



proteom

G000
Strategic Volatility Fund

*Strategy
Description*

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Disclaimer

All information herein is qualified in its entirety by the more detailed information contained in the relevant Confidential Private Placement Memorandum. This brochure does not constitute an offer to sell or a solicitation of an offer to purchase any investment product, which can only be made by the Confidential Private Placement Memorandum. An investment in the partnership and/or fund described herein involves significant investment considerations and risks which are described in the Confidential Private Placement Memorandum. Each potential investor should read the Confidential Private Placement Memorandum in its entirety and should carefully consider the risk warnings and disclosures set out therein before making an investment decision.

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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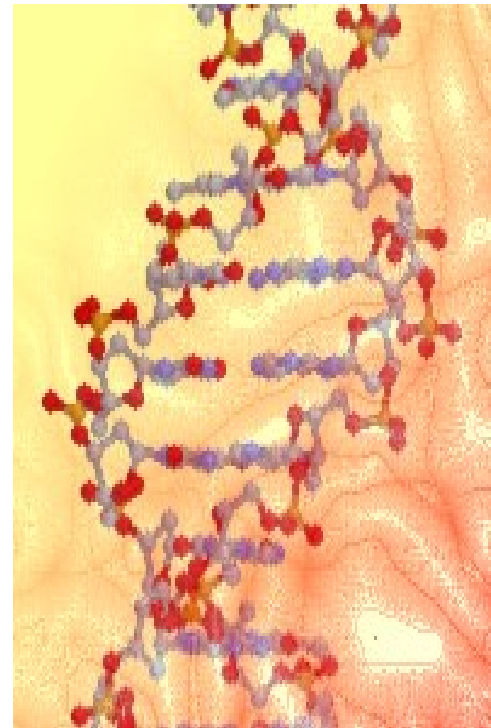
Concept



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

Investment Objectives

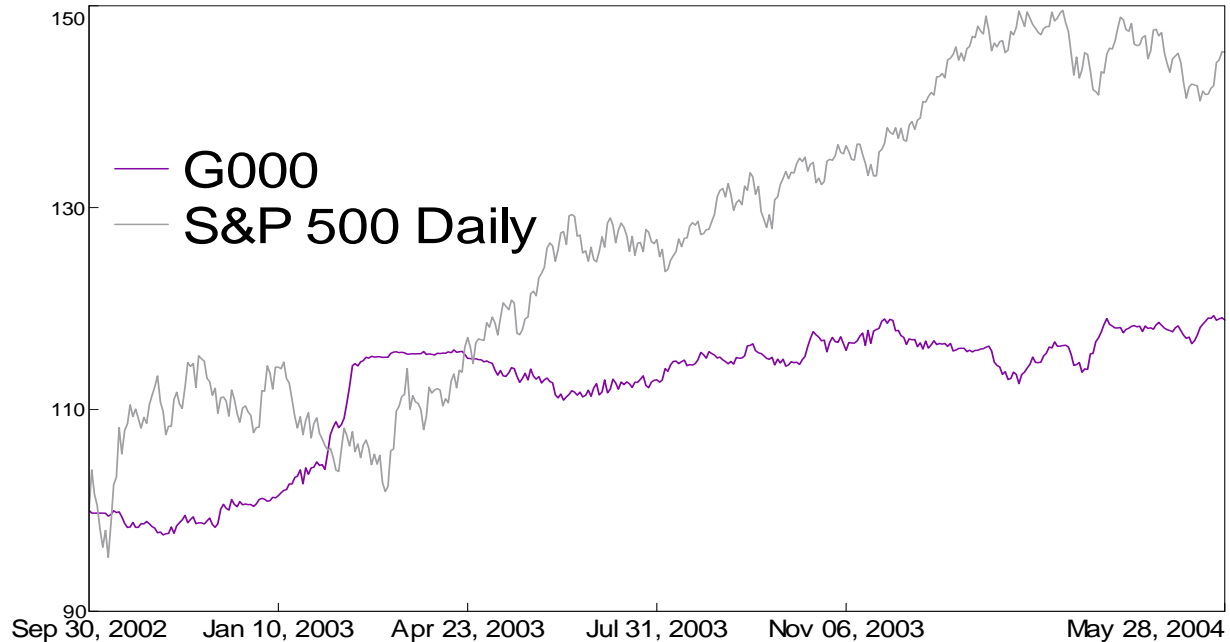
- Return
 - Annual Returns 10%-15%
 - Volatility 6% - 9%
 - Sharpe Ratio > 1.3
- Risk
 - Drawdown < 1 qtr. avg. return
 - Portfolio beta < +/- 0.1
 - Correlation with SP500 < +/-0.1
 - Correlation with VIXX < +/- 0.1



Historical Performance

Manager Performance

Tuesday, October 1, 2002 - Friday, May 28, 2004

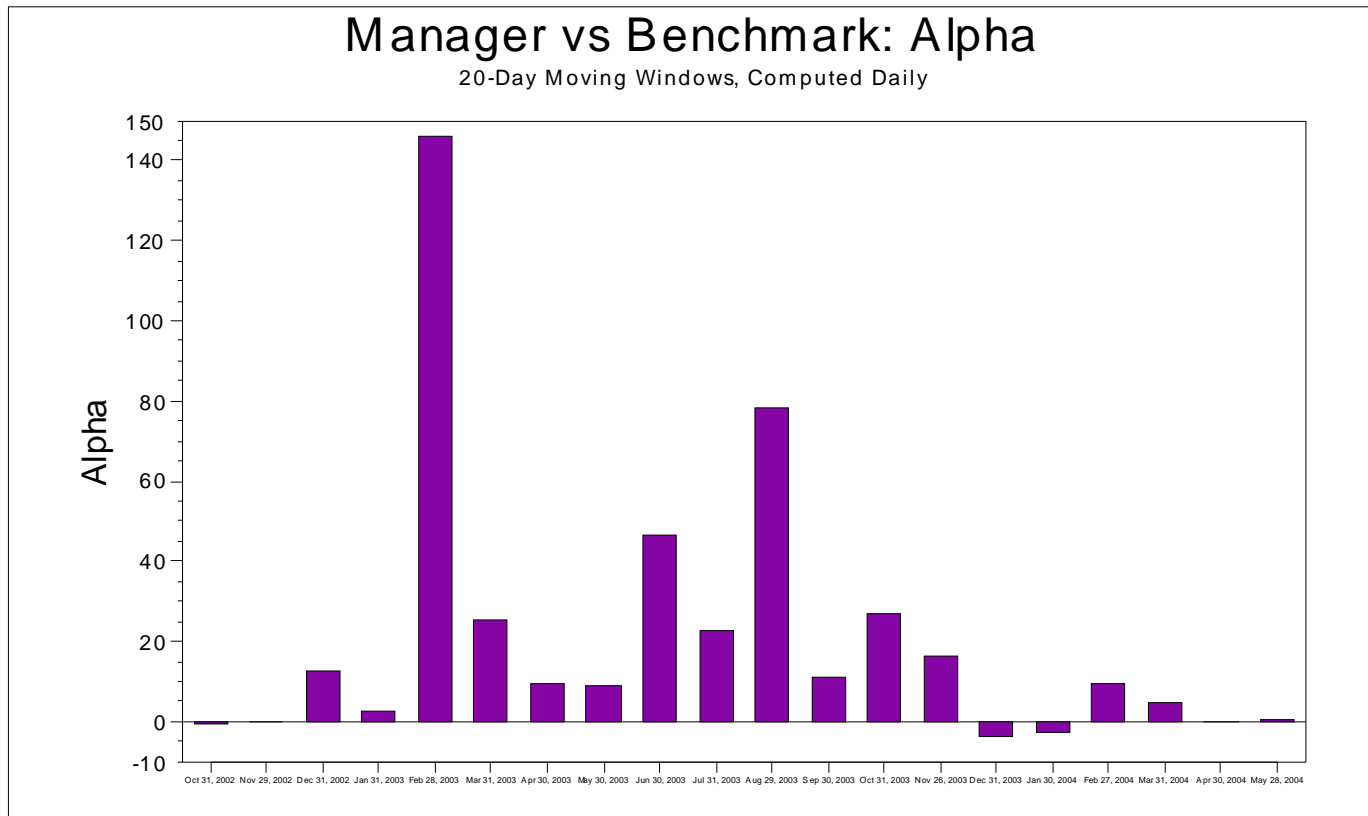


Performance Summary

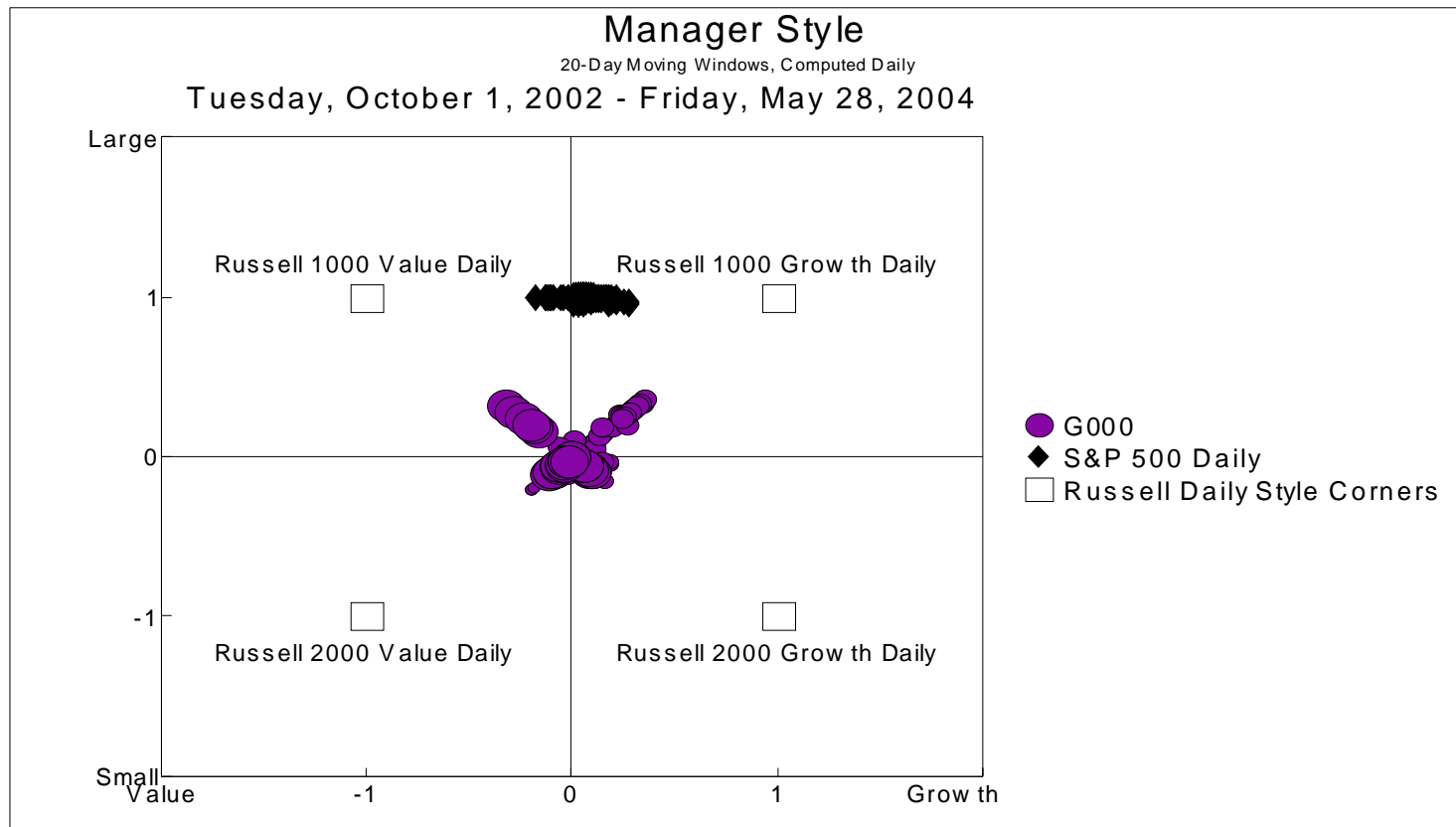
As of 1 July 2004	SP500	G000
Compound Return	25.36%	11.00%
Downside Risk	11.97%	4.78%
Volatility	17.74%	7.12%
Beta		-0.01
Sharpe	1.39	1.45
Information Ratio		-0.74
Annualized Alpha		10.88%

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

Alpha Generation



Style Analysis



Experience



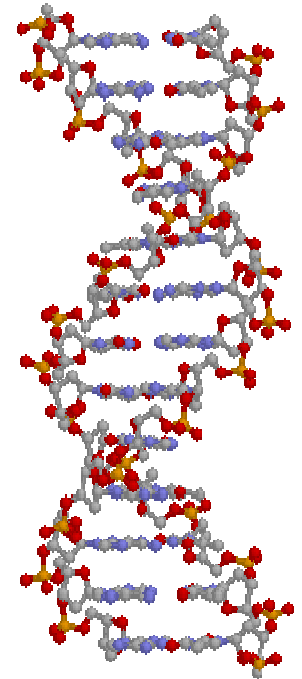
- Jonathan Kinlay
 - CEO of Proteom Capital Management Ltd.
 - Founder \$170M Caissa Capital fund
 - Managed \$50M hedge fund for 7 Years
 - Founder, Investment Analytics
 - Adjunct Professor, Carnegie Mellon



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

Investment Approach

- Investment Universe
 - 200 most liquid S&P 500 index members
 - Around 400-600 long/short stock & option positions
 - Option spreads 40-50 days out
- Portfolio Construction
 - Econometric forecasting models
 - Long/Short volatility portfolios
- Risk Management
 - Intraday Value-at-Risk monitoring
 - Risk management technique for extreme moves



Advantages

- Superior Performance
 - Annual alpha of 10.88%
 - Sharpe ratio 1.45
- Low Risk
 - Zero beta
 - Uncorrelated
 - Volatility
 - 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

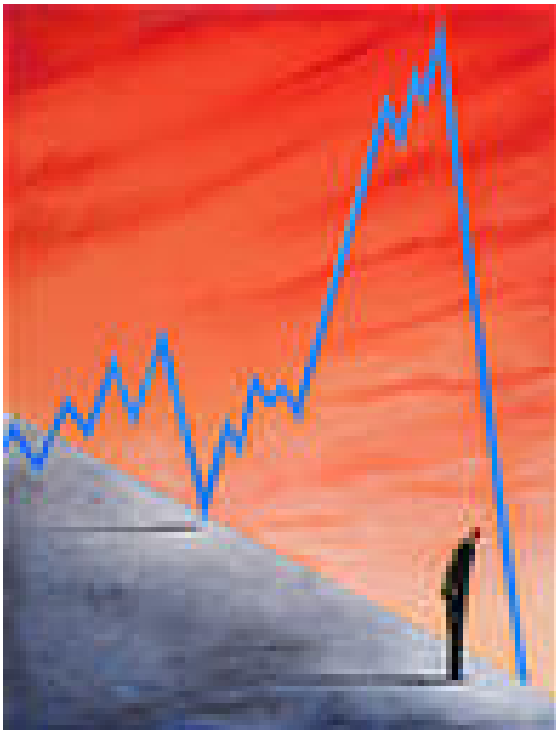


Portfolio Construction

- Proprietary volatility forecasting models
 - Six different model types per stock
 - Adaptable to current market conditions
 - Regime shift detection models
- Model Management System
 - Updates models daily
 - Produces volatility forecasts
 - Identifies mispriced options
 - Constructs portfolio
 - Creates trading sheet

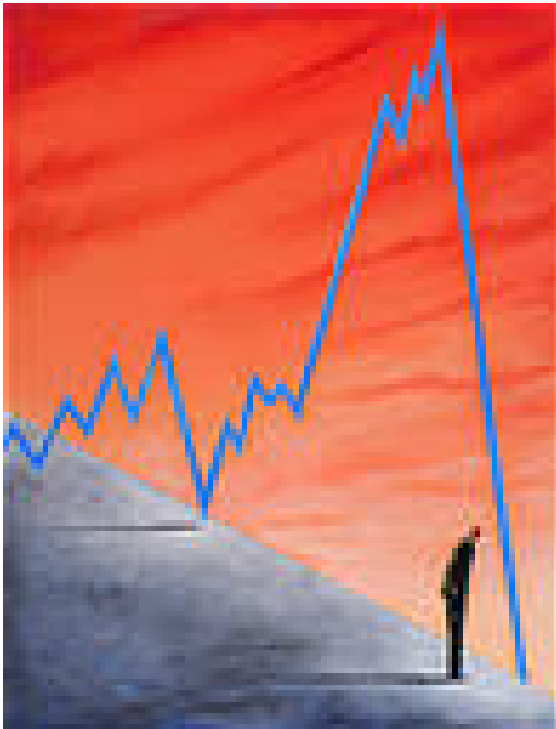


Risk Management



- Extreme Markets / Event Risk
 - Operate portfolio within Value-at-Risk limit
 - Stress test for 20% down move
 - CrashMetrics methodology to hedge tail risk
 - Diversification (across stocks, option maturities, multiple entry points)
- Volatility Risk
 - Stress test for 50% increase in volatility
 - Attempt to remain Gamma positive or limit negative Gamma
 - Buy cheap wing protection

Risk Management



- Liquidity Risk
 - Screen stocks for liquidity
 - Invest in only most highly liquid SP500 names (plus SPX and QQQ)
 - Maximum allocation to any single stock is 4% of capital
- Execution Risk
 - Monitor earnings
 - Screen trades in stocks with M&A activity, FDA approvals, etc

Execution

REDIPlus[®] Electronic Trade Platform



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

- Across all major exchanges
- Minimize visibility of execution
- Fast & efficient
- Low cost (no brokerage fees)
- Trade inside bid-offer spread
- Minimal market impact

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	Bank of Bermuda

Summary

- Proprietary econometric models
- Long/Short volatility arbitrage
- Consistent, uncorrelated alpha
- 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.