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# Press Release

## Proteom Debuts Long Volatility Fund

Alpha generation and crash protection, without the pain

New York / London / Geneva, 15 November, 2004:

The Bermudan-based Proteom Fund today announced that it is to offer a new long volatility product designed to produce substantial gains of 10%-25% during market crashes, while continuing to offer moderate returns of 5% - 7% under normal market conditions. The strategy is negatively correlated with the market and can be used for yield enhancement and hedging purposes either on a stand alone basis or as an overlay to existing long/short equity strategies. Proteom offers a number of equity long/short, market neutral and volatility arbitrage strategies based on the research in econometrics and bio-sciences of the Fund's founders, econometrician Jonathan Kinlay and bio-statistician Haftan Eckholdt.

"There is growing appetite amongst institutional investors for volatility arbitrage strategies as a source of uncorrelated alpha, despite the failure of the majority of existing offerings to live up to investor expectations. We see the solution as being to apply more advanced quantitative firepower to the problem and we have already demonstrated the success of that approach with strategies that continue to generate high double digit, uncorrelated returns" said founder and CEO Jonathan Kinlay, who also established the research firm Investment Analytics in 1998.

Investment Analytics, which developed the underlying methodologies, provides independent research focusing on applications of sophisticated mathematical and financial modeling techniques to problems of strategy development and repair, performance analysis and risk management for clients in the investment management industry in Europe and North

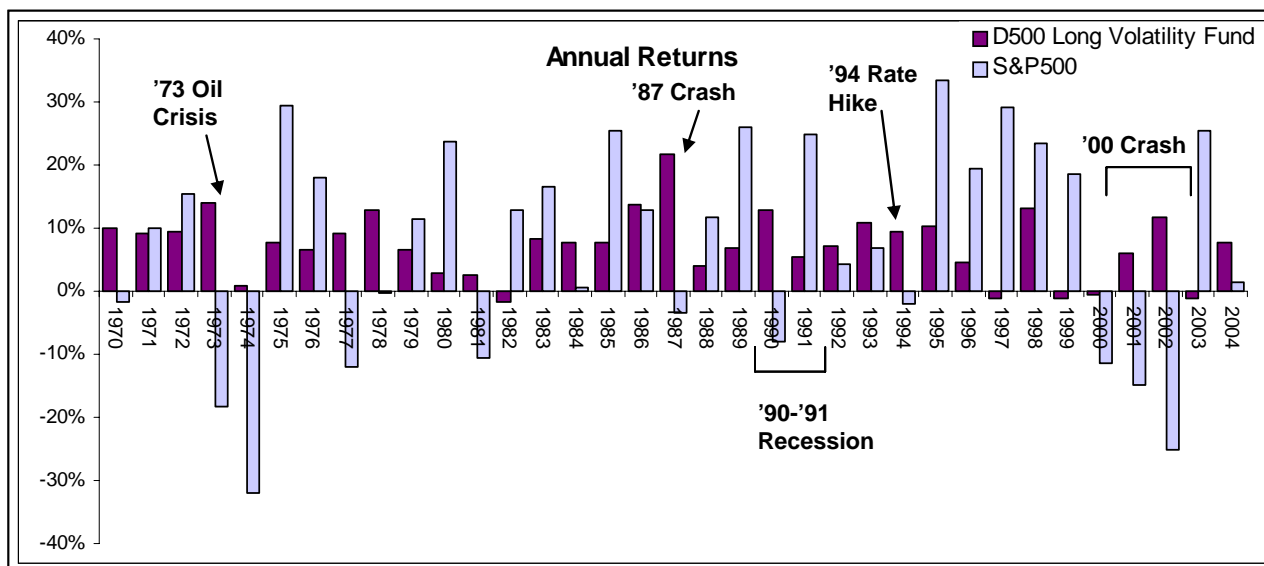
# proteom

America. The technologies underpinning Proteom's new product were previously licensed to the Caissa Capital Fund, which Mr. Kinlay founded in 2002, and provided the basis for the fund's returns of between 15% and 1600% in 2003. Mr Kinlay left Caissa to establish the Proteom Fund in August 2004, having grown assets under management to a peak of over \$300M. Caissa's license to the Investment Analytics technologies has since expired.

The Proteom Long Volatility Fund shows its real value during periods of extreme market turmoil, such as the 1973 oil crisis, the 1987 crash, the 1990-1991 recession, or the technology sector meltdown of 2000-2002. Unlike earlier long volatility products, which have tended to lose money during quiet periods lasting many months, the Proteom Fund strategy exploits arbitrage opportunities to ensure a steady income stream during normal market conditions, when volatility is low.

## Performance Back Test - Net Returns\*

Year	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991
Fund	6.61	3.00	2.43	-1.82	8.19	7.79	7.78	13.58	21.84	3.89	6.82	12.86	5.38
Index	11.32	23.62	-10.46	12.96	16.66	0.56	25.29	12.87	-3.33	11.81	26.12	-8.02	24.72
Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	YTD
Fund	7.24	11.00	9.40	10.33	4.64	-1.08	13.19	-1.13	-0.62	5.91	11.64	-1.13	7.78
Index	4.19	6.87	-2.06	33.49	19.48	29.16	23.42	18.47	-11.37	-14.74	-25.17	25.41	1.49



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