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# BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT  
FEBRUARY 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**

Data as at 28 February 2020

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
January 2020	-0.19	-0.56	-0.28	-0.08	-0.14	-1.25
February 2020	4.45	-0.10	-0.10	0.23	0.91	5.39
Q1	4.26	-0.66	-0.37	0.14	0.77	4.07
YTD	4.26	-0.66	-0.37	0.14	0.77	4.07

**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

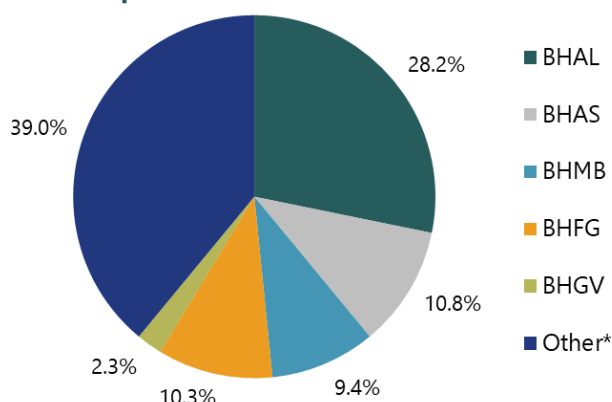
"Credit": corporate and asset-backed indices, bonds and CDS

"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
<b>Brevan Howard Alpha Strategies Master Fund Limited (BHAL)</b>	2.91%	0.30%	0.83%	0.09%
<b>Brevan Howard AS Macro Master Fund Limited (BHAS)</b>	4.60%	4.24%	0.49%	0.46%
<b>Brevan Howard MB Macro Master Fund Limited (BHMB)</b>	4.43%	5.34%	0.41%	0.49%
<b>Brevan Howard FG Macro Master Fund Limited (BHFG)</b>	18.98%	16.42%	1.72%	1.52%
<b>Brevan Howard Global Volatility Master Fund Limited (BHGV)</b>	13.73%	10.56%	0.29%	0.26%
<b>Other*</b>	6.94%	6.29%	2.77%	2.44%

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 5.39% and the NAV per share of BHM's GBP shares appreciated by 5.49% in February 2020. Directional trading of global interest rates drove returns over the month, with strong gains coming from US rates trading. Additional smaller gains came from a range of DM and EM interest rate markets including GBP, NZD, Korea, China and Canada. Equity index trading contributed positively over the month alongside credit index trading. FX was broadly flat over the month with small gains and losses across a range of currencies.

**BHAL**

Gains were generated across a range of trading strategies in particular from tactical directional and option trading of US interest rates. Further gains came from FX option strategies, European bond and yield curve relative value trading as well as from equity index and emerging market interest rate strategies.

**BHAS**

Most of the positive performance stemmed from directional long interest rates positions in the front-end of the curves, aimed to benefit from an increasing likelihood of interest rates cuts by central banks. The largest contribution in terms of risk allocation and performance were positions in USD interest rates markets, while further gains were realized in GBP as well as smaller currencies such as AUD, NZD and CAD where policy rates were still sitting at relatively elevated levels.

**BHMB**

Directional trading of dollar-block (USD/HKD/SGD) and other Asian interest rates drove returns, with addition gains from volatility and yield curve positioning. FX trading was broadly flat, with gains from non-Japan Asian currency trading offset by losses from JPY and commodity currency positioning. Small gains were generated in equity index positioning while commodity positioning generated small losses.

**BHFG**

The majority of the gains were from short equity positions executed via puts and put spreads and long positions in the front end of the USD rates curve.

**BHGV**

Volatility turned aggressively in February after COVID-19 news began to hit the markets. Equity markets corrected lower while interest rates dropped globally. Short-dated volatility in equities shot higher to levels last seen in December 2018. FX volatility bounced off the all-time low levels led by USDJPY. Also the longer dated volatility started correcting in equities and fx. Long term interest rate volatility lagged as the market started pricing in years of zero interest rates and QE.

**Other\***

Gains were generated from global interest rate trading and equity index trading strategies.

\* 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

Data as at 28 February 2020

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											<b>4.07</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											<b>4.00</b>

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.

**ASSETS AND NAV  
PER SHARE**

Data as at 28 February 2020

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

	NAV per Share	USD MM
<b>USD Shares</b>	\$28.09	68.7
<b>GBP Shares</b>	£27.10	496.1
<b>BH Macro Limited</b>		564.8

**ASC 820 ASSET  
VALUATION  
CATEGORISATION**

% of Gross Market Value

**Brevan Howard Master  
Fund Limited**

Unaudited as at 28 February 2020

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

	On a non-look through basis*	On a look through basis**
<b>Level 1</b>	25.5	70.3
<b>Level 2</b>	7.5	29.7
<b>Level 3</b>	0.0	0.0
<b>At NAV</b>	67.0	-

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.

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### US

Attention shifted in February away from the flow of economic data to the spread of the COVID-19 pandemic from China to the rest of the world. What had appeared to be a devastating public health crisis in China spread globally. Financial markets priced in a sharp tightening in financial conditions, even though downward revisions to various countries' forecasts for growth and inflation lagged behind fast-moving developments. Monetary and fiscal policy moved toward an easier stance. However, it is unclear whether the global policy response will be sufficient to avert a severe global recession.

### UK

The spread of COVID-19 became a key concern in March, as confirmed cases began to increase at a similar rate to the most impacted countries. The government began to introduce social distancing measures which were incrementally tightened as the spread increased. Both the government and Bank of England introduced packages to help support the economy during the expected downturn. The Chancellor committed to an open-ended spending package, while the Bank of England reintroduced QE and cut interest rates to an all-time low of 0.1%.

### EMU

The impact of COVID-19 on the EMU – Italy and Spain in particular – could lead to the largest recession since WWII. After an underwhelming first attempt at the March policy meeting, the European Central Bank ("ECB") stepped up dramatically its QE programme, adding another EUR 750bn of purchases by year-end, thus taking the total between now and then to about EUR 1.05trn. The ECB said it "will do everything necessary within its mandate", is "fully prepared to increase the size of its asset purchase programmes and adjust their composition, by as much as necessary and for as long as needed," and will consider revising some self-imposed limits if they hamper the necessary action. A common fiscal policy does not exist. Public deficits will balloon across the EMU, due to the recession, and for some countries this could be unbearable, regardless of fiscal policy.

### Japan

Real GDP fell -7.1% (annual rate) in Q4 with the rise in the consumption tax. The fallout from COVID-19 likely pushed GDP down more in Q1. The Bank of Japan made some adjustments in response to crises in financial markets. The Bank expanded its limits on purchases of exchange-traded funds, real estate investment trusts, commercial paper and corporate bonds, but not Japanese Government Bonds. It added a loan provision scheme to support corporate financing, and following the move of the US Federal Reserve, it lowered liquidity swap rates and extended the maturity of liquidity provisions. Spot yen appreciated against the US dollar in early March but since appears to have moved back to the previous range.

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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.