

# BREVAN HOWARD

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Brevan Howard Master Fund Limited ("BHMFL")

Brevan Howard Asset Management LLP ("BHAM")

Risk Report

T +44 (0)20 7022 6250

As at close of business on 29-May-2009

[www.brevanhoward.com](http://www.brevanhoward.com)

NAV: \$19,561mm

Authorised and regulated by the Financial Services Authority

Registered in England, No. OC302636

## Brevan Howard Fund Limited ("BHFL") USD Class A Shares NAV Per Share % Change

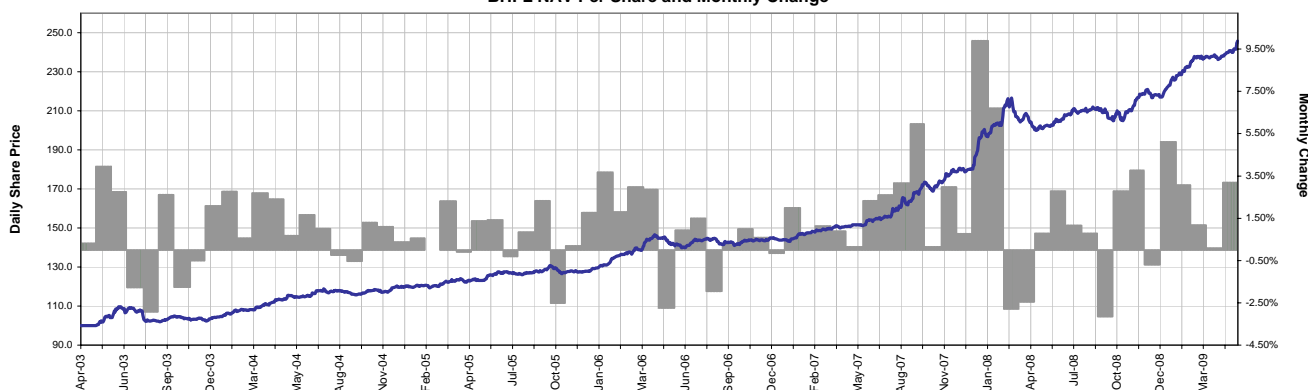
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2003				0.31	3.95	2.75	-1.77	-2.92	2.62	-1.75	-0.51	2.09	4.62
2004	2.76	0.56	2.70	2.41	0.68	1.66	1.01	-0.25	-0.53	1.29	1.11	0.38	14.62
2005	0.56	-0.01	2.31	-0.10	1.37	1.42	-0.31	0.85	2.33	-2.52	0.20	1.77	8.03
2006	3.68	1.79	2.98	2.86	-2.75	0.93	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	3.19								13.21

## Performance Statistics<sup>1,2</sup>

BHFL USD Class A Shares	MTD (%)	QTD (%)	YTD (%)	12M (%)	LTD <sup>3</sup> (%)	ARR <sup>4</sup> (%)	Risk <sup>5</sup> (%)	Sharpe <sup>6</sup> (X)
	3.19	3.28	13.21	21.54	145.69	15.71	5.85	2.18

Data for May 2009 is estimated. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

## BHFL NAV Per Share and Monthly Change



Data for April 2009 is estimated. PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

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

As at 29 May 2009

0.6

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

ccy	3M	2Y	10Y+	Total
EUR	(0.03%)	(0.05%)	0.03%	(0.05%)
USD	(0.00%)	(0.03%)	0.01%	(0.02%)
JPY	0.00%	(0.00%)	(0.00%)	(0.00%)
GBP	0.00%	(0.01%)	0.00%	(0.00%)
Other	0.00%	(0.00%)	0.00%	0.00%
Total	(0.02%)	(0.10%)	0.04%	(0.08%)

## Historical Simulations (%NAV)

Scenario	Period	Performance
Asian Crisis 5-Day	07/10/97 - 13/10/97	(0.3)
Russia Deval 5-Day	24/08/98 - 31/08/98	0.5
LTCM	03/08/98 - 30/11/98	(0.3)
Sep 2001	10/09/01 - 28/09/01	0.6
Aug-03	31/07/03 - 01/08/03	(1.8)

## Net Fx Delta Exposure (% NAV)

Region	Delta
Asia	(1%)
Europe	11%
Other	5%
USD	(15%)

Total IR Vega Exposure (% NAV)<sup>7</sup> 0.79%

Total Fx Vega Exposure (% NAV)<sup>8</sup> 0.27%

## 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 BHMFL NAV for a relative rise of 10% in implied normal yield vol.
- Change in BHMFL 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.

BHM20090529

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# BREVAN HOWARD

Brevan Howard Master Fund Limited ("BHMFL")

VaR Report

As at close of business on 29-May-2009

NAV: \$19,561mm

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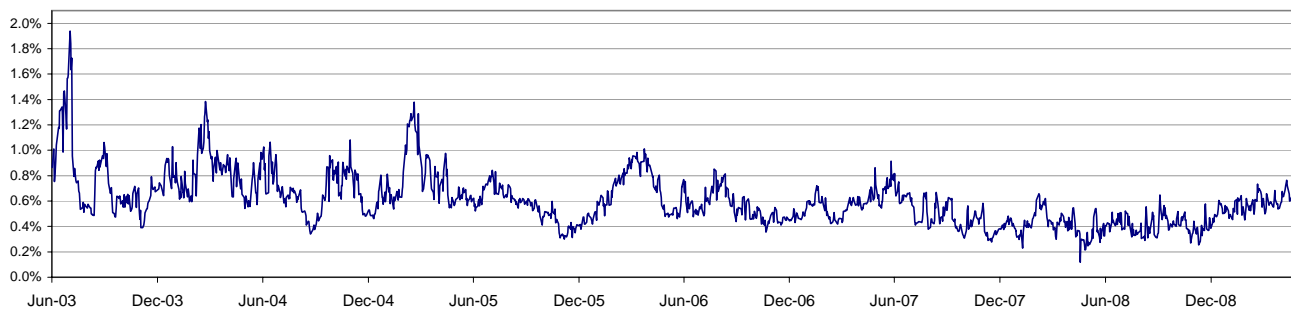
Value at Risk (% NAV)<sup>1</sup> 0.85

VaR by Product			
Product	VaR \$mm	%NAV	%Total
IR	161.3	0.82%	55%
Vega	59.4	0.30%	20%
FX	39.5	0.20%	13%
Equity	8.0	0.04%	3%
Com	9.7	0.05%	3%
Credit	14.9	0.08%	6%
<b>Total</b>	<b>167.2</b>	<b>0.85%</b>	<b>100%</b>
Flag		3.00%	
Over / (Under)		(2.15%)	
Flag utilisation		28.50%	

IR VaR by Currency	
Currency	IR VaR
EUR	0.36%
USD	0.29%
JPY	0.05%
GBP	0.12%

Exposure by Geographic Region <sup>2</sup>	
Region	%
Europe	55%
Americas	32%
Asia	9%
Oceania	3%
Africa	1%
<b>Total</b>	<b>100%</b>

BHMFL VaR History (% NAV)



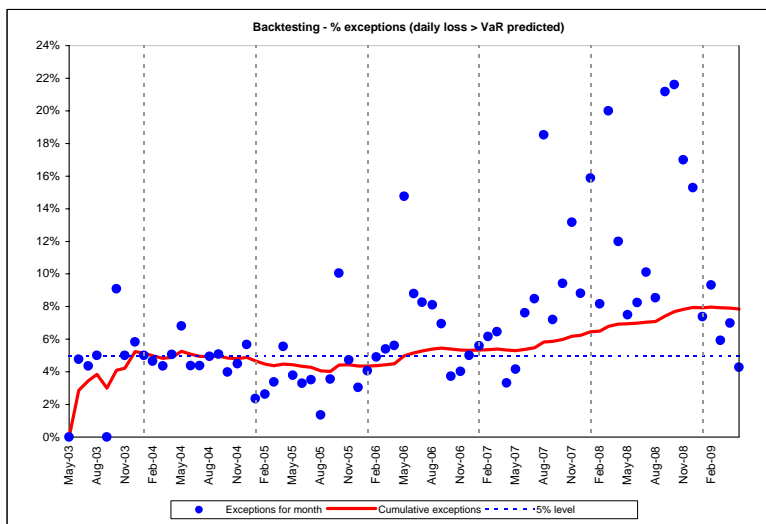
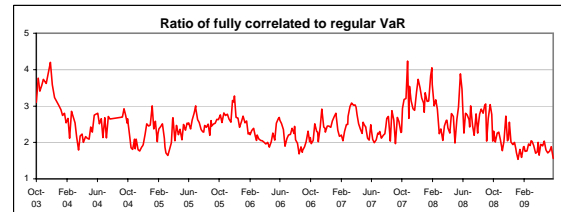
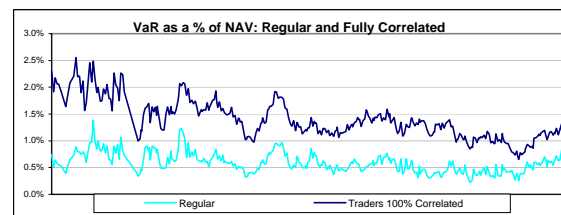
## VaR Backtesting - Accuracy of VaR Methodology

The VaR method is designed to estimate 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.

## VaR - Reliance on beneficial correlation between Traders

The VaR of BHMFL takes account of beneficially low correlations between traders. To account for situations where these correlations change sharply BHAM 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 29 May 2009  
 BHMFL VaR (a) 0.9%  
 Sum of trader VaR's (b) 1.3%  
 Ratio (b/a) 1.56



## Notes:

1. Calculated using historical simulation based on a 1 day, 95% confidence interval.
2. Geographic exposure is calculated using VaR by Currency
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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