



proteom

B100
Volatility-Protected
S&P500 Index-Enhanced Fund

Strategy Description

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Past performance is no guarantee of future results.

While every effort has been made to provide data from sources considered to be reliable, no guarantee of accuracy is given. Contents of the brochure are subject to change and periodic revisions without prior notice.

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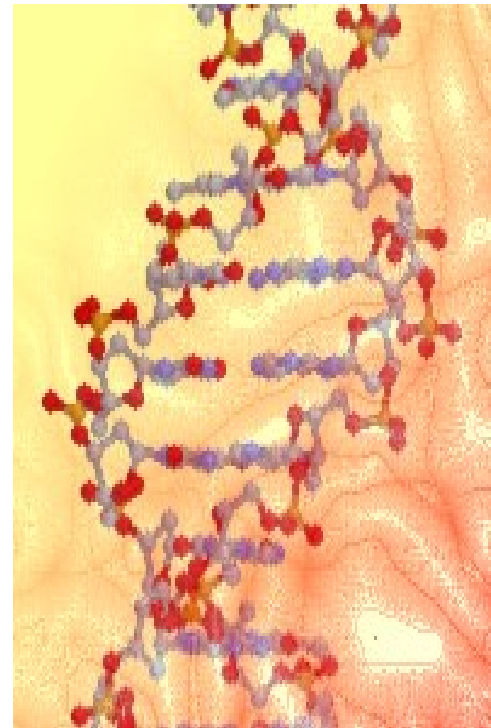
Concept



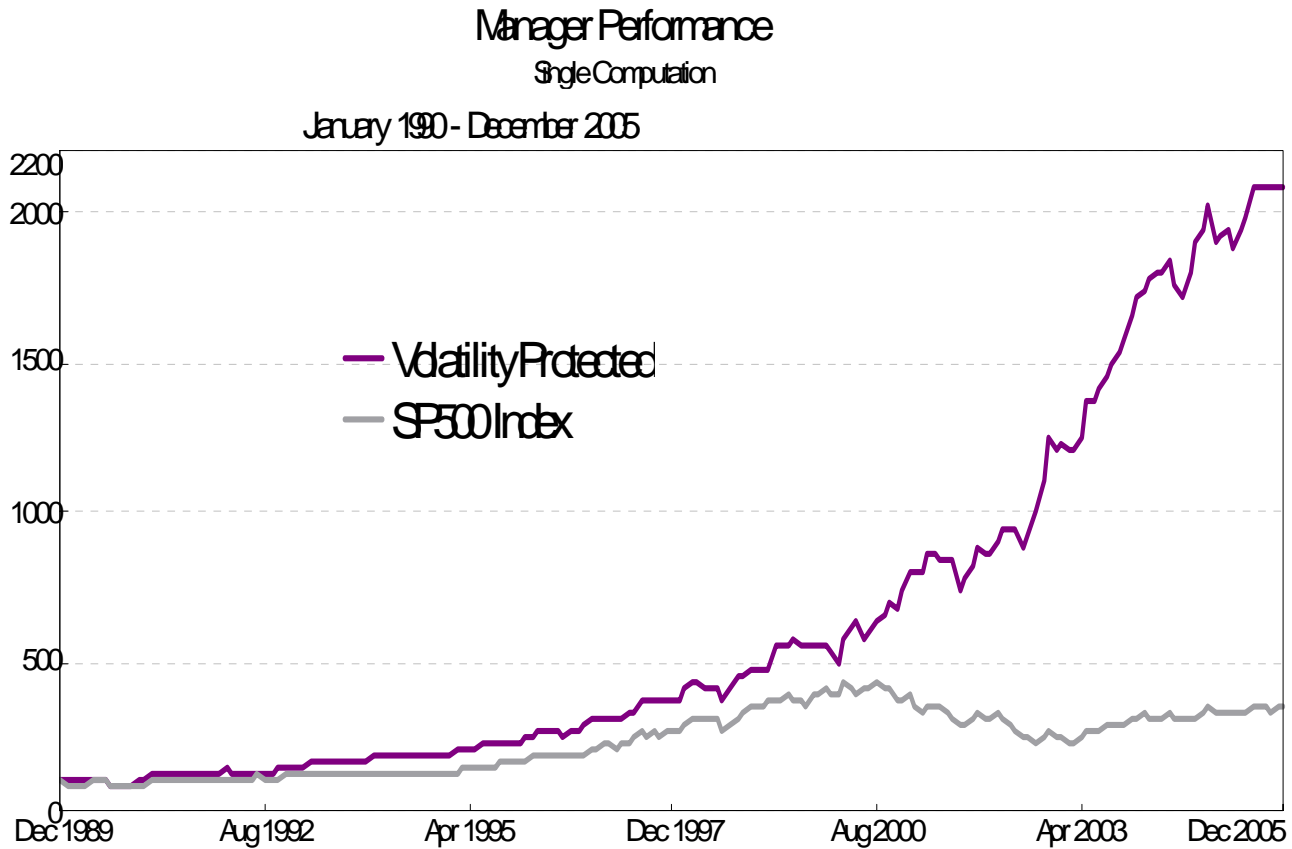
“Using the power of computational biology to navigate financial markets.”

Investment Objectives

- Return
 - Outperform S&P500 Index
 - Generate consistent alpha
- Risk
 - Match benchmark volatility
 - Lower downside risk
 - Superior performance in poor markets



Historical Performance



Performance Summary

Jan 1990 - Dec 2005	S&P500	Proteom
Compound Return	8.21%	20.90%
Downside Risk	9.33%	6.47%
Volatility	14.27%	14.22%
Beta		0.59
Sharpe	0.28	1.17
Information Ratio		0.99
Annualized Alpha		13.95%

- Returns net of all trading costs, management and performance fees

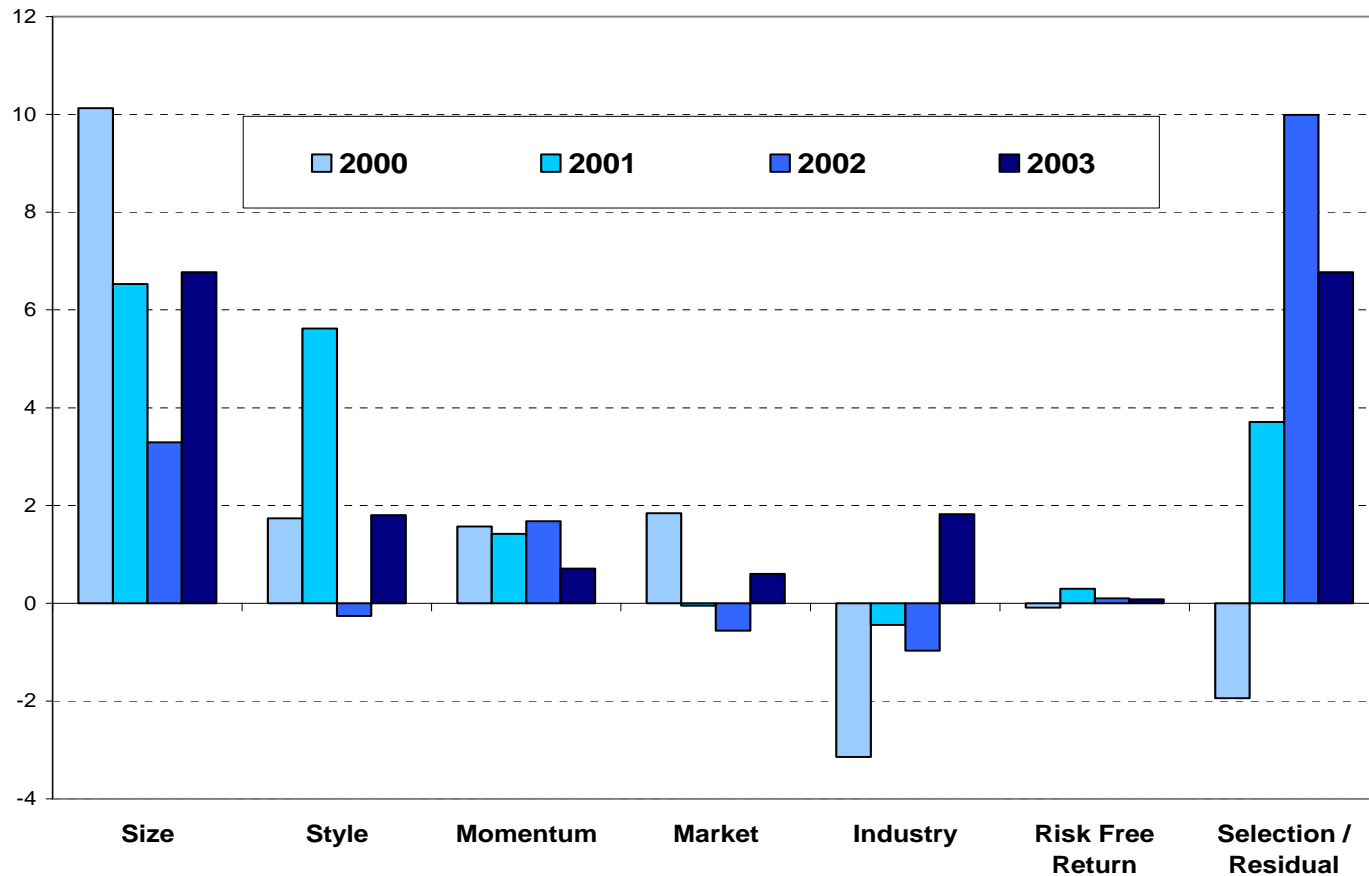
Annual Returns

Year	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Fund	3.16	29.49	17.04	13.73	9.26	22.33	27.19	25.15	24.69	19.07
Index	-6.56	26.31	4.46	7.06	-1.54	34.11	20.26	31.01	26.67	19.53
Year	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>				
Fund	30.02	20.46	37.24	37.52	21.67	3.12				
Index	-10.14	-13.04	-23.37	26.38	8.99	3.00				

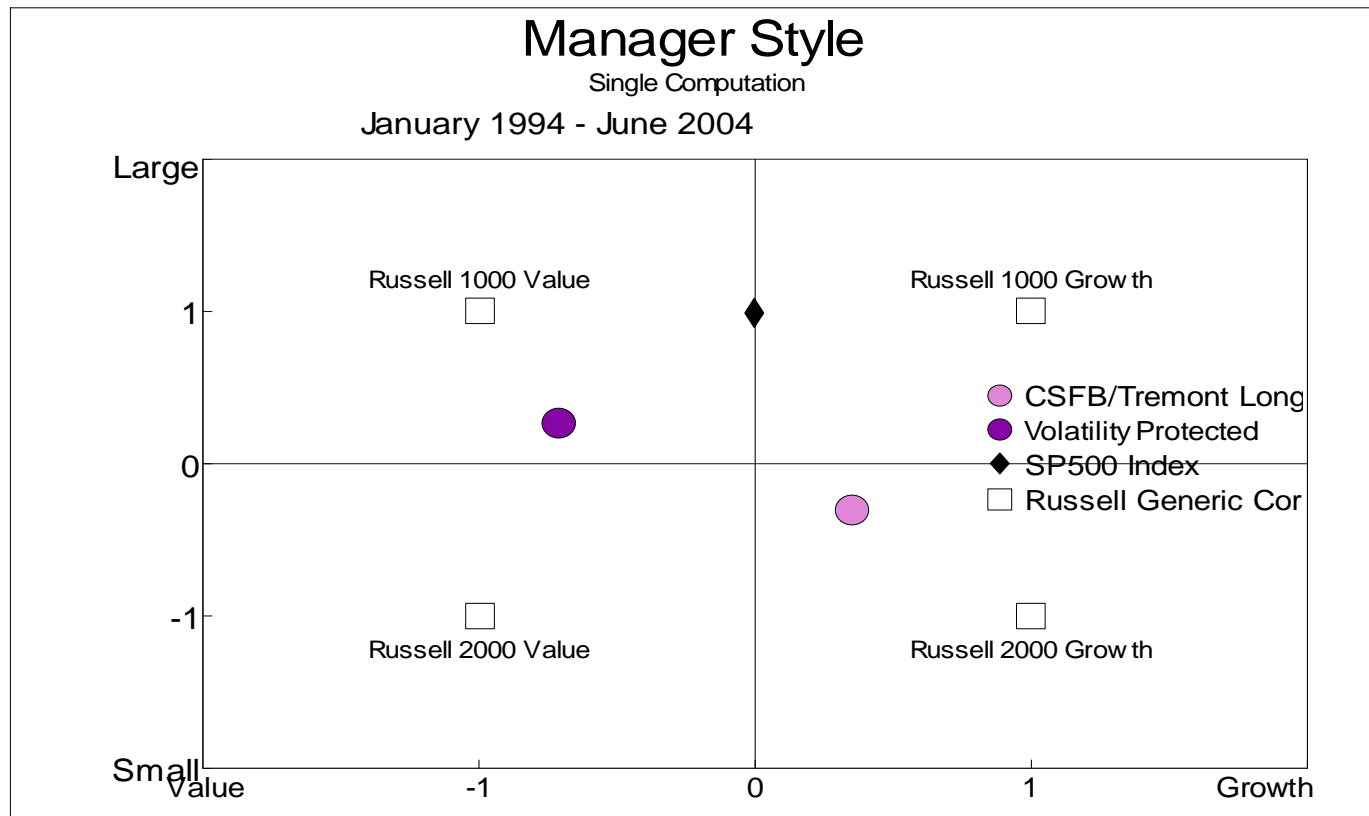
Notes:

1. Live trading began in Jan 2003
2. Returns are net of trading costs and management fees.

Alpha Generation



Style Analysis



Experience

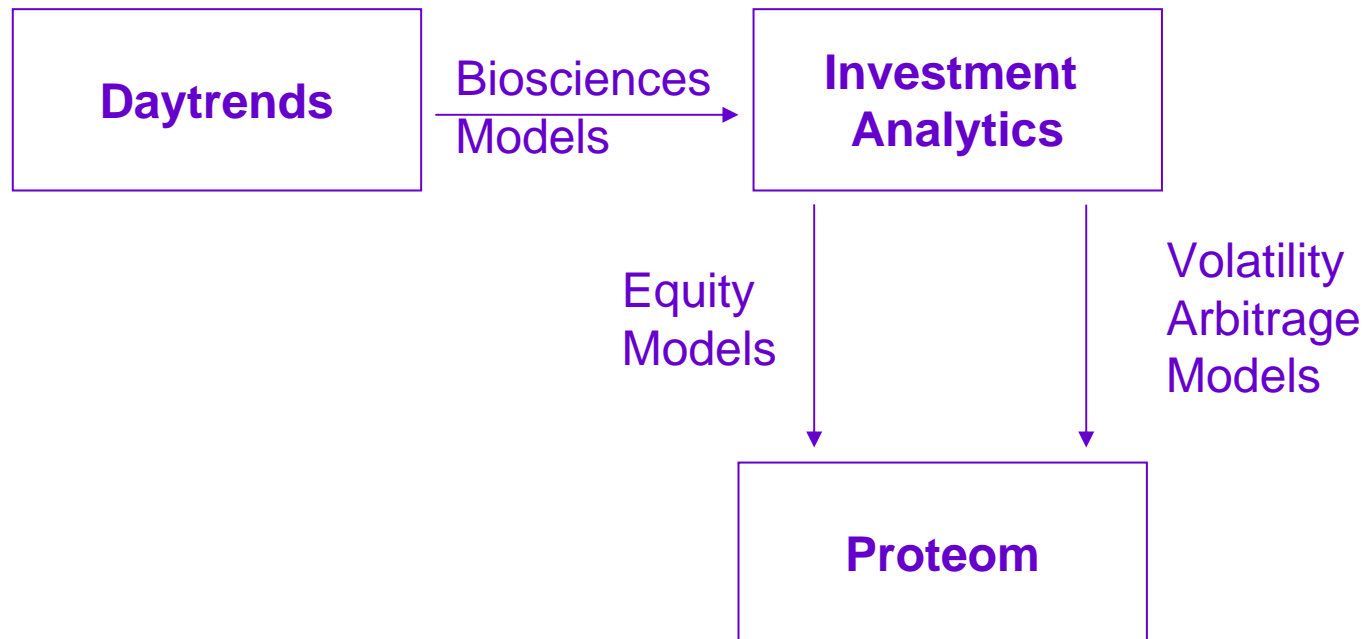


- Jonathan Kinlay, PhD
 - CEO of Proteom Capital Management Ltd.
 - Founder \$350M Caissa Capital fund
 - Managed \$50M hedge fund for 7 Years
 - Founder, Investment Analytics
 - Adjunct Professor, New York University



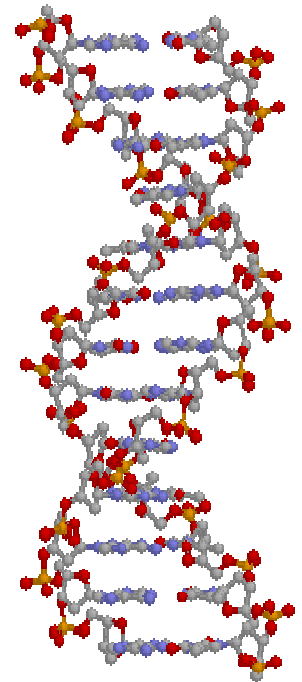
- Haftan Eckholdt, PhD
 - Graduate degrees Cornell & Columbia
 - Biostatistician for 10 years
 - Headed Biometry in Neuroscience
 - Founded Daytrends Inc. in 2000

Ownership Structure



Investment Approach

- Investment Universe
 - S&P 500 index members
- Portfolio Construction
 - Computational biological methods
- Risk Management
 - Integrated short index hedge
 - Integrated long volatility hedge



Advantages

- Superior Performance
 - Annual alpha of 14.96%
 - Outperformance 45% in '00-'02
- Lower Risk
 - Diversification
 - Hedging program
 - Matches index volatility
 - Lower downside risk



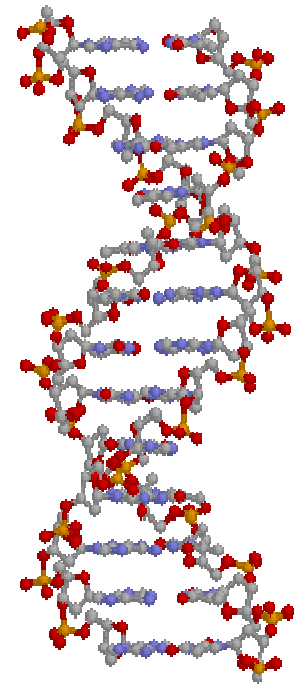
Advantages

- **Unique Proprietary Technology**
 - Sustainable competitive advantage
 - Consistent strategy alpha
- **Capacity & Scalability**
 - \$billions capacity in S&P500 universe
 - Non-discretionary trading and automated execution platform offer rapid scalability
- **Experienced team**
 - 20 years money management experience
 - Profitable track record quantitative strategies



Portfolio Construction

- S&P500 Index members
 - Inputs are membership sample and histories
- Models run daily
 - Data downloaded overnight
 - Decryption algorithms identify complex patterns
 - Simulated trading
 - Selection of competing portfolios
 - Trades executed MOC
- Hedge positions adjusted at close
 - Short SPY hedge
 - Long volatility hedge (VIX futures)



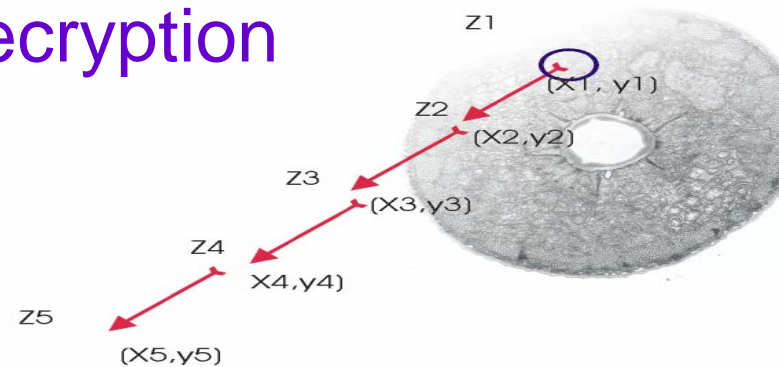
Technologies

- Gene Sequencing / Decryption

- Neural Networks

- Computer Clusters

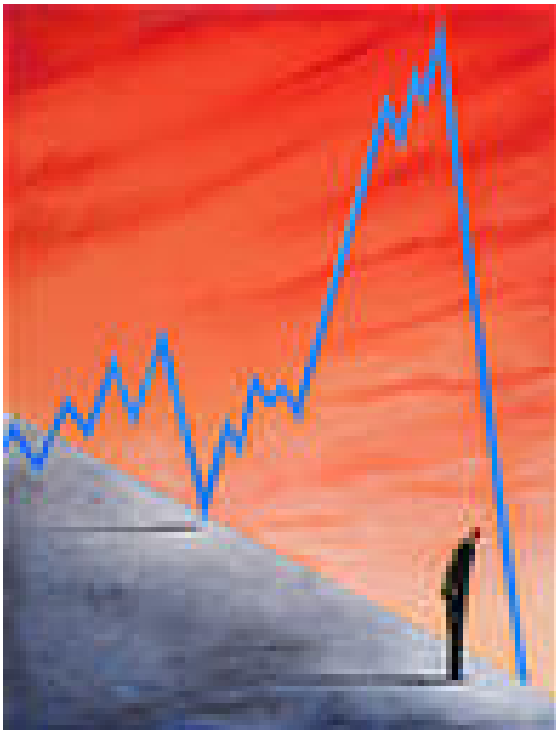
- 50 CPU cluster using parallel processing
- Identifies complex patterns in asset processes



$$(x_{zi+1} - x_{zi})^2 + (y_{zi+1} - y_{zi})^2 \leq \left(\frac{2c}{3}\right)^2$$

C is minimum distance between cell centers on the same slide

Risk Management



- Market Risk
 - Diversified across stocks / sectors
 - Short index hedge in SPY
 - Long position in VIX futures
 - Value-at-Risk monitoring
- Volatility Risk
 - Portfolio volatility matched to S&P500
 - Lower downside risk
 - 9.53% vs. 10.99% S&P500
 - Worst year
 - +0.75% vs. -27.54% S&P500

Execution

REDIPlus[®] Electronic Trade Platform



	+2.688
0	+5.000
1	+1.500
0	+1.125
0	+1.062

- Proven, reliable, widely used
- Access to all major exchanges
- Fast , efficient, low cost
- Minimize visibility of execution
- Direct feed from modeling systems
- Scalable: executes trades in \$billions

Investor Information

TERMS OF INVESTMENT

Management Fees	2%
Performance Allocation	25%
Minimum Investment	\$1 million US
Subscriptions	Monthly
Redemptions	Quarterly, 30 days notice 5% penalty in year 1
Lock-up	None
High Water Mark	Yes
Managed Account Minimum	\$30 million US

Service Team

Legal	USA: Coudert Brothers Bermuda: Appleby Spirling Hunter
Prime Broker	Goldman Sachs
Custodian	Spear Leeds Kellogg
Auditor	Ernst & Young
Administrator	Bisys

Summary

- High alpha, long/short equity
- Proprietary bio-technology
- Integrated risk management
- Experienced, competent team

Further Information

- Proteom Web Site: www.proteomcapital.com
 - User name: pinvestor
 - Password: proteom
- Go to the Proteom web site for:
 - Technical Presentation
 - Two Page Strategy Summary
 - Zephyr Style Advisor report
 - Detailed Strategy Analysis
 - Due Diligence Information
 - Offering Documents

Contact

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Notes

1. Proteom Capital Management Ltd is the Investment Manager of the Proteom Fund Ltd.
2. Returns for the Proteom Fund, herein include the reinvestment of dividends, capital gains and other earnings.
3. Nothing herein should be construed as a solicitation of clients, or as an offer to sell or a solicitation of an offer to invest in the fund. Such activities may be made only pursuant to a private placement memorandum. As a matter of practice, Proteom Capital Management Ltd does not solicit clients.
4. NO REPRESENTATION IS MADE THAT ANY INVESTOR IN THE FUND WILL OR IS LIKELY TO ACHIEVE RESULTS COMPRABLE TO THOSE SHOWN OR WILL MAKE ANY PROFIT AT ALL OR WILL BE ABLE TO AVOID INCURING SUBSTANTIAL LOSSES.
5. While every effort has been made to provide data from sources considered to be reliable, no guarantee of accuracy is given.
6. The contents herein are subject to change without prior notice.
7. This brochure is typically updated as at the most recent calendar month end.
8. Historical data are presented for informational purposes only.
9. Except where stated, funds managed by Proteom do not attempt to track any index or benchmark.
10. Benchmark data are total returns for the indices for the periods shown and are for comparison purposes only.
11. Cumulative benchmark data and performance data are compounded monthly.
12. Volatility is measured by the annualized standard deviation of monthly returns.
13. Investment programs described herein contain significant risks.
14. Proteom Equity Fund LLC is an onshore fund generally open to qualified US investors, as defined.
15. Proteom Global Equity Fund Ltd is an offshore fund generally open to qualified non-US investors, as defined.
16. This presentation is provided for information purposes only and is subject to, and qualified fully by the funds Confidential Private Placement Memorandum (PPM) and related documents.