan Howard Alpha Strategies Master Fund Ltd	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 Ltd	Single-PM Fund	Macro / RV strategies in developed market interest rate markets
BHFG	Brevan Howard FG Macro Master Fund Ltd	Single-PM Fund	Multi-asset class macro trading
BHMB	Brevan Howard MB Macro Master Fund Ltd	Single-PM Fund	Macro / RV strategies in Asia-focused interest rate and FX markets
BHGV	Brevan Howard Global Volatility Master Fund Ltd	Thematic Fund	Long volatility in multiple asset classes
MF Core*	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 (%) by Underlying Component of BHMF" for further information on the "MF Core" component.

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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