

OCEAN TOMO

ASSET MANAGEMENT SERVICES



Ocean Tomo Asset Management (OTAM) has developed a family of investment products based on its proprietary Intellectual Property valuation methodologies. While IP alpha is common to all strategies, OTAM's strategies represent a spectrum of risk adjusted returns, liquidities, correlations and holding periods. All quantitative products employ the Ocean Tomo PatentRatings® 2.0 system, which has valued every patent issued in the U.S. since 1977, whereas qualitative products utilize the 23 years of IP domain knowledge present in Ocean Tomo's team of investment, valuation, analytics and consulting experts.

Retail Investor Products

OCEAN TOMO 300® PATENT INDEX

The Ocean Tomo 300® Patent Index (NYSE Euronext: OTPAT) is the first Intellectual Property index. It represents a diversified portfolio of the 300 publicly traded companies in the U.S. with the highest Innovation Ratios (patent value divided by book value, where patent value is assessed by Ocean Tomo's PatentRatings® 2.0 system).

OTP, the ETF that tracks the OT300 stock index, generated an annualized excess return of 4.38% versus the S&P 500 (SPY) for the 10 quarters ended July 2009. Morningstar ranks OTP as the #1 performer of all Large Blend ETFs (U.S. & Foreign) since its inception. The OT300 has now outperformed SPY in 20 out of 20 rolling one-year periods.

The OT300 is constructed as follows: potential constituents are narrowed to a universe of companies that own patents. The patent-owning companies are then divided into 50 style and size groups and ranked according to their Innovation Ratios, with each group containing an approximately equal number of patent-owning companies. The securities in each group are ranked using a 100% rules-based methodology that identifies those securities with the highest Innovation Ratios, while maintaining broad-based diversification. The six highest ranking securities in each of the 50 groups are selected (a total of 300 securities) and then weighted by market capitalization.

IP-ENHANCED INDEX PRODUCTS

OTAM's quantitative IP investment program has the capability to create an IP-based absolute return or benchmarked fund for any size, style, and sector criteria specified. In partnership with the Intellectual Property Exchange International (IPXI.com), Ocean Tomo has created IP-enhanced indexes for S&P 500 and 1500, Nasdaq, and the WilderHill Clean Energy Index. In each case, OTAM's enhanced index products outperform their benchmark indexes with a greater information ratio.

The enhanced indexes are constructed using a 130/30 ratio. Each starts with the underlying index weights, and then the weights are reduced by 30% in names with relatively weaker IP signals and increased by 30% in names with stronger IP signals. How much is added or reduced for an individual name is proportional to the IP signal. Since the IP signal is "sector neutral," this procedure does not change sector weightings. As a result, you get an index tracking product with return and information ratio outperformance.

Accredited Investor Products

MARKET NEUTRAL FUND

Ocean Tomo's intra-sector market neutral strategy has been trading since October 2007. Since its inception, the fund has generated a positive gross return of 7% with less than 4% volatility. In 2008, while the strategy generated a positive gross return of 3.26%, the HFR Market Neutral Index was down 5.92%, the DJ Market Neutral Index was down 8.33%, the S&P 500 was down 38.5%, and hedge funds in general were down 18%. Each of these generated market measures with significantly higher volatility.

Ocean Tomo is the only investment firm that can offer this investment program because of the patented processes (the PatentRatings® 2.0 system) that underlie the analysis of its proprietary IP dataset. The dataset took eight years to construct and continues to evolve, with weekly re-grading based on value changes attributable to new patent issuance. Once the PatentRatings® 2.0 system grades the quality of corporate IP portfolios, Ocean Tomo's Investments team constructs intra-sector relative value baskets by buying the stocks of companies with strong IP portfolios and short-selling the stocks of companies with weak or non-existent IP portfolios.

SPECIAL SITUATIONS

OTAM's Special Situations team invests in unique arbitrage opportunities as they relate to qualitative IP valuation. Types of Special Situations investments include PIPEs, IP collateralized debt, sale/license-back transactions, Unit License Right™ Contracts, and royalty securitizations. The scope and nature of these investments are considerably idiosyncratic and require a high degree of specialized IP and investment knowledge. For these reasons, OTAM is a market leader in this field.

Structured Products

Each of the investment products described above can be bundled into structured products. Doing so provides investors with all of the benefits of structured products (e.g., principal protection) and IP investments (e.g., unique alpha, low correlation).



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Mr. Trueman works closely with IP owners to help them monetize their IP through innovative and effective transaction platforms. He has a reputable history of offering IP licensing, transaction, business development, and strategy consulting services across a diverse set of industries and has led teams helping companies monetize IP, grow existing businesses and successfully launch new ventures.





OCEAN TOMO[®]

INTELLECTUAL CAPITAL EQUITY[®]

About Ocean Tomo

Ocean Tomo, the Intellectual Capital Merchant Banc[™] firm, provides companies with financial services related to intellectual property and intangible assets including financial expert testimony, valuation, strategy consulting, investment advisory, innovation management consulting and transaction brokerage.

Our Opinion, Management and Advisory Services are built upon more than three decades of experience valuing intellectual property in the most rigorous of venues – State, Federal and international courts. Our financial, market and technical experts provide a unique understanding of the contributory value of proprietary innovation. This is the cornerstone of our business. This insight permeates every practice and client engagement.

Collectively, Ocean Tomo professionals have:

- Executed over 750 engagements involving IP worth in excess of \$10 billion;
- Successfully closed transactions where disruptive technology played a key role, with cumulative transaction value in excess of \$650 million;
- Conducted over 250 valuation engagements and 300 financial damages expert testimony engagements.

Headquartered in Chicago, Ocean Tomo has offices in Greenwich, Houston, Irvine and San Francisco.

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Ocean Tomo assists clients – corporations, law firms, governments and institutional investors – in realizing Intellectual Capital Equity[®] value broadly defined.