
BH MACRO LIMITED

MONTHLY SHAREHOLDER REPORT
JANUARY 2019

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 January 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
January 2019	0.34	0.49	-0.05	-0.05	-0.07	0.67
Q1	0.34	0.49	-0.05	-0.05	-0.07	0.67
YTD	0.34	0.49	-0.05	-0.05	-0.07	0.67

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:

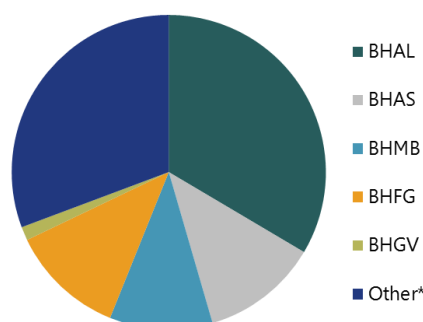
"Rates": interest rates markets

"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

Component Parts of the Fund

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

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS

	Return		Attribution	
	MTD	YTD	MTD	YTD
Brevan Howard Alpha Strategies Master Fund Limited (BHAL)	2.03%	2.03%	0.68%	0.68%
Brevan Howard AS Macro Master Fund Limited (BHAS)	1.17%	1.17%	0.14%	0.14%
Brevan Howard MB Macro Master Fund Limited (BHMB)	4.71%	4.71%	0.49%	0.49%
Brevan Howard FG Macro Master Fund Limited (BHFG)	1.05%	1.05%	0.13%	0.13%
Brevan Howard Global Volatility Master Fund Limited (BHGV)	-3.41%	-3.41%	-0.05%	-0.05%
Other*	-1.52%	-1.52%	-0.46%	-0.46%

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).

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 – performance overview

Gains came primarily from directional and yield curve trading of European interest rates as well as from FX trading across a wide range of developed and emerging market currencies. Further small gains came from interest rate trading of markets including GBP, HKD, MXN and JPY. Offsetting losses were incurred from US yield curve trading and European bonds relative value strategies.

BHAL

Gains from directional and yield curve trading in European interest rates were partially offset by losses from European government bond relative-value strategies. Further gains were generated from emerging and developed market FX trading across a wide range of currencies. Tactical trading of US interest rates generated losses which were partially offset by gains from US rates basis strategies. Tail risk strategies generated small losses.

BHAS

The gains mainly stemmed from directional risk in USD and EUR interest rates which rallied due to rapid repricing of the Federal Reserve's terminal policy rate and downgrading of growth expectations in the Eurozone. Against these gains BHAS sustained smaller losses in USD basis and FX positions.

BHMB

FX trading, in particular of the Renminbi and to a lesser extent the Yen, drove returns over the month. Additional gains came from tactical trading across a range of other Asian FX crosses, as well as from directional and yield curve positioning in Hong Kong dollar interest rates. Small losses were incurred trading Japanese interest rates and Asian equity indices.

BHFG

The main themes in the book were for i) European rates to rally and the yield curve to flatten ii) a resolution to Brexit combined with hedges for a hard exit scenario iii) a US recession by 2021 via curve steepening trades. The European theme generated gains which were partially offset by losses from the other two. Additional smaller gains were generated from tactical trading of Gold, SPX and USDJPY.

BHGV

Implied volatilities were down significantly, with short-dated volatilities leading the way. As a result of the steepening of the term structure of the volatility surface, forward volatility outperformed. Structured product issuance should slow down after January, reducing pressure on long-dated volatilities.

Other*

Gains from directional and curve trading of interest rates were offset by relative value and volatility trading strategies. Further losses were incurred in FX trading.

* 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 January 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												0.67

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												0.52

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 January 2019

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

	NAV per Share	USD MM
USD Shares	\$24.84	67.5
GBP Shares	£24.26	449.8
BH Macro Limited		517.2

**ASC 820 ASSET
VALUATION
CATEGORISATION**

% of Gross Market Value

Brevan Howard Master
Fund Limited

Unaudited as at 31 January 2019

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

	On a non-look through basis*	On a look through basis**
Level 1	15.5%	71.5%
Level 2	10.5%	28.3%
Level 3	0.1%	0.2%
At NAV	73.9%	-

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.

MANAGER'S MARKET REVIEW AND OUTLOOK

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

US

Payroll employment rose briskly in January, and approximately one million new jobs have been created in the last four months. The government shutdown which began in December and lasted throughout most of January likely hindered current-quarter growth. However, if history is a guide, most of the lost ground could be recouped in the coming quarters. Consumer price inflation was firm in January, with core prices rising more than 2% over the last year as headline prices decelerated on lower energy prices.

Arguably, the most interesting occurrence in January was a marked dovish turn from the Federal Reserve ("Fed"). The Fed promised to be "patient" and suggested that "adjustments" to its policy rate could be up or down. Coming soon after the rate increase in December, the shift caught the market by surprise and likely put the Fed on the sidelines for at least the first half of the year.

UK

After having been voted down in January, parliament is expected to have another 'meaningful vote' on Theresa May's Withdrawal Agreement for leaving the EU by 12 March. If the Prime Minister's deal is again rejected, then parliament will vote on whether to leave the EU without a deal on the following day. If parliament votes against a 'no-deal' Brexit, parliament will then vote on a motion requesting an extension of Article 50, such that the UK's exit date will be delayed beyond 29 March; such an extension would require approval from the EU council. The exact timing of any extension is unclear, and is complicated by the European Parliament's schedule; the EU parliament, who will also have to legislate Brexit, has its last session on 18 April and does not reconvene until 2 July, after the European Parliamentary elections. What is clear is that parliament now has a greater say on the Brexit process, making a no-deal Brexit less likely, and an extension more likely. As such, the pound has rallied to 1.33 against the dollar, reaching the highest levels since June 2018. Meanwhile, the Brexit induced uncertainty has caused economic activity to moderate. GDP grew 0.2% q/q in Q4 of 2018, down from 0.6% in Q3, with business investment detracting 0.1ppt from growth. In particular, GDP fell by 0.3% m/m in December; combined with weak business surveys, the hand-off from Q4 suggests Q1 growth should also be muted. Otherwise, inflation fell -0.3ppts to 1.8% y/y in January, reflective of the energy price caps that the energy regulator introduced in January. Overall, the mix of slower domestic and global growth has in turn caused the Bank of England to lower its economic projections for GDP. As such, the Monetary Policy Committee voted unanimously to keep the policy rate unchanged at its meeting in February.

EMU

EMU GDP expanded by a mere 0.2% q/q and 1.2% y/y in Q4 2018, significantly disappointing the European Central Bank ("ECB") forecast as Italy fell into technical recession. Furthermore, the EMU Composite January PMI edged closer to 50 and remained at its lowest level since July 2013. EMU headline inflation fell to 1.4% y/y in January, owing to energy price disinflation, while core inflation was 1.1%. With the exception of wages (responding with the usual lag to past growth), the sharp slowdown in activity does not bode well for a convincing end to core inflation inertia.

Having ended net quantitative easing purchases at the end of 2018, the ECB started to retrench from its optimistic outlook at its January meeting by shifting the growth risk assessment to the 'downside'. In March, the ECB may revise downwards again - and significantly - its macroeconomic projections.

Japan

The Bank of Japan ("BoJ") left policy unchanged at its January meeting. It lowered its price outlook on energy prices but maintained its language on positive momentum towards its 2% goal. Subsequently, there was positive news as western core prices (consumer price index excluding all food and energy) rose 0.3% on a seasonally adjusted basis in the Tokyo area in January. The last time this occurred (excluding the effects of the consumption tax increase) was in 2010. However, national western core inflation has been running weaker than in Tokyo, being nearly flat over the whole of 2018. Therefore a strong January would still leave the 12-month change well below target.

Some analysts have noted that Governor Kuroda has recently taken to talking about the 'costs' of current policy. He mentioned this previously in a speech and repeated it at the press conference after the last BoJ meeting. In addition the latest minutes show that there was a spirited debate over longer-term interest rates, with some BoJ members arguing for letting them turn negative and others favouring pushing them higher. The poor inflation performance suggests no change in policy is in the offing. With the dovish turn in U.S. monetary policy and weakening economic activity in Europe, such talk of the costs to monetary policy or calls for a higher long-term rate target would appear to be moot. Any hint of tighter monetary policy would in this environment risk a stronger yen.

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.
