BREVAN HOWARD

Brevan Howard Master Fund Limited

Risk Report : COB 31 October 2007

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

As at 28th September 2007	
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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	(0.087%)	0.012%	0.033%	(0.009%)	(0.051%)
USD	(0.041%)	(0.002%)	0.061%	0.024%	0.043%
JPY	0.009%	(0.009%)	0.010%	(0.001%)	0.009%
GBP	(0.009%)	(0.012%)	0.012%	0.007%	(0.003%)
Other	(0.003%)	0.000%	(0.020%)	0.021%	(0.001%)
Grand Total	(0.131%)	(0.010%)	0.096%	0.042%	(0.003%)

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	0.534%
EUR Crosses	0.350%
Other	0.381%
Total	1.266%

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	0.084%
JPY	(0.017%)
USD	(0.388%)
Other	0.113%

Net FX Delta Exposures (% NAV)

Region	Total	
Europe	11%	
Asia	13%	
Other	32%	

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

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Historical Stress tests (% NAV)

Stress test	(% NAV)	Period
Asian Crisis 5-Day	(1.1%)	7/10/97 - 13/10/97
Russia Deval - 5 Day	(4.6%)	24/8/98 - 31/8/98
LTCM	(9.9%)	3/8/98 - 30/11/98
Sep-01 Historic	(1.0%)	10/9/01 - 28/09/07
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	0.63%
Vega	0.30%
FX	0.16%
Equity	0.07%
Commodity	0.08%
Total	0.73%
Flag	3.00%
Over / (Under)	(2.27%)
Flag Utilisation	24.46%

Ссу	IR VaR	Equity VaR
EUR	0.25%	0.00%
USD	0.40%	0.08%
JPY	0.02%	0.00%
GBP	0.08%	0.01%
CHF	0.03%	0.00%
ZAR	0.06%	0.00%
CAD	0.01%	0.01%
HKD	0.00%	0.01%
MXN	0.01%	0.00%
SEK	0.01%	0.00%
AUD	0.01%	0.01%
KRW	0.00%	0.01%
SGD	0.00%	0.00%

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

Historical VaR Graph



<u>VaR Backtesting - Accuracy of VaR Methodology</u> 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 losse 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%.

<u>VaR - Reliance on beneficial correlation between Traders</u> 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.



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