

# FrontPoint Multi-Strategy

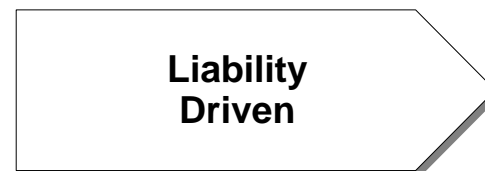
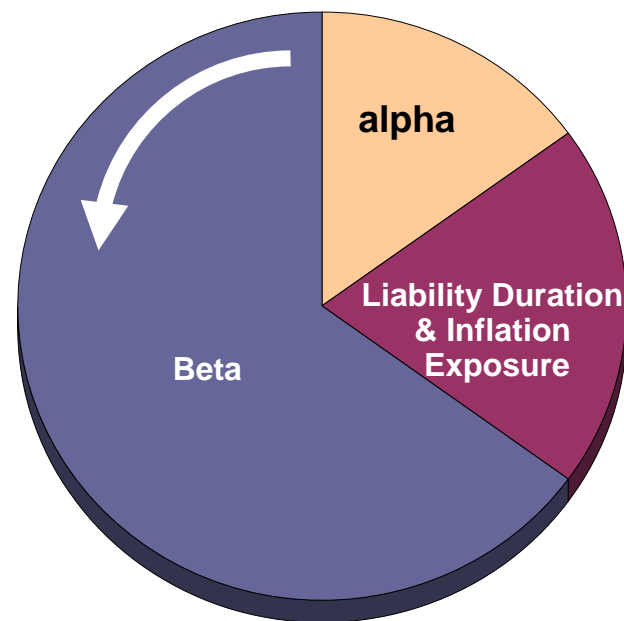
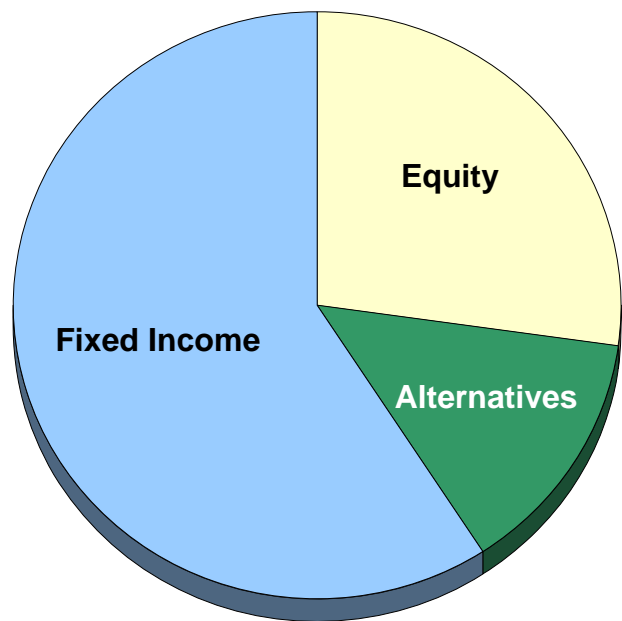
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*Diversified Absolute Return Investment*



FrontPoint Partners LLC  
Two Greenwich Plaza | Greenwich, CT 06830  
Tel: 203 622 - 5200 | Fax: 203 622 - 5480  
[www.fppartners.com](http://www.fppartners.com)

# Structural Challenges Facing Investors



# Mobilizing Investment Organizations

## Risk Management

- Moving from asset silo benchmark tracking error to liability index matching.
- View the risk of the entire portfolio in the context of the liability

## Active Management

- Deploying human capital to focus on acquiring and monitoring the low correlated alpha process.
- Deploy a higher % of investment capital to active alpha process management

## Beta Management

- Sourcing inexpensive beta through futures & swaps.
- Use beta as a tool to capture market risk premiums and to meet risk budget targets

## Partner Management

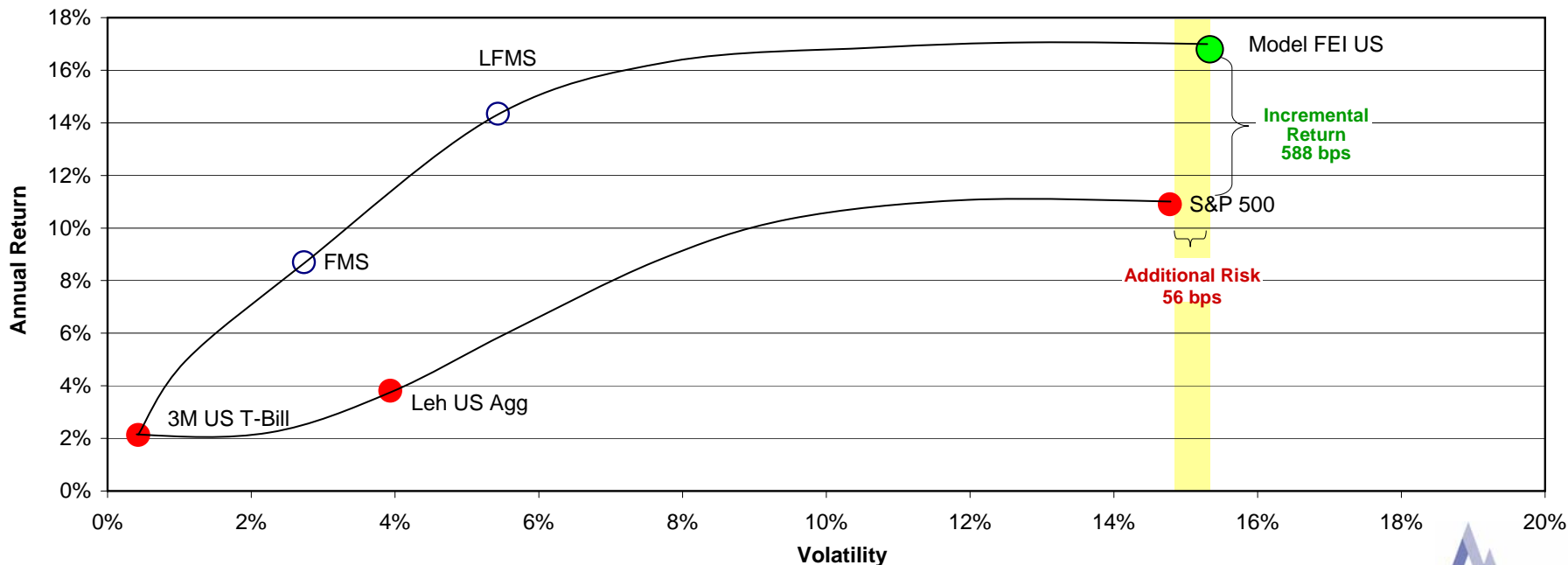
- Partnering with organizations that can deliver low correlated alpha process management
- Work with investment partners who can assist in facilitating organizational change

# FrontPoint Efficiency Comparison

September 3, 2002 – June 30, 2006

Risk Matrix (9/3/2002 - 6/30/2006)	Market Line*					
	3M US T-Bill	FMS	LFMS	Leh US Agg	S&P 500	Model FEI US
Annual Return	2.13%	8.70%	14.34%	3.82%	10.90%	16.78%
Volatility	0.42%	2.73%	5.43%	3.93%	14.78%	15.34%
Annual Sharpe (3M US T-Bill)	n/m	2.41	2.25	0.43	0.59	0.96
Correlation	n/m	0.15	0.15	1.00	1.00	0.98
R2	n/m	0.02	0.02	1.00	1.00	0.97
Beta	n/m	0.03	0.06	1.00	1.00	1.02
Annualized Alpha	n/m	6.81%	12.17%	n/m	n/m	5.17%

\* Index data is obtained from Bloomberg. S&P 500 is used in the calculation of FMS, LFMS, and Model FEI US correlation, R2, Beta, and Alpha. Indices presented above are for reference only. The fund may invest in different securities and engage in different trading strategies which vary significantly from each of the indices presented above. In addition, the sector, industry, stock and country exposures, market capitalizations, volatility and risk characteristics of the fund may differ materially from those of the indices presented above. The indices presented are disclosed as a point of reference of the fund's performance to that of well-known and widely recognized indices. Indices returns are quoted with dividends. Indices are unmanaged and are not subject to transaction charges or expenses. An investor may not invest directly in an index. Accordingly, comparing the results shown to these indices may be of limited use.

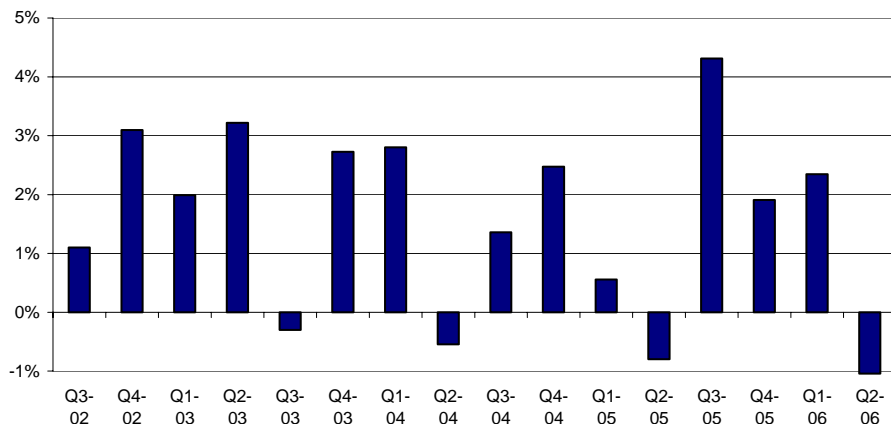


\* This efficiency comparison page should be read in conjunction with the Notes on page 10, which disclose important information on the assumptions and risk analytics relating to the Efficient Frontier presented above.

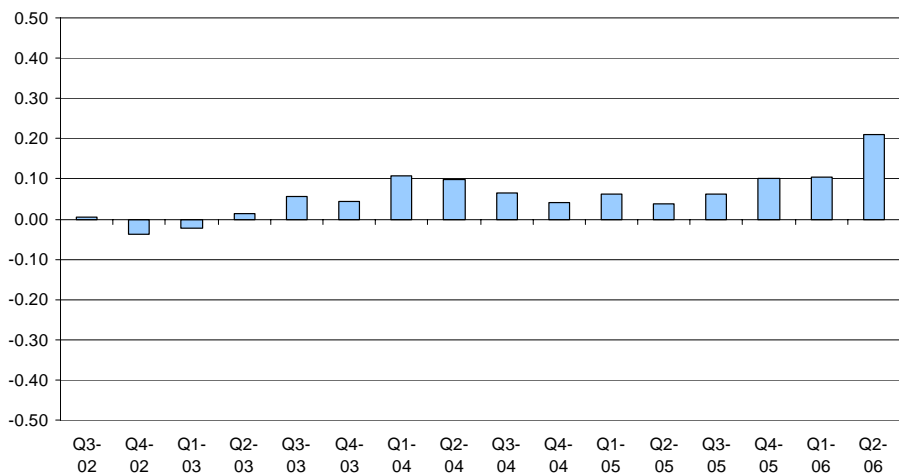
# Alpha Characteristics

## Persistence of FrontPoint's excess return above a risk-adjusted market

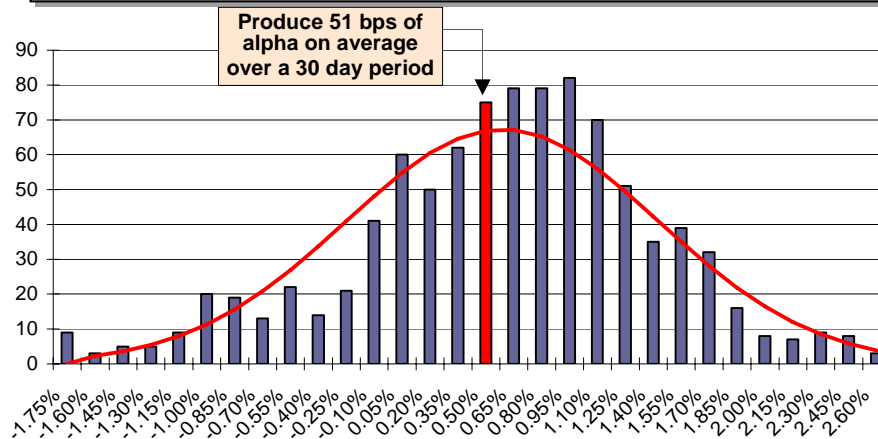
FMS - Quarter Alpha (Non-Annualized)



FMS - Beta to S&P 500



30 Day Rolling Alpha Distribution



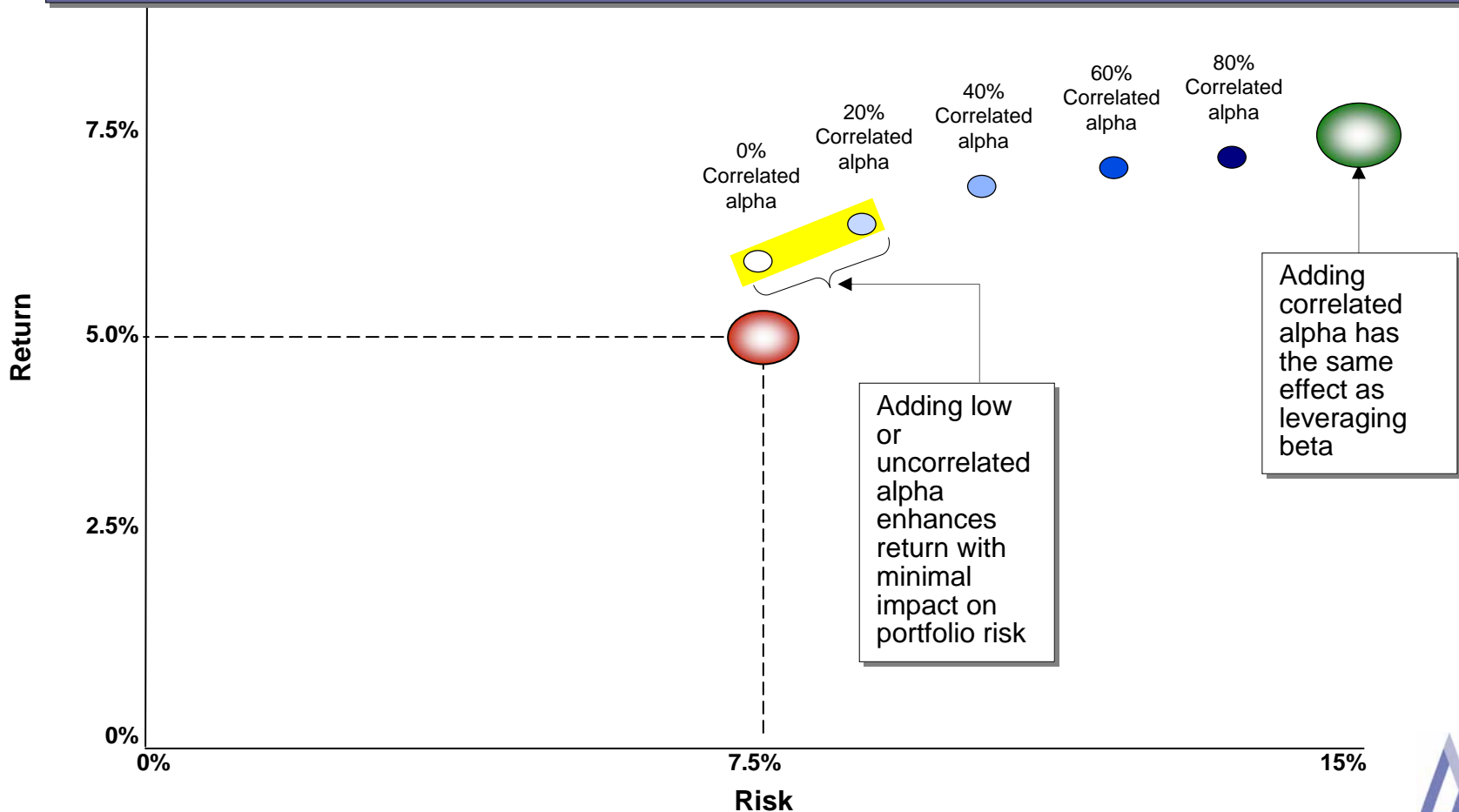
**Footnotes to FMS return calculations:**

- Model returns for FrontPoint Multi-Strategy Fund Series A, L.P. ("FMS") assuming: (a) an equal weighting of existing FrontPoint funds from September 2002 through December 2003, and for the period January 2004 to present, a weighting of FrontPoint funds based on the recommendation of the Portfolio Oversight Team
  - Calculations for FrontPoint Fixed Income Opportunities Fund, L.P. are based on daily net returns beginning on September 3, 2002.
  - Calculations for FrontPoint Utility and Energy Fund, L.P. are based on daily net returns beginning on September 3, 2002.
  - Calculations for FrontPoint Healthcare Fund, L.P. are based on daily net returns beginning on June 1, 2003.
  - Calculations for FrontPoint Value Discovery Fund, L.P. are based on daily net returns beginning on October 1, 2003.
  - Calculations for FrontPoint Convertible Arbitrage Fund, L.P. are based on daily net returns beginning on November 1, 2003.
- The January 2004 return presented herein is based on the model portfolio allocation recommended by the Portfolio Oversight Team. Returns for February 2004 through present reflect returns of FMS which commenced investments operations in February 2004.
- Model returns for the period from September 2002 through January 2004 are net of a 50 bps per annum management fee and the underlying fees and expenses of each of the included FrontPoint funds. Model returns for the period from September 2002 through December 2003 are net of a 25 bps per annum cap on FMS expenses.
- The returns presented from February 2004 to December 2004 are based on the returns of a hypothetical full-fee paying investor ("ABC Investor") in FMS. The returns further assume an investment by ABC Investor (who is "new issue eligible") at the inception of FMS, and are net of management and incentive fees and fund expenses.
- The performance returns represented for 2005 are that of FMS. The performance returns of FrontPoint Offshore Multi-Strategy Fund Series A, L.P., FrontPoint Offshore Multi-Strategy Fund Series A, Ltd. and each individual investor's return will vary from the performance returns presented above.

# Portable alpha's Impact on Portfolio Risk

If the alpha component of the strategy is uncorrelated to the beta, the impact should be enhanced returns with similar risk.

## alpha Transport Efficiency Surface



# FrontPoint Strategy Correlation & Risk Matrix\*

	Multi-Strategy Fund	Fixed Income Opportunities Fund	Utility and Energy Fund	Energy Horizons Fund	Healthcare Fund	Healthcare Horizons Fund	Financial Services Fund	Financial Horizons Fund	Japan Fund	Asia Pacific Fund	Quantitative Fund	European Fund	S&P 500	Lehman Aggregate	Lehman High Yield	Volatility (VIX)**
Multi-Strategy Fund	1.00	0.35	0.56	0.53	0.44	0.37	0.52	0.55	0.56	0.71	0.13	0.85	0.16	0.09	0.16	-0.26
Fixed Income Opportunities Fund		1.00	0.01	-0.07	0.00	-0.08	0.03	0.07	0.13	0.12	0.04	0.08	-0.06	0.02	-0.03	0.04
Utility and Energy Fund			1.00	0.82	0.26	0.27	0.18	0.33	0.03	0.12	-0.03	0.35	0.16	0.12	0.13	-0.28
Energy Horizons Fund				1.00	0.33	0.33	0.25	0.39	0.04	0.21	0.03	0.57	0.50	0.11	0.19	-0.47
Healthcare Fund					1.00	0.94	0.07	0.17	0.04	0.08	0.02	0.33	0.51	0.02	0.17	-0.45
Healthcare Horizons Fund						1.00	0.09	0.22	0.05	0.11	-0.01	0.37	0.53	0.00	0.22	-0.45
Financial Services Fund							1.00	0.83	0.16	0.30	-0.01	0.71	0.09	0.04	0.05	-0.11
Financial Horizons Fund								1.00	0.15	0.33	0.01	0.55	0.21	-0.13	0.12	-0.29
Japan Fund									1.00	0.60	-0.06	0.29	0.01	-0.06	0.04	-0.01
Asia Pacific Fund										1.00	0.02	0.52	0.05	0.08	0.16	-0.01
Quantitative Fund											1.00	0.21	0.07	-0.06	-0.01	-0.11
European Fund												1.00	0.43	0.03	0.42	-0.46
S&P 500													1.00	-0.17	0.11	-0.70
Lehman Aggregate														1.00	0.22	0.08
Lehman High Yield															1.00	-0.10
Volatility (VIX)																1.00

	FMS	FIO	UEF	FEH	FHC <sup>(1)</sup>	FHH <sup>(2)</sup>	FFS <sup>(3)</sup>	FHF <sup>(4)</sup>	FJF <sup>(5)</sup>	FAP <sup>(6)</sup>	FQF <sup>(7)</sup>	FEF <sup>(8)</sup>	SPX	LEH	LEH HY	VIX
Annual Standard Deviation	2.8%	3.8%	4.3%	14.7%	3.8%	7.8%	4.7%	7.3%	9.5%	7.5%	3.7%	13.9%	14.8%	9.1%	3.1%	-

\* Based on daily net returns for the period September 3, 2002 to July 31, 2006. Exceptions are noted below. See page 9 for further detail on return calculations.

\*\* CBOE SPX Volatility Index

- Calculations for FrontPoint Healthcare Fund, L.P. are based on daily net returns beginning on June 2, 2003.
- Calculations for FrontPoint Healthcare Horizons Fund, L.P. are based on daily net returns beginning on November 1, 2004.
- Calculations for FrontPoint Financial Services Fund, L.P. are based on daily net returns beginning on April 1, 2004.
- Calculations for FrontPoint Financial Horizons Fund, L.P. are based on daily net returns beginning on January 17, 2006.
- Calculations for FrontPoint Japan Fund, L.P. are based on daily net returns beginning on September 1, 2004.
- Calculations for FrontPoint Asia Pacific Fund, L.P. are based on daily net returns beginning on October 1, 2004.
- Calculations for FrontPoint Quantitative Fund, L.P. are based on daily net returns beginning on June 1, 2005.
- Calculations for FrontPoint European Fund, L.P. are based on daily net returns beginning on March 6, 2005.

# Risk Management: Asset Growth vs. Liability Growth



# Multi-Strategy Risk Report – July 31, 2006

## Stress + Scenario Testing

Strategy	S&P 500 Index 10%	S&P 500 Index -10%	S&P 500 Index 25%	S&P 500 Index -25%	US Treasury 10 yr rate +50bp	US Treasury 10 yr rate -50bp	Crdt Spds +50bp	USD 3 yr Swap rate +25bp	USD 3 yr Swap rate -25bp	SPX Flat, Sm Cap +10%	SPX Flat, Sm Cap -10%	Japanese Yen Spot Rate +25%	Japanese Yen Spot Rate -25%
FIO	11.9	-6.3	38.3	-8.5	-8.4	43.2	16.5	5.5	-1.2	-3.6	14.2	348.8	68.1
UEF	23.4	-22.2	60.3	-52.9	-1.9	3.1	-9.9	2.5	-1.3	7.1	-3.2	-1.1	1.1
FEH	67.4	-61.4	180.2	-142.7	-0.8	3.1	-28.3	10.2	-8.1	49.0	-37.9	-1.9	1.9
FHC	39.1	-36.5	103.0	-86.9	-16.2	18.6	5.8	12.9	-7.6	-4.6	7.9	-0.1	0.1
FHH	15.1	-13.8	40.5	-32.1	-5.7	6.7	2.1	7.5	-4.8	2.4	-0.9	-0.1	0.1
FH2	13.2	-12.3	34.8	-29.3	-5.4	6.2	2.1	4.4	-2.6	-1.6	2.7	0.0	0.0
FFS	7.6	-8.8	16.8	-22.7	-5.0	5.3	5.8	-0.6	0.5	8.6	-5.8	0.3	-0.3
FHF	-2.6	2.3	-6.8	5.4	0.3	-0.3	0.8	-2.5	2.0	1.1	0.2	0.1	-0.1
FJF	2.0	0.4	8.4	7.9	-32.8	42.4	72.3	-39.8	55.3	-14.0	36.3	-3.1	3.1
FAP	-5.9	8.1	-11.8	26.4	-12.7	16.1	-6.1	-42.3	58.1	6.3	9.7	27.8	-27.8
FGC	0.2	0.1	0.7	0.8	-2.0	2.2	-5.9	-9.4	11.7	-3.9	4.8	0.0	0.0
FQF	21.8	-17.8	62.1	-37.3	-8.4	9.5	12.2	8.7	-5.6	-74.0	68.2	0.0	0.0
FEF	58.3	-37.0	167.0	-46.8	-12.3	19.7	-10.0	10.2	0.9	-0.7	16.9	0.0	0.0
<b>BPs NAV</b>	<b>251</b>	<b>-205</b>	<b>693</b>	<b>-419</b>	<b>-111</b>	<b>176</b>	<b>57</b>	<b>-33</b>	<b>97</b>	<b>-28</b>	<b>113</b>	<b>371</b>	<b>46</b>

**\$s NAV** 22,828,833 -18,645,665 62,968,264 -38,022,589 -10,112,365 15,958,453 5,212,639 -2,981,899 8,836,003 -2,528,267 10,262,361 33,666,225 4,188,550

## Stress + Scenario Testing

Strategy	Pharma HOLDRs Trust +25%	Pharma HOLDRs Trust -25%	AMEX Biotech Index +25%	AMEX Biotech Index -25%	NYMEX WTI Light Sweet Crude 1 yr Strip +25%	NYMEX WTI Light Sweet Crude 1 yr Strip -25%	PHLX/KBW Bank Index +10%	PHLX/KBW Bank Index -10%	Nikkei 225 Index +10%	Nikkei 225 Index -10%	MSCI Europe 10%	MSCI Europe -10%	Euro Spot Rate +25%	Euro Spot Rate -25%
FIO	43.7	-14.6	13.9	-6.4	20.3	-20.5	10.6	-4.9	15.1	-12.5	13.4	-10.3	0.0	0.0
UEF	31.9	-29.2	30.0	-31.7	21.9	-27.6	13.2	-13.2	1.6	-1.7	10.9	-11.4	0.6	-0.6
FEH	83.6	-77.0	92.4	-90.2	57.2	-65.6	32.3	-31.6	10.6	-11.2	41.4	-40.8	1.3	-1.3
FHC	81.2	-74.0	60.2	-57.8	-1.4	4.3	28.4	-27.9	3.9	-3.9	19.5	-18.8	0.0	0.0
FHH	28.5	-25.0	23.6	-21.6	0.4	1.0	10.5	-10.1	1.0	-1.0	7.3	-6.7	0.0	0.0
FH2	27.4	-25.0	20.3	-19.5	-0.6	1.6	9.6	-9.4	1.3	-1.3	6.6	-6.3	0.0	0.0
FFS	8.3	-8.2	6.0	-9.8	9.5	-10.3	4.8	-5.3	7.2	-6.4	8.9	-9.0	-8.1	8.1
FHF	-5.2	5.7	-4.6	4.0	2.7	-2.5	-2.1	2.2	2.3	-1.9	1.9	-2.0	-0.3	0.3
FJF	29.2	3.8	-1.7	7.9	-5.4	15.5	1.5	0.2	69.8	-48.9	26.1	-20.0	0.0	0.0
FAP	-1.5	22.3	-0.6	5.2	7.2	-0.4	-10.3	13.0	46.0	-37.3	32.0	-28.4	0.0	0.0
FGC	3.6	-2.2	2.4	-2.4	-0.1	0.8	-0.8	1.1	7.3	-7.1	6.3	-6.2	0.0	0.0
FQF	88.0	-66.1	19.0	-18.9	20.8	-41.8	12.8	-11.0	6.4	-7.2	18.2	-16.8	0.0	0.0
FEF	134.8	-15.3	78.9	-43.5	2.4	0.2	39.5	-29.3	17.4	-15.5	57.8	-33.5	8.1	-8.1
<b>BPs NAV</b>	<b>554</b>	<b>-305</b>	<b>340</b>	<b>-285</b>	<b>135</b>	<b>-145</b>	<b>150</b>	<b>-126</b>	<b>190</b>	<b>-156</b>	<b>250</b>	<b>-210</b>	<b>2</b>	<b>-2</b>

**\$s NAV** 50,258,894 -27,681,750 30,845,870 -25,845,441 12,260,940 -13,192,384 13,614,252 -11,453,029 17,234,538 -14,165,986 22,722,922 -19,091,273 145,565 -145,565

\* Excerpted from July 2006 monthly letter.

# Notes to FrontPoint Funds Performance Summary

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1. The returns represented for FrontPoint Multi-Strategy Fund Series A, L.P. ("FMS") for the period February 2004 to December 2004 assumes an investment of \$10 million at the inception of FMS, subject to management and incentive fees. In addition, fund expenses are allocated to the investor pro rata based on the total assets of all fee-paying investors. Furthermore, new issue income/loss is allocated to the investor in an amount equal to the total new issue profit of the fund multiplied by the capital account balance of the investor divided by the total new issue eligible capital of the fund.
2. The performance returns represented for 2005 are that of FMS. The performance returns of FrontPoint Offshore Multi-Strategy Fund Series A, L.P., FrontPoint Offshore Multi-Strategy Fund Series A, Ltd. and each individual investor's return will vary from the performance returns presented above
3. Performance figures are for SCI Japan Hedge Fund from March 2002 to May 2004, the period for which Giampaolo Guarneri was responsible for that portfolio and are net of fees. Based on numbers available on [www.Sofaer.com](http://www.Sofaer.com). Returns have not been reviewed or verified by FrontPoint Partners LLC. FrontPoint Japan Fund, L.P. launched on August 10, 2004. Net YTD for 2004 represents year to date returns of FrontPoint Japan Fund, L.P. The historical returns represented (as well as any estimates or projections) are not a prediction of future performance of the Fund and there can be no assurance that these or comparable returns or values will be achieved by the Fund, that the Fund's performance objectives will be achieved or that there will be any return of capital.
4. Performance returns presented are for a fund managed by James Soutar and Giampaolo Guarneri prior to their managing FrontPoint Asia Pacific Fund, L.P. (the "Fund"). The inception of Ultra Asia Phoenix Fund Limited was July 18, 1998. In April 2000, the fund's name was changed to Asia Phoenix Fund Limited ("Asia Phoenix Fund"). In October 2003, the Asia Phoenix Fund merged into Sofaer Capital Pacific Hedge Fund (together with its predecessors, "SCPHF"). The periods presented herein represent only a portion of SCPHF's existence and for which FrontPoint Partners LLC ("FrontPoint") has obtained SCPHF's performance information.

Performance returns are calculated net of fees, expenses and incentive fee/allocation. Returns are not audited.

Returns presented above have been reviewed based on NAV data provided to FrontPoint by SCPHF's administrators. Please note the following:

- For the period July 18, 1998 to October 2003, returns are calculated based on NAV data of SCPHF.
- For the period November 2003 to May 2004, returns are calculated based on NAV data of a full fee-paying investor in SCPHF. The return of such investor may be different from the return of SCPHF during such period as a result of the timing of subscriptions and redemptions, the highwater mark of the investor in question, and any fee or expense reductions given to other investors in the fund.

The historical returns represented (as well as any estimates or projections) are presented solely for investor due diligence purposes and not a prediction of future performance of the Fund and there can be no assurance that these or comparable returns or values will be achieved by the Fund, that the Fund's performance objectives will be achieved or that there will be any return of capital. In addition, the investment objectives, guidelines and risk parameters of SCPHF are different than those of the Fund.

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# Efficiency Comparison Notes

## Footnotes to FMS return calculations:

1. Model returns for FrontPoint Multi-Strategy Fund Series A, L.P. ("FMS") assume: (a) an equal weighting of funds in existence between September 2002 through December 2003 in which FMS actually invested in on February 1, 2004, and for the period January 2004 to present, a weighting of FrontPoint funds based on the recommendation of the Portfolio Oversight Team
  - (a) Calculations for FrontPoint Fixed Income Opportunities Fund, L.P. are based on daily net returns beginning on September 3, 2002.
  - (b) Calculations for FrontPoint Utility and Energy Fund, L.P. are based on daily net returns beginning on September 3, 2002.
  - (c) Calculations for FrontPoint Healthcare Fund, L.P. are based on daily net returns beginning on June 1, 2003.
  - (d) Calculations for FrontPoint Value Discovery Fund, L.P. are based on daily net returns beginning on October 1, 2003.
  - (e) Calculations for FrontPoint Convertible Arbitrage Fund, L.P. are based on daily net returns beginning on November 1, 2003.
2. The January 2004 return presented herein is based on the model portfolio allocation recommended by the Portfolio Oversight Team. Returns for February 2004 through present reflect actual returns of FMS which commenced investments operations in February 2004.
3. Model returns for the period from September 2002 through January 2004 are net of a 50 bps per annum management fee and the underlying fees and expenses of each of the included FrontPoint funds. Model returns for the period from September 2002 through December 2003 are net of a 25 bps per annum cap on FMS expenses.
4. The returns presented from February 2004 to December 2004 are based on the returns of a hypothetical full-fee paying investor ("ABC Investor") in FMS. The returns further assume an investment by ABC Investor (who is "new issue eligible") at the inception of FMS, and are net of management and incentive fees and fund expenses.
5. The performance returns represented for 2005 are that of FMS. The performance returns of FrontPoint Offshore Multi-Strategy Fund Series A, L.P., FrontPoint Offshore Multi-Strategy Fund Series A, Ltd. and each individual investor's return will vary from the performance returns presented above.

## FrontPoint Leveraged Multi-Strategy ("LFMS") commenced investment operations on July 1, 2005. The following assumptions are made in calculating Model LFMS returns:

1. For the period September 2, 2002 to June 30, 2005, LFMS model returns are based on unleveraged FMS model returns less spread cost and expenses equal to 12 month Libor plus 130 bps, 2X leverage.
2. For the period July 1, 2005 to present, LFMS model returns are net of spread costs and expenses, which are generally equal to 12 month Libor, in the case of borrowings made at the beginning of a fiscal quarter, and 1 or 2 month Libor, in the case of intra-quarter borrowings, in each case plus 100 – 130 bps, 2X leverage
3. LFMS's target leverage ratio is expected to be approximately 2:1. LFMS's leverage ratio may be less than or greater than the target leverage ratio from time to time.

## FrontPoint Enhanced Index ("FEI") Fund commenced investment operations on November 1, 2005. The following assumptions are made in calculating FEI Funds model returns:

1. Model FEI is composed of a 90% investment in model FMS (net of all fees) plus a 10% investment in cash money market ("Alpha Pool") and a 100% investment in an S&P 500 swap for a total of 190% exposure. The cost of the swap is calculated at 3M Libor + 45bps spread per annum. A 25bps annual expense charge is assumed. The Alpha Pool / Beta exposure ratio is rebalanced to 1:1 on a quarterly basis.

## FrontPoint Japan Fund

1. Performance figures are for SCI Japan Hedge Fund from March 2002 to May 2004, the period for which Giampaolo Guarnieri was responsible for that portfolio and are net of fees. Based on numbers available on www.Sofaer.com. Returns have not been reviewed or verified by FrontPoint Partners LLC. FrontPoint Japan Fund, L.P. launched on August 10, 2004. Net YTD for 2004 represents year to date returns of FrontPoint Japan Fund, L.P. The historical returns represented (as well as any estimates or projections) are not a prediction of future performance of the Fund and there can be no assurance that these or comparable returns or values will be achieved by the Fund, that the Fund's performance objectives will be achieved or that there will be any return of capital.

## FrontPoint Asia Pacific Fund

1. Performance returns presented are for a fund managed by James Soutar and Giampaolo Guarnieri prior to their managing FrontPoint Asia Pacific Fund, L.P. (the "Fund"). The inception of Ultra Asia Phoenix Fund Limited was July 18, 1998. In April 2000, the fund's name was changed to Asia Phoenix Fund Limited ("Asia Phoenix Fund"). In October 2003, the Asia Phoenix Fund merged into Sofaer Capital Pacific Hedge Fund (together with its predecessors, "SCPHF"). The periods presented herein represent only a portion of SCPHF's existence and for which FrontPoint Partners LLC ("FrontPoint") has obtained SCPHF's performance information.

Performance returns are calculated net of fees, expenses and incentive fee/allocation. Returns are not audited.

Returns presented above have been reviewed based on NAV data provided to FrontPoint by SCPHF's administrators. Please note the following:

- For the period July 18, 1998 to October 2003, returns are calculated based on NAV data of SCPHF.
- For the period November 2003 to May 2004, returns are calculated based on NAV data of a full fee-paying investor in SCPHF. The return of such investor may be different from the return of SCPHF during such period as a result of the timing of subscriptions and redemptions, the highwater mark of the investor in question, and any fee or expense reductions given to other investors in the fund.

The historical returns represented (as well as any estimates or projections) are presented solely for investor due diligence purposes and not a prediction of future performance of the Fund and there can be no assurance that these or comparable returns or values will be achieved by the Fund, that the Fund's performance objectives will be achieved or that there will be any return of capital. In addition, the investment objectives, guidelines and risk parameters of SCPHF are different than those of the Fund.

*There can be no assurance that any fund discussed herein will achieve any targets or that there will be any return on capital. Historical returns are not predictive of future results.*

*The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any limited partnership interests or to participate in any trading strategy. If any offer of limited partnership interests is made, it shall be pursuant to a definitive Offering Memorandum prepared by or on behalf of the Fund which would contain material information not contained herein and which shall supersede this information in its entirety.*