

Brevan Howard Master Fund Limited

Risk Report : COB 29 June 2007

**Important Legal Information and Disclaimer**

This material has been prepared by Brevan Howard Asset Management LLP ("Brevan Howard"). Brevan Howard is authorised and regulated by the Financial Services Authority. This information is provided for information purposes, is intended for your use only and does not constitute an invitation or offer to subscribe for or purchase any of the products or services mentioned. This information is not intended to provide a sufficient basis on which to make an investment decision. Information and opinions presented in this material have been obtained or derived from sources believed by Brevan Howard to be reliable, but Brevan Howard makes no representation as to their accuracy or completeness. Brevan Howard accepts no liability for loss arising from the use of this material. This material is directed exclusively at persons who are experienced or existing investors in unregulated collective investment schemes, who are intermediate customers as defined by the rules of the Financial Services Authority or are otherwise eligible under these rules. It is not intended for private customers and such persons should not rely on this material. Moreover, any investment or service to which this material may relate will not be made available to such private customers.

Balance Sheet Leverage (Gross assets / net assets)

As at 31st May 2007 8.5

Risk Sensitivities

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

Ccy	0 - 3Y	3Y - 6Y	6Y - 12Y	12Y+	Total
EUR	(0.164%)	0.036%	0.033%	(0.016%)	(0.111%)
USD	(0.108%)	(0.015%)	0.035%	0.005%	(0.083%)
JPY	0.012%	(0.011%)	0.012%	(0.008%)	0.006%
GBP	(0.017%)	(0.006%)	(0.014%)	0.024%	(0.013%)
Other	(0.017%)	0.001%	(0.019%)	0.021%	(0.014%)
<b>Grand Total</b>	<b>(0.293%)</b>	<b>0.005%</b>	<b>0.047%</b>	<b>0.027%</b>	<b>(0.215%)</b>

Net FX Delta Exposures (% NAV)

Region	Total
Europe	2%
Asia	(8%)
Other	20%

FX & IR Vega

FX Vega (Change in Fund NAV for a absolute 1% rise in implied volatility)  
(e.g. implied vols increasing from 9% to 10%)

Currency	Total
\$ Majors	0.359%
EUR Crosses	0.212%
Other	0.470%
<b>Total</b>	<b>1.041%</b>

IR Vega (Change in Fund NAV for a relative rise of 10% in implied normal yield vol)  
(e.g. Implied normal yield vol increasing from 9bp to 9.9bp per day)

Currency	Total
EUR	0.205%
JPY	(0.016%)
USD	0.347%
Other	0.122%

Source : Underlying data provided by the Fund Administrator, International Fund Services (Ireland) Limited. Information derived using software provided by Murex and RiskMetrics

# Brevan Howard Master Fund Limited

Risk Report : COB 29 June 2007

## Historical Stress tests (% NAV)

Stress test	(% NAV)	Period
Asian Crisis 5-Day	(6.0%)	7/10/97 - 13/10/97
Russia Deval - 5 Day	3.0%	24/8/98 - 31/8/98
LTCM	19.5%	3/8/98 - 30/11/98
Sep-01 Historic	23.1%	10/9/01 - 28/09/01
Aug-03	(0.8%)	31/7/03 - 1/8/03

\* Note: Scenario results incorporate the effect of moves in all markets for the period specified.

## Value at Risk

VaR is calculated using a 2 year historical simulation based on a 1 day, 95% confidence interval.

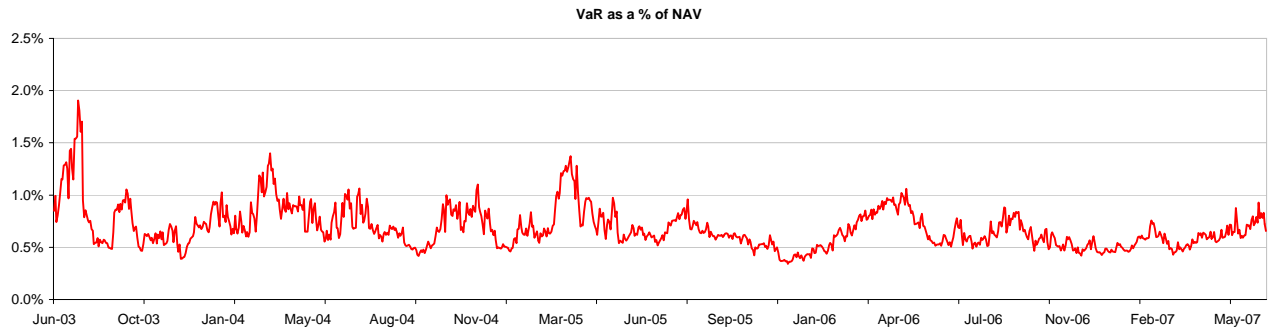
## VaR by risk type (% of Fund NAV)

Risk Type	VaR
IR Total	0.61%
Vega	0.19%
FX	0.11%
Equity	0.08%
Commodity	0.08%
<b>Total</b>	<b>0.66%</b>
Flag	3.00%
Over / (Under)	(2.34%)
<b>Flag Utilisation</b>	<b>21.84%</b>

## VaR by Ccy and risk type (% of Fund NAV)

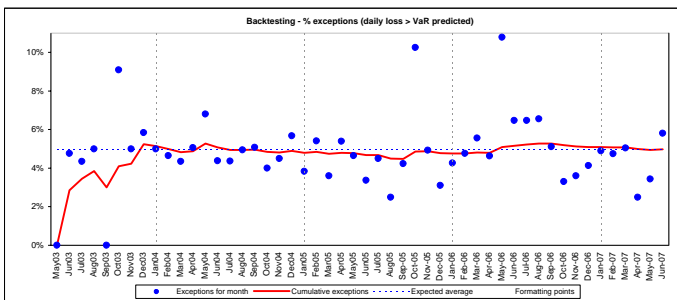
Ccy	IR VaR	Equity VaR
EUR	0.42%	0.01%
USD	0.41%	0.03%
JPY	0.06%	0.03%
GBP	0.11%	0.00%
CHF	0.04%	0.00%
ZAR	0.05%	0.00%
CAD	0.01%	0.01%
HKD	0.01%	0.01%
MXN	0.01%	0.00%
SEK	0.02%	0.00%
AUD	0.01%	0.00%
KRW	0.02%	0.00%
SGD	0.00%	0.00%

## Historical VaR Graph



## VaR Backtesting - Accuracy of VaR Methodology

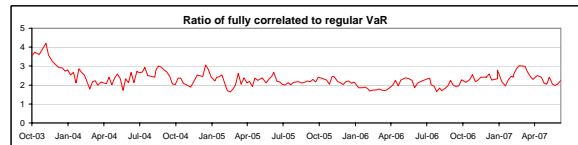
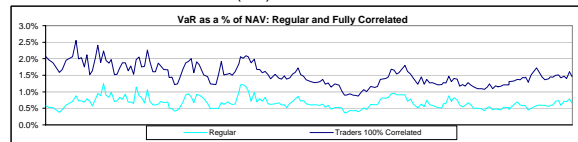
The methodology is designed to estimate the level of loss that would be exceeded no more than 5% of the time. The graph shows the actual incidence of losses that are greater than the estimated VaR ("VaR Exceptions"). If the methodology is sound, the incidence of VaR exceptions should in the long run average 5%.



## VaR - Reliance on beneficial correlation between Traders

The VaR of the fund takes account of beneficially low correlations between traders. To account for situations where these correlations change sharply we calculate 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 29 Jun 2007	Fund VaR (a)	0.7%
	Sum of trader VaR's (b)	1.5%
	Ratio (b/a)	2.23



Source : Underlying data provided by the Fund Administrator, International Fund Services (Ireland) Limited. Information derived using software provided by Murex and RiskMetrics