

# Fundamental Technologies II

Investor Presentation

January 2007

# Investment Opportunity

- Early stage of tech market cycle
- Valuations are very attractive
- Setting a new standard - zero management fees
- Very active portfolio management
- Close relationships with industry partners providing deal flow, liquidity events, mentoring to companies in our portfolio
- Co-investment opportunities in portfolio companies

# Basil Peters – CEO & Portfolio Manager

- PhD and BAsC in Electrical Engineering from UBC
- Co-founder, CEO or Chairman of several high tech companies here and in Silicon Valley including Nexus, ICTV and Mentor Capital
- Founder and Fund Manager of FTI
- Co-founder and past CEO of BC Advantage Funds Fund Manager – BC Tech Fund – a BC Advantage (VCC) Fund
- More on Basil at [www.BasilPeters.com](http://www.BasilPeters.com)

# Rick Peterson – President

- Lead investor in FT II
- Responsible for FT II marketing and investor relations
- 16 years experience in retail sales, institutional sales, corporate finance and wealth management with leading national investment dealers
- Extensive experience in raising and structuring private and public venture capital
- More on Rick at [www.PetersonCapital.ca](http://www.PetersonCapital.ca)

# VCC Funds vs FT II

	VCC Fund	FT II
Have a tax credit	Yes	No
Invest anywhere including BC	No	Yes
Invest in public co's except new treasury	No	Yes
Buy founders stock	No	Yes
Invest in co's with over 100 employees	No	Yes
Control with others	No	Yes
Sell short	No	Yes
Invest in debt	No	Yes

# Returns from investing early

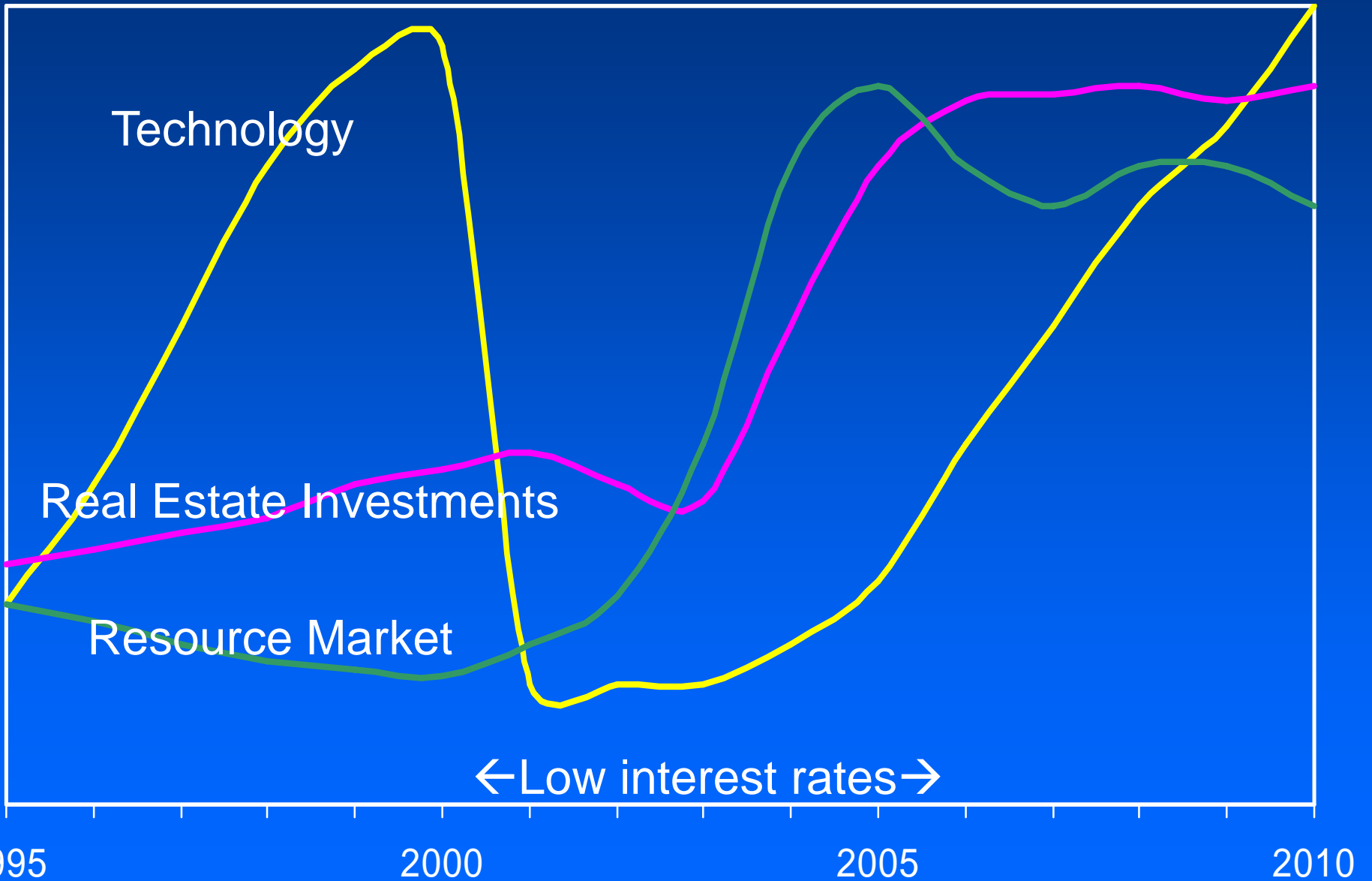
<u>Fund Type</u>	<u>1 Yr</u>	<u>3 Yr</u>	<u>5 Yr</u>	<u>10 Yr</u>	<u>20 Yr</u>
Early/Seed VC	38.9	-7.7	-1.5	44.7 ✓	19.9 ✓
Balanced VC	14.7	0	0.4	18.2	13.7
Later Stage VC	10.4	-0.1	-4.7	15.4	15.3
All Venture	19.3	-2.9	-1.3	26	15.7

Thompson Venture Economics' US Private Equity Performance Index  
Investment Horizon Performance as of 12/31/04 ([www.ventureeconomics.com](http://www.ventureeconomics.com))

# It's a good time to invest in tech

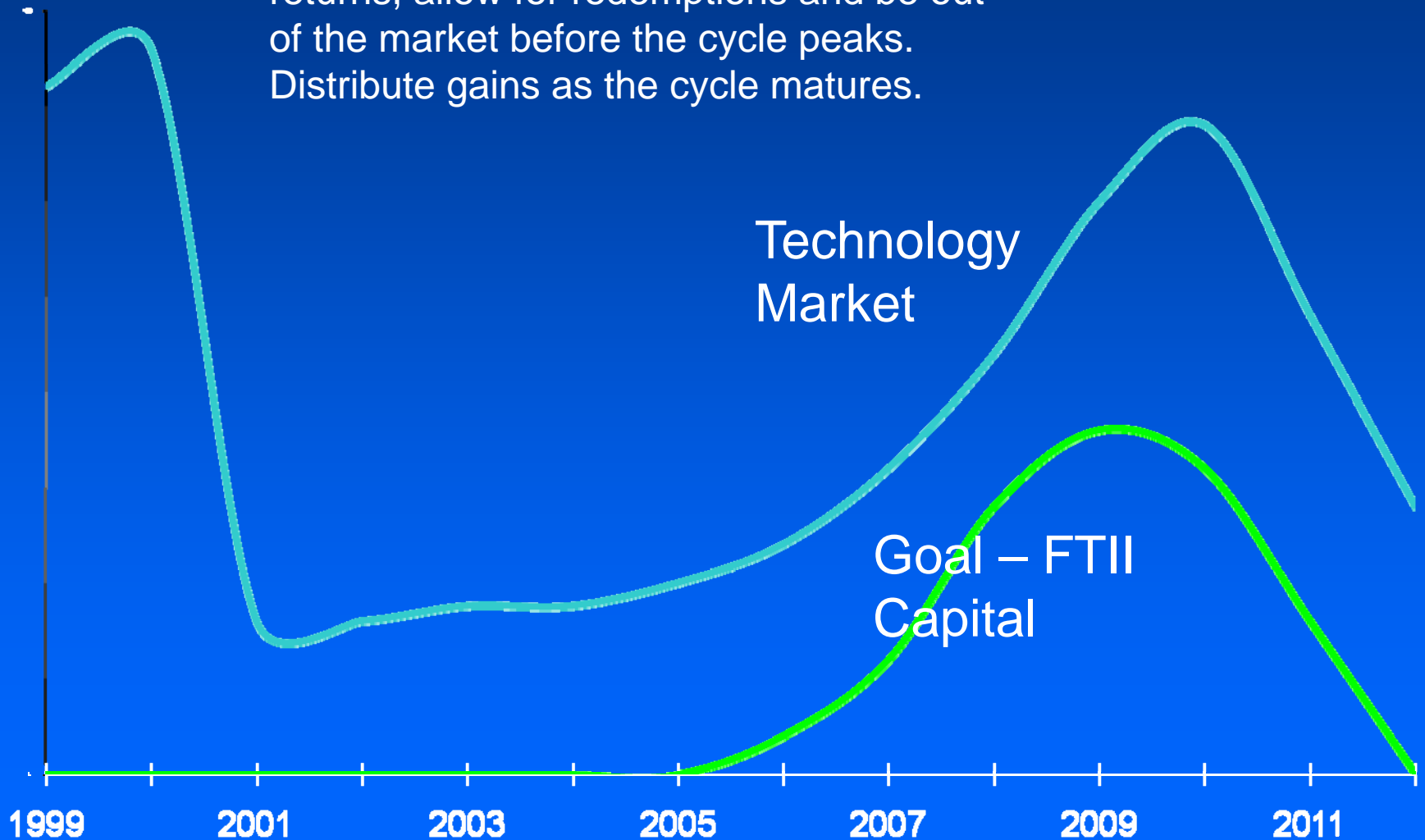
- Early stage technology company valuations are very attractive.
- Boards' expectations on terms are reasonable.
- Investors can make investments, or buy entire companies, for a small percentage of the capital invested.
- Tech fundamentals are strong.
- The next five to seven years should provide good returns for astute investors.

# Investment Market Outlook



# Optimum amount of capital

Goal: Manage total capital to: maximize returns, allow for redemptions and be out of the market before the cycle peaks. Distribute gains as the cycle matures.



# A new standard for fairness

- Setting a new benchmark for in treating investors fairly;
- Zero Sales Commissions and Management Fees
- Structure the fund like an institutional venture capital fund but with lower expenses:
- A target expense ratio under 0.5% per year
- A 20% management equity participation on realized gains over 8% per year compounded.

# Current portfolio



Parasun is a very profitable, rapidly growing company that provides high speed internet access over cable television systems in over 180 communities in North America.



Visiphor develops and markets software that allows organizations to collect, share, and exchange information stored in different or dissimilar databases.



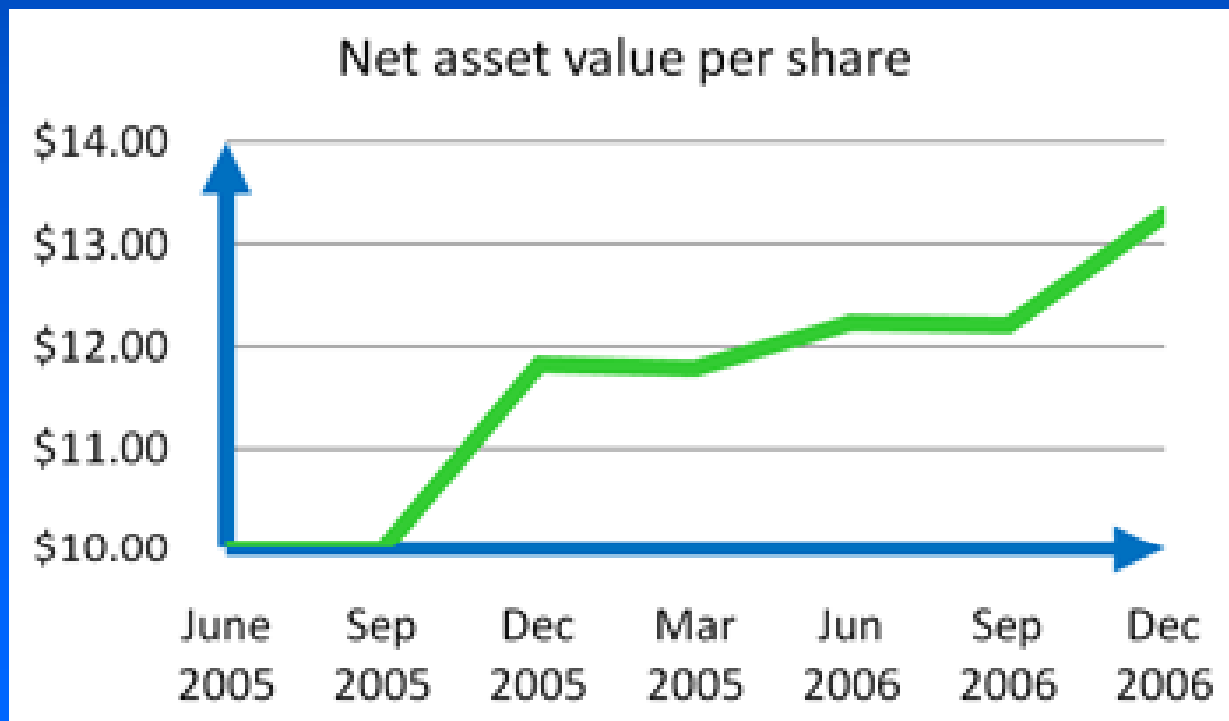
Backbone Systems delivers information technology as a pay as you go service. Hosted solutions offer significant cost savings and increased flexibility over traditional in-house IT solutions.



MetroBridge Networks uses WiMAX to provide wireless Internet and inter-office data connections for business customers. Their data connections are faster, much less expensive and far more reliable than legacy providers.

# Current Net Asset Value per Share

- Started with NAV = \$10 per share in June 2005
- At December 31, 2006 the NAV was \$13.28
- A 32.8% gain in the first 1.5 years.



# More information

- [www.FundamentalTechnologiesII.com](http://www.FundamentalTechnologiesII.com)
- Request a copy of our Information Memorandum
- Contact us anytime

Thank you

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