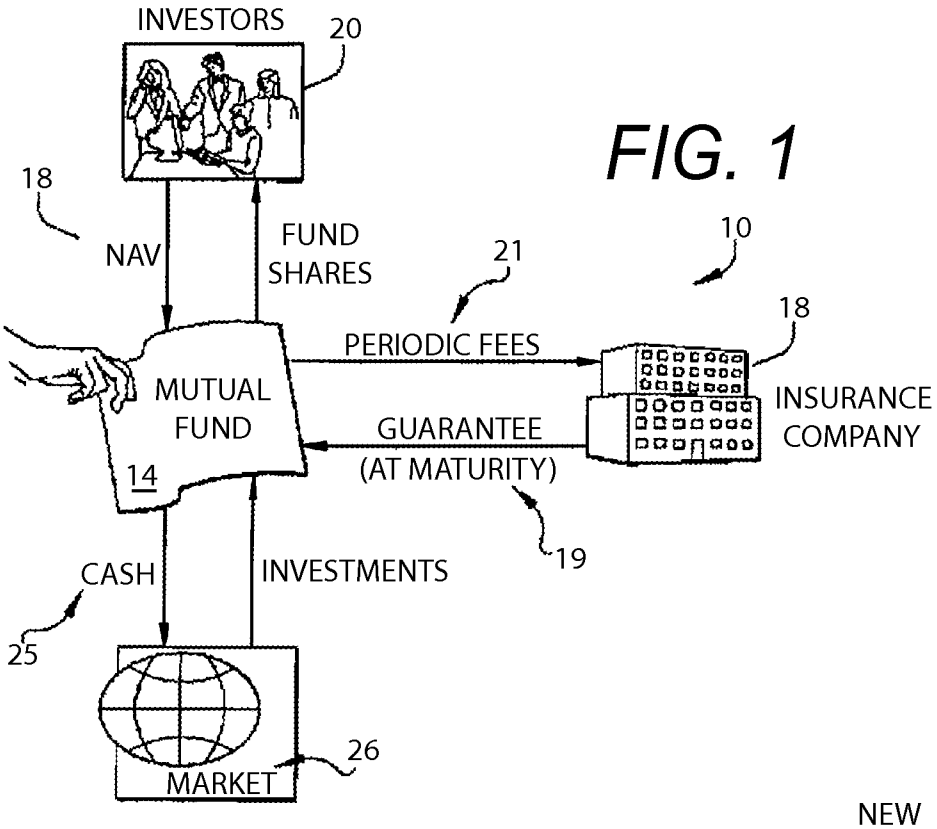

INVESTORS
20
18
NAV
FUND
SHARES
21
10
PERIODIC FEES
18
MUTUAL
FUND
INSURANCE
COMPANY
GUARANTEE
(AT MATURITY)
14
19
CASH
INVESTMENTS
25
MARKET
26

FIG. 1

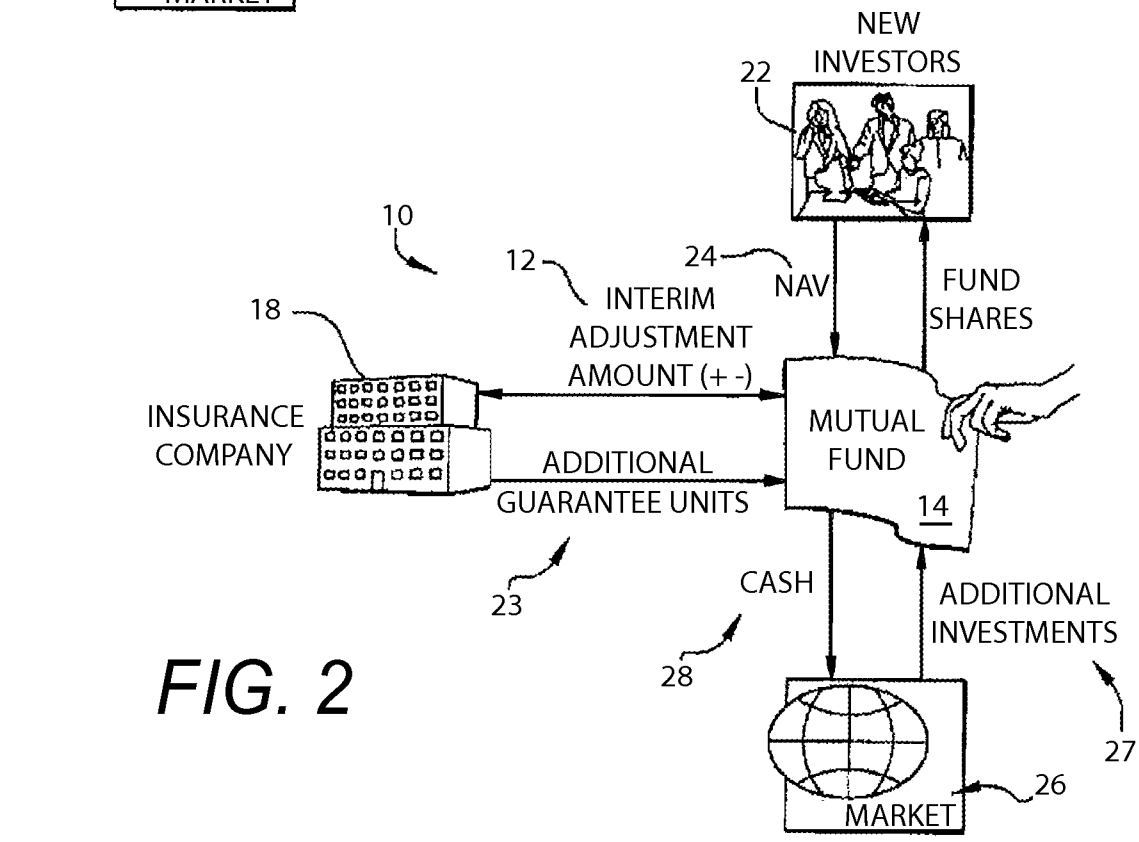

NEW
INVESTORS
22
10
12
24
NAV
FUND
SHARES
18
INTERIM
ADJUSTMENT
AMOUNT (+ -)
INSURANCE
COMPANY
MUTUAL
FUND
ADDITIONAL
GUARANTEE UNITS
14
23
CASH
ADDITIONAL
INVESTMENTS
28
27
26
MARKET

FIG. 2

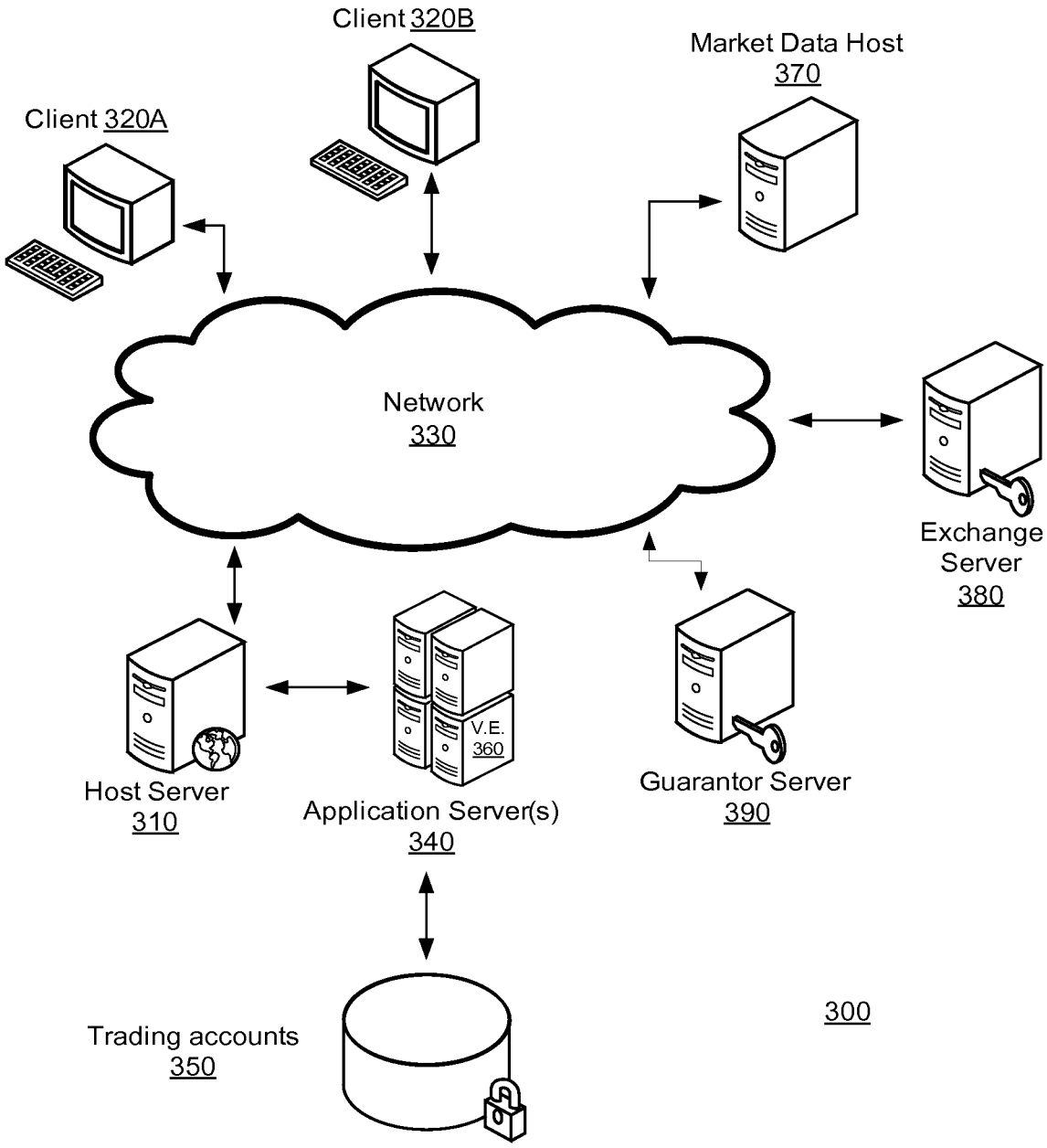

Client 320B
Market Data Host
370
Client 320A
Network
330
Exchange
Server
380
V.E.
360
Host Server
310
Application Server(s)
340
Guarantor Server
390
Trading accounts
350
300

FIG. 3

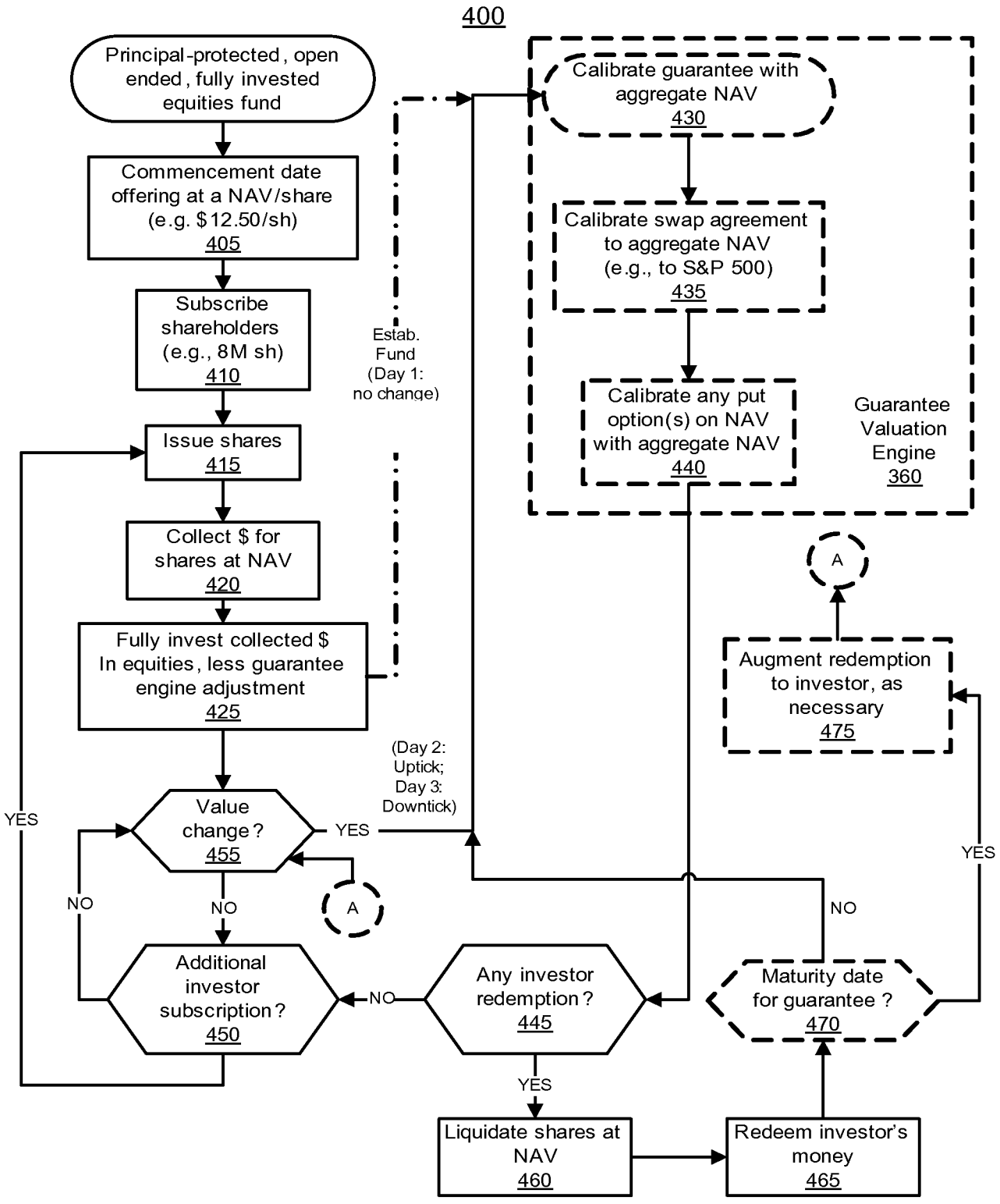

400
Principal-protected, open ended, fully invested equities fund
Commencement date offering at a NAV/share (e.g. $12.50/sh) 405
Subscribe shareholders (e.g., 8M sh) 410
Issue shares 415
Collect $ for shares at NAV 420
Fully invest collected $ In equities, less guarantee engine adjustment 425
Value change? 455
YES
NO
A
Additional investor subscription? 450
NO
Any investor redemption? 445
YES
Liquidate shares at NAV 460
Redeem investor's money 465
Maturity date for guarantee ? 470
YES
NO
Augment redemption to investor, as necessary 475
A
Estab. Fund (Day 1: no change)
(Day 2: Uptick; Day 3: Downtick)
Calibrate guarantee with aggregate NAV 430
Calibrate swap agreement to aggregate NAV (e.g., to S&P 500) 435
Calibrate any put option(s) on NAV with aggregate NAV 440
Guarantee Valuation Engine 360

FIG. 4

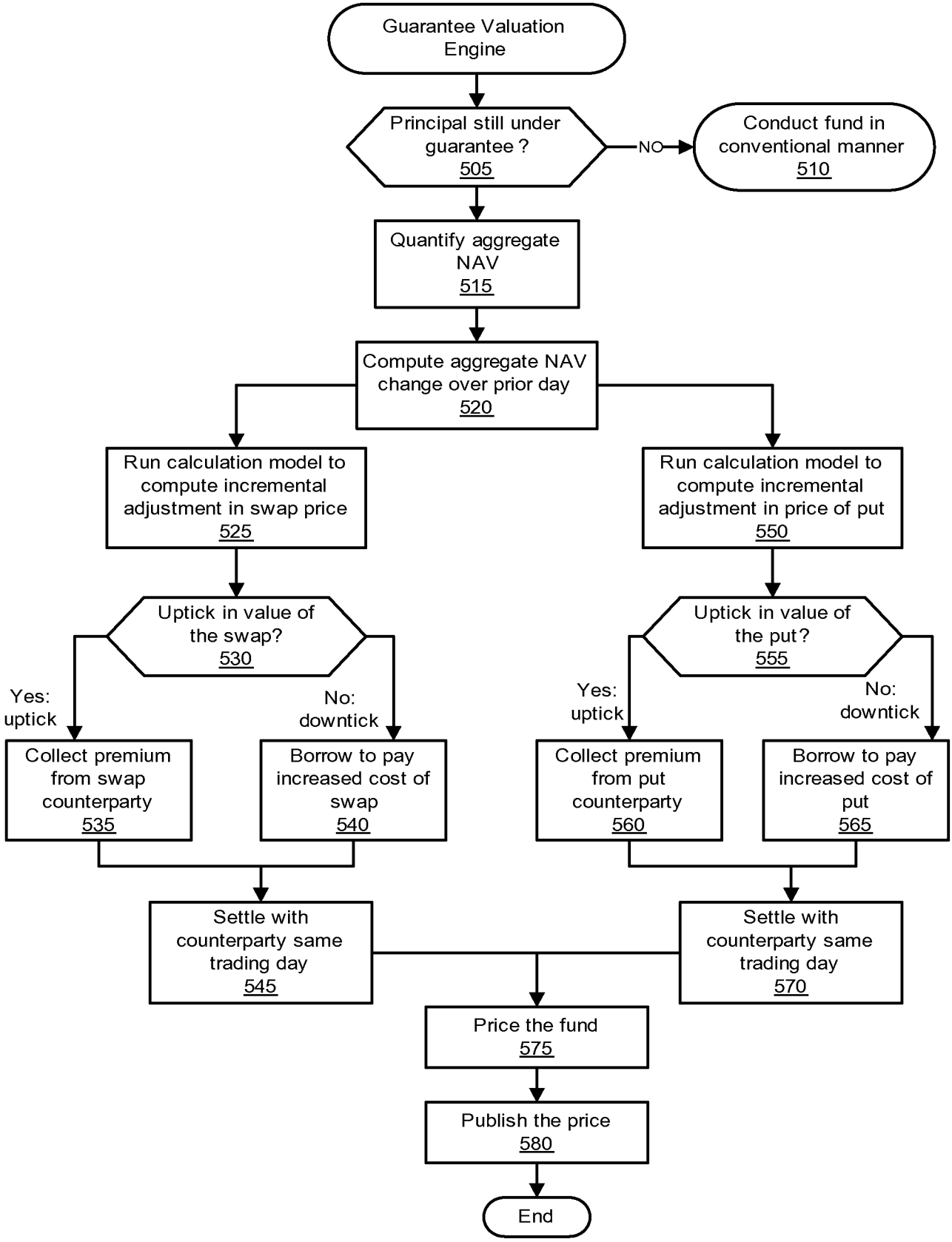

Guarantee Valuation Engine
Principal still under guarantee ? 505
NO
Conduct fund in conventional manner 510
Quantify aggregate NAV 515
Compute aggregate NAV change over prior day 520
Run calculation model to compute incremental adjustment in swap price 525
Run calculation model to compute incremental adjustment in price of put 550
Uptick in value of the swap? 530
Uptick in value of the put? 555
Yes: uptick
No: downtick
Yes: uptick
No: downtick
Collect premium from swap counterparty 535
Borrow to pay increased cost of swap 540
Collect premium from put counterparty 560
Borrow to pay increased cost of put 565
Settle with counterparty same trading day 545
Settle with counterparty same trading day 570
Price the fund 575
Publish the price 580
End

FIG. 5

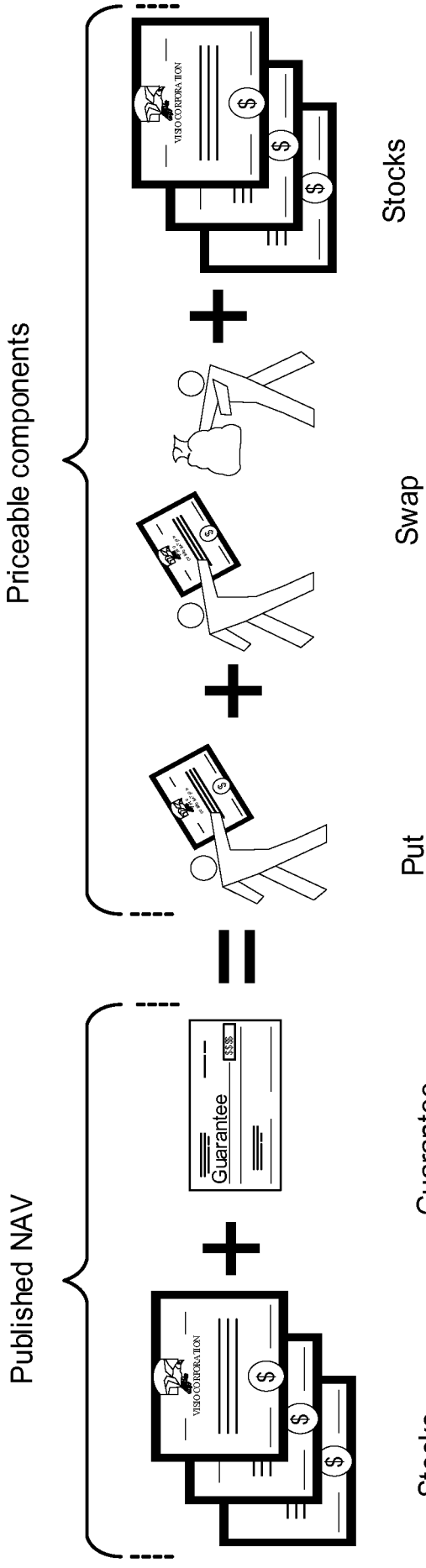
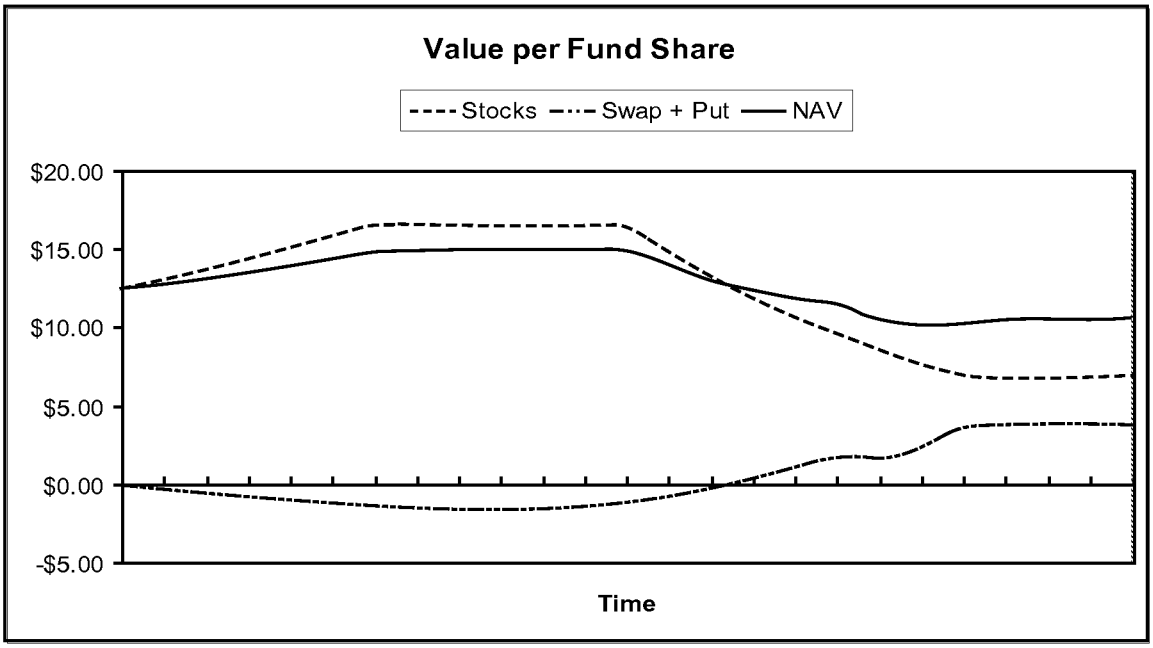

Priceable components
Stocks
Swap
Put
Published NAV
Guarantee
Stocks
Guarantee

FIG. 6

FIG. 7


Value per Fund Share
Stocks
Swap + Put
NAV
$20.00
$15.00
$10.00
$5.00
$0.00
-$5.00
Time