

**BREVAN HOWARD MASTER FUND LIMITED**

**BREVAN HOWARD**

Risk Report - As at close of business on 30-Sep-2010

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NAV: \$25,267mm

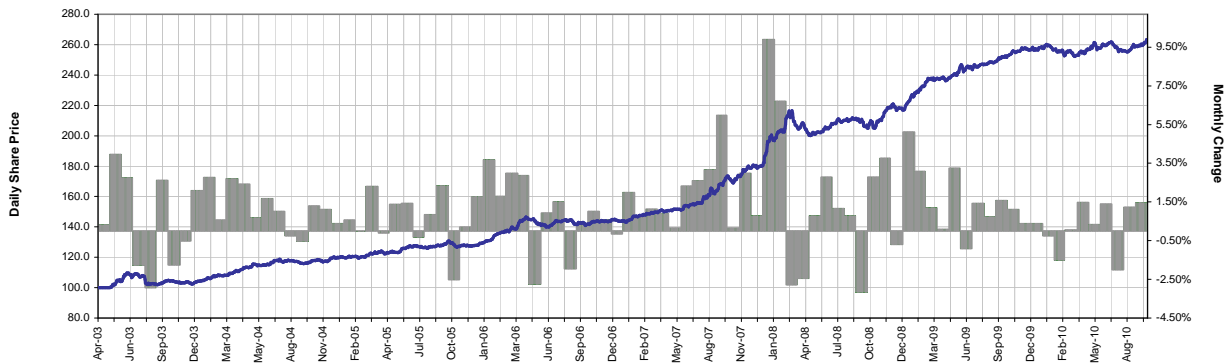
Brevan Howard Fund Limited ("BHFL") USD Class A Shares NAV Per Share % Change													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003				0.31	3.95	2.75	-1.77	-2.92	2.62	-1.75	-0.51	2.09	4.62
2004	2.76	0.56	2.70	2.41	0.68	1.66	1.01	-0.25	-0.53	1.29	1.11	0.38	14.62
2005	0.56	-0.01	2.31	-0.10	1.37	1.42	-0.31	0.85	2.33	-2.52	0.20	1.77	8.03
2006	3.68	1.79	2.98	2.86	-2.75	0.93	1.50	-1.96	0.30	1.00	0.59	-0.15	11.10
2007	1.99	0.74	1.13	0.89	0.15	2.32	2.60	3.16	5.97	0.15	2.97	0.77	25.21
2008	9.89	6.70	-2.79	-2.46	0.78	2.78	1.16	0.78	-3.16	2.78	3.76	-0.70	20.43
2009	5.11	3.07	1.18	0.09	3.24	-0.90	1.42	0.73	1.57	1.10	0.38	0.39	18.65
2010	-0.25	-1.51	0.05	1.47	0.33	1.39	-2.00	1.22	1.45				2.11

Performance summary

Performance Statistics <sup>1,2</sup>	MTD (%)	QTD (%)	YTD (%)	12M (%)	LTD <sup>3</sup> (%)	ARR <sup>4</sup> (%)	Risk <sup>5</sup> (%)	Sharpe <sup>6</sup> (X)
BHFL USD Class A Shares	1.45	0.63	2.11	4.02	162.92	13.76	5.54	2.07

Data for September 2010 is estimated. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

**BHFL NAV Per Share and Monthly Change**



Data for September 2010 is estimated. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

Performance graph

**Securities Leverage [ratio of absolute value of securities (excluding derivatives) to NAV]**

As at 30 September 2010 1.3

**DV01 Summary (Change in Fund NAV for a 0.01% rise in rates)**

ccy	3M	2Y	10Y+	Total
EUR	(0.03%)	0.01%	(0.00%)	(0.02%)
USD	0.00%	(0.04%)	(0.03%)	(0.06%)
JPY	(0.00%)	0.01%	(0.01%)	(0.00%)
GBP	0.00%	0.00%	(0.01%)	(0.00%)
Other	0.00%	(0.00%)	0.00%	0.00%
<b>Total</b>	<b>(0.02%)</b>	<b>(0.01%)</b>	<b>0.00%</b>	<b>(0.08%)</b>

**Historical Simulations (%NAV)**

Scenario	Period	Performance
Asian Crisis 5-Day	07/10/97 - 13/10/97	0.2
Russia Deval 5-Day	24/08/98 - 31/08/98	(0.1)
LTCM	03/08/98 - 30/11/98	4.0
Sep 2001	10/09/01 - 28/09/01	(0.4)
Aug-03	31/07/03 - 01/08/03	(1.3)

Risk

**Net Fx Delta Exposure (% NAV)**

Region	Delta
Asia	17%
Europe	9%
Other	24%
USD	(50%)

**Total IR Vega Exposure (% NAV)<sup>7</sup>** 0.71%

**Total Fx Vega Exposure (% NAV)<sup>8</sup>** 0.23%

**Notes**

- Performance figures are the performance of BHFL USD Class A Shares net of all investment management fees (2% annual management fee and 20% performance fee) and all other fees and expenses payable by BHFL.
- All numbers include estimated month to date performance, calculated by BHAM. Data is subject to revision.
- Since inception (April 2003).
- Annual rate of return since inception of BHFL (April 2003), calculated by BHAM.
- Annualised return standard deviation (daily returns, since inception of BHFL (April 2003)), calculated by BHAM.
- Annualised excess return (over Federal Funds target rate) / annualised standard deviation of excess return (daily returns), since inception of BHFL (April 2003).
- Change in BHM NAV for a relative rise of 10% in implied normal yield vol.
- Change in BHM NAV for an absolute 1% rise in implied vol.
- Source : Underlying data provided by the Administrator, International Fund Services (Ireland) Limited. Information derived using software provided by Murex and RiskMetrics.

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BHM20100930

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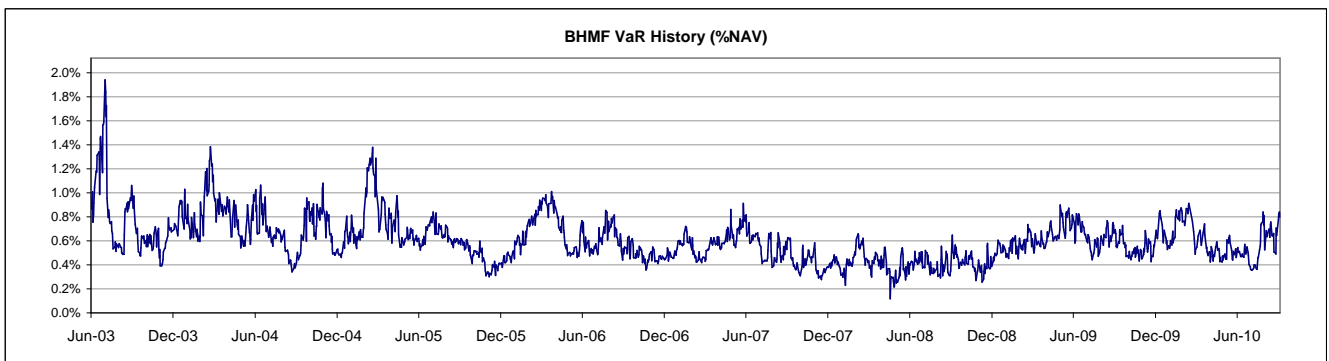
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Value at Risk (% NAV)<sup>1</sup> 0.80

VaR by Product			
Product	VaR \$mm	%NAV	%Total
IR	209.5	0.83%	42%
Vega	52.0	0.21%	10%
FX	150.1	0.59%	30%
Equity	40.4	0.16%	8%
Com	32.6	0.13%	7%
Credit	13.4	0.05%	3%
<b>Total</b>	<b>201.5</b>	<b>0.80%</b>	<b>100%</b>
Flag		3.00%	
Over / (Under)		(2.20%)	
Flag utilisation		26.58%	

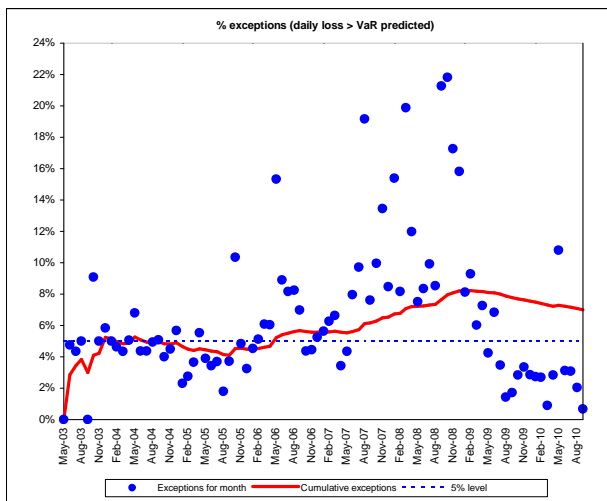
IR VaR by Currency	
Currency	IR VaR
EUR	0.26%
USD	0.63%
JPY	0.03%
GBP	0.08%

Exposure by Geographic Region <sup>2</sup>	
Region	%
Americas	46%
Europe	24%
Asia	23%
Oceania	6%
Africa	1%
<b>Total</b>	<b>100%</b>



**VaR - Accuracy of VaR Methodology**

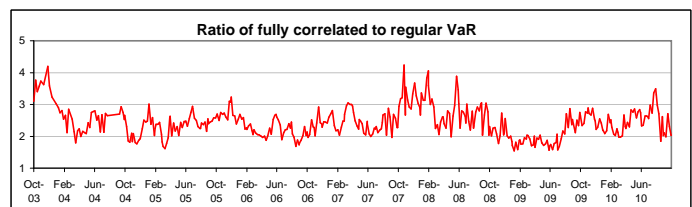
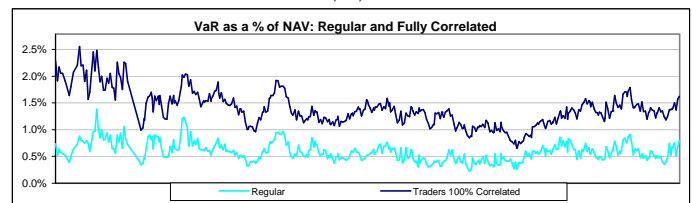
The VaR method is intended to describe the level of loss that would be exceeded no more than 5% of the time. The method uses historical market data from the last 2 years. The graph shows the actual incidence of losses that are greater than the estimated VaR ("VaR Exceptions"). During 2008, exception rate was greater than 5% because actual market moves were much more volatile than the historical data. The selection of different confidence intervals may achieve different results, including a higher incidence of exceptions which exceed the VaR calculation.



**VaR - Reliance on beneficial correlation between Traders**

The VaR of BHM takes account of beneficially low correlations between traders. To account for situations where these correlations change sharply BHM calculates the VaR assuming all traders are 100% correlated. This fully correlated VaR has usually been between 1.5 and 3 times the size of the regular VaR.

At 30 Sep 2010	BHM VaR (a)	0.8%
	Sum of trader VaR's (b)	1.6%
	Ratio (b/a)	2.04



**Notes:**

1. Calculated using historical simulation based on a 1 day, 95% confidence interval.
2. Geographical Exposure is based on VaR by region.
3. Source : Underlying data provided by the Administrator, International Fund Services (Ireland) Limited. Information derived using software provided by Murex and RiskMetrics

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