

---

# BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT  
AUGUST 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)

## PERFORMANCE ATTRIBUTION

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

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

Data estimated as at 28 August 2020

PAST PERFORMANCE IS NOT  
INDICATIVE OF FUTURE  
RESULTS

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.

	Rates	FX	Commodity	Credit	Equity	Discount Management	Total
July 2020	0.17	0.43	1.10	0.10	0.04	0.00	1.84
August 2020*	0.26	0.58	0.11	0.01	0.02	0.00	0.98
Q1	19.04	0.12	0.26	1.62	2.11	0.00	23.22
Q2	-0.27	-2.18	0.70	0.82	-0.16	0.10	-1.01
QTD*	0.43	1.01	1.21	0.11	0.06	0.00	2.83
YTD*	19.23	-1.08	2.18	2.57	2.00	0.10	25.43

\* Calculated on the basis of estimated performance data.

### 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

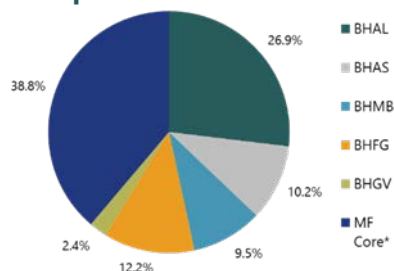
"Commodity": commodity futures and options

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

"Equity": equity markets including indices and other derivatives

"Discount Management": buyback activity or sales of shares from treasury

### Component Parts of the Fund



	Return		Attribution	
	MTD	YTD	MTD	YTD
Brevan Howard Alpha Strategies Master Fund Limited (BHAL)	1.59%	16.00%	0.43%	4.35%
Brevan Howard AS Macro Master Fund Limited (BHAS)	1.83%	21.23%	0.19%	1.96%
Brevan Howard MB Macro Master Fund Limited (BHMB)	1.63%	14.54%	0.16%	1.23%
Brevan Howard FG Macro Master Fund Limited (BHFG)	2.66%	68.92%	0.32%	4.88%
Brevan Howard Global Volatility Master Fund Limited (BHGVS)	0.25%	41.67%	0.01%	0.89%
BHMF – Core Portfolio Manager Team (MF Core)*	0.29%	40.13%	0.11%	16.10%

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 (see above paragraph for fee characteristics of Class X Shares in underlying funds).

## 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 0.98%\* and the NAV per share of BHM's GBP shares appreciated by 0.96%\* in August 2020. US interest rate, yield curve and inflation strategies generated positive returns which were partially offset by losses across a few other interest rate markets. FX trading, in particular of USD vs Asian currencies, also contributed positively as did commodity positioning in precious metals.

#### BHAL

Tactical directional trading of US and European interest rates generated positive returns over the month as did inflation positioning across the US, Europe and UK. Further gains came from FX trading and from relative value positioning in US and European government bonds. Directional trading of equity indices as well as other rates markets including the UK detracted somewhat.

#### BHAS

About quarter of the gains were realised in FX by shorting USD against different currency pairs. Another quarter of the positive performance came from long inflation exposure, mainly via French inflation linkers and US break-even trading. Approximately half of the gains were realised in both USD and EUR interest rates.

#### BHMB

FX trading of USD vs Asian currencies drove returns this month. Further gains came from directional and yield curve positioning across dollar-block interest rate markets (USD/HKD/SGD). Modest losses stemmed from interest rate trading in Japan and China.

#### BHFG

The majority of gains for August were from short USD positions vs Asian currencies. Further gains were made on CMS curve cap trades and from long precious metals positions. A small net loss was recorded on equity hedges.

#### BHGV

Volatilities slid lower at the beginning of the month but recovered later after the surprise resignation of Prime Minister Abe and also due to the anticipation of the Jackson Hole economic symposium. USD continued to weaken but that failed to trigger major repricing in FX volatility. Equity volatility, particularly in the US, remained very elevated.

#### MF Core\*\*

Gains were generated in FX positioning and from tactical equity index positioning. European interest rate trading detracted somewhat.

\* Estimated as at 28 August 2020.

\*\* Please see section "Performance Attribution".

**NAV PERFORMANCE****BH Macro Limited NAV  
per Share**

Monthly performance in % terms;  
net of fees and expenses

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	18.40	0.34	-0.82	-0.54	1.84	0.98*					<b>25.43*</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	18.31	0.19	-0.85	-0.53	1.74	0.96*					<b>24.89*</b>

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.

\* Estimated as at 28 August 2020.

PAST PERFORMANCE IS NOT  
INDICATIVE OF FUTURE RESULTS

**ASSETS AND NAV  
PER SHARE**

Data estimated as at 28 August  
2020

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

	NAV per Share	USD MM
<b>USD Shares</b>	\$33.85	81.1
<b>GBP Shares</b>	£32.54	644.2
<b>BH Macro Limited</b>		725.3

---

## MANAGER'S MARKET REVIEW AND OUTLOOK

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

---

### US

The rapid recovery in the labour market continued in August, paced by a dramatic improvement in the unemployment rate to 8.4%. The traditional dashboard of indicators suggests manufacturing, construction, and housing are growing at a solid clip. However, the service sector is slower to recover and parents face a challenge balancing work and at-home schooling. At a virtual Jackson Hole, the Fed unveiled its new statement of principles, which focuses on a strong labour market and encourages an overshoot of inflation to ensure that inflation averages 2% over time.

### UK

Negotiations between the UK and the EU on the future relationship remain stuck around the sensitive issue of state aid. Rhetoric has escalated over the past week with the Prime Minister setting a mid-October deadline for any agreement to be reached. GDP fell by a precipitous 20% in the second quarter due to a protracted lockdown, however monthly survey and output data both point to a strong rebound in the third quarter. Meanwhile the UK saw a sharp rise in coronavirus cases in early September, and with this the risk of a reintroduction of shutdowns in some sectors.

### EMU

In August, the EMU Composite PMI fell by 3 points to 51.9, disappointing the consensus forecast and consistent with renewed moderation after the May-July post-lockdown rebound. The renewed increase of new coronavirus cases in the EMU to their highest level since April is affecting the economy, as shown by both mobility indicators and the PMI. After a few months when prices were supported by noisy factors, deflationary tendencies have eventually kicked into EMU HICP dynamics, with Core inflation falling to a record low 0.6% y/y in August. Overall, depressed output, deflationary pressures, labour market dislocations, rising public debts and an increasing second-wave of coronavirus cases remain formidable risks.

### Japan

Prime Minister Abe stepped down for health reasons, though some political analysts also suspect that the timing was designed to prevent his political rival, former Defense Minister Shigeru Ishiba from replacing him. The Liberal Democratic Party chose Chief Cabinet Secretary Yoshihide Suga who then won the formal Diet vote. Analysts do not expect much change in policy in the near term. Suga retains the option of calling snap elections.

---

**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
MF Core*	BHMF – Core Portfolio Manager Team	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**

bhfa@ntrs.com

+44 (0) 1481 745736

**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.