

BREVAN HOWARD MASTER FUND LIMITED

Risk Report - As at close of business on 31-Dec-2009

BREVAN HOWARD

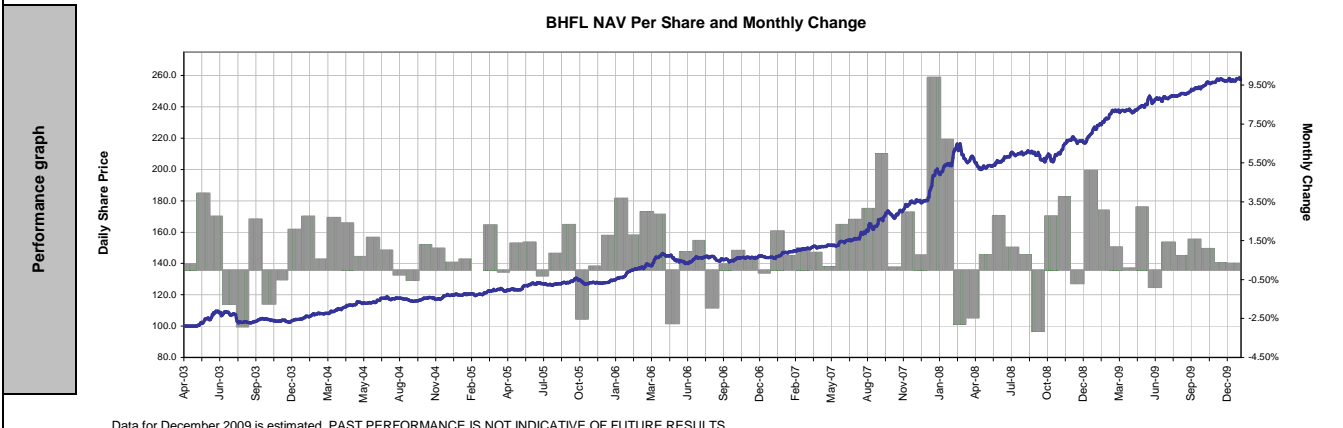
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NAV: \$22,101mm

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	0.34	18.60

Performance Statistics ^{1,2}	MTD (%)	QTD (%)	YTD (%)	12M (%)	LTD ³ (%)	ARR ⁴ (%)	Risk ⁵ (%)	Sharpe ⁶ (X)
BHFL USD Class A Shares	0.34	1.83	18.60	18.60	157.39	15.03	5.69	2.19

Data for December 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 31 December 2009	0.6			

DV01 Summary (Change in Fund NAV for a 0.01% rise in rates)					Historical Simulations (%NAV)		
ccy	3M	2Y	10Y+	Total	Scenario	Period	Performance
EUR	(0.05%)	0.01%	0.00%	(0.04%)	Asian Crisis 5-Day	07/10/97 - 13/10/97	0.8
USD	(0.01%)	(0.03%)	0.03%	(0.01%)	Russia Deval 5-Day	24/08/98 - 31/08/98	(2.2)
JPY	(0.00%)	0.00%	(0.00%)	(0.00%)	LTCM	03/08/98 - 30/11/98	(1.8)
GBP	0.00%	(0.00%)	0.01%	0.00%	Sep 2001	10/09/01 - 28/09/01	(0.9)
Other	(0.00%)	0.00%	0.00%	0.00%	Aug-03	31/07/03 - 01/08/03	0.3
Total	(0.07%)	(0.02%)	0.04%	(0.04%)			

Net Fx Delta Exposure (% NAV)	
Region	Delta
Asia	10%
Europe	3%
Other	5%
USD	(18%)

Total IR Vega Exposure (% NAV) ⁷	0.79%	Total Fx Vega Exposure (% NAV) ⁸	0.07%
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- 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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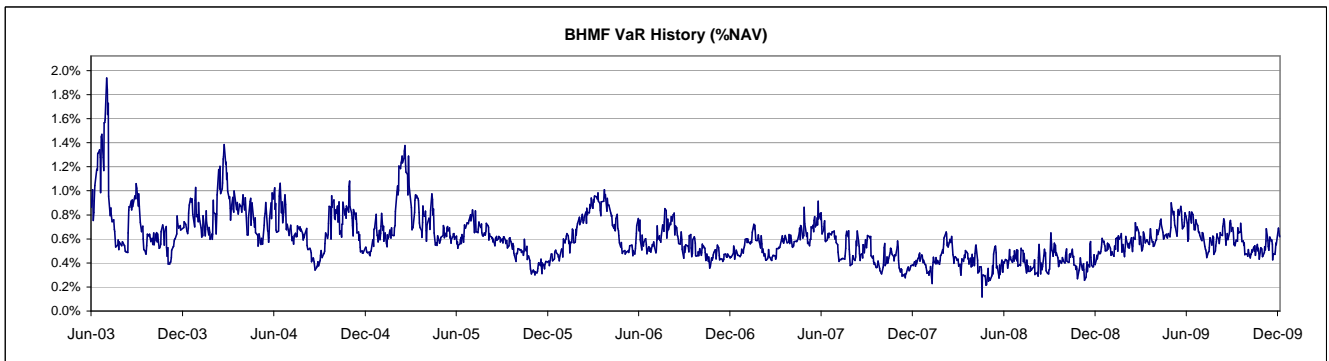
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Value at Risk (% NAV)¹ 0.62

VaR by Product			
Product	VaR \$mm	%NAV	%Total
IR	106.9	0.48%	39%
Vega	36.6	0.17%	13%
FX	49.0	0.22%	18%
Equity	52.9	0.24%	19%
Com	19.2	0.09%	7%
Credit	9.7	0.04%	4%
Total	136.6	0.62%	100%
Flag		3.00%	
Over / (Under)		(2.38%)	
Flag utilisation		20.61%	

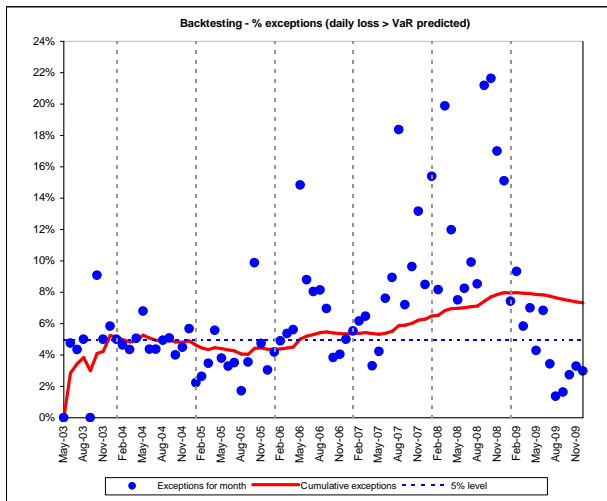
IR VaR by Currency	
Currency	IR VaR
EUR	0.27%
USD	0.36%
JPY	0.02%
GBP	0.11%

Exposure by Geographic Region	
Region	%
Americas	38%
Europe	23%
Asia	29%
Oceania	8%
Africa	2%
Total	100%



VaR - Accuracy of VaR Methodology

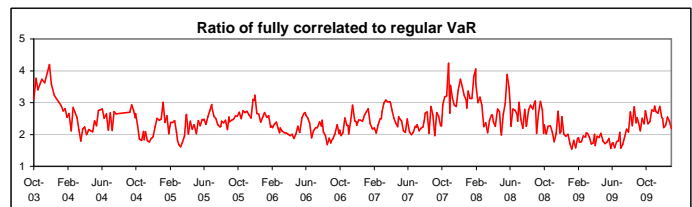
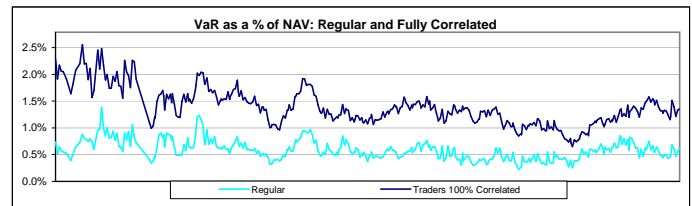
The VaR method is intended to describe the level of loss that would be exceeded no more than 5% of the time. The method uses historical market data from the last 2 years. The graph shows the actual incidence of losses that are greater than the estimated VaR ("VaR Exceptions"). During 2008, exception 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 BHMf 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 31 Dec 2009
 BHMf VaR (a) 0.6%
 Sum of trader VaR's (b) 1.4%
 Ratio (b/a) 2.19



Notes:

1. Calculated using historical simulation based on a 1 day, 95% confidence interval.
2. 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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