

For more information, contact:
Barry Schwartz
212-677-8700 x18

For Immediate Release

INTRODUCING ALPHASECTOR™ ROTATION INDEX: OUTPERFORMS S&P 500 BY 29% YEAR TO DATE¹

***ELIMINATED EXPOSURE TO FINANCIALS IN JULY 2007 &
MOVED TO 50% CASH AUGUST 2008***

Wellesley, MA, OCTOBER 14, 2008 – F-Squared Investments Inc. announces the launch of the AlphaSector Rotation Index, an index based upon a 7-year old proven sector rotation strategy. The index applies a monthly trading protocol to 9 sector-based exchange traded funds (ETFs) and a Treasury Bill ETF, rotating among the sectors making up the S&P 500 or shifting to Treasuries in times of market weakness. The buy and sell signals used by the index are based on a proprietary model that has been in use managing Private Client assets since 2001, and currently has over \$100M in client assets under management. The index will be published daily by the NASDAQ OMX under the ticker symbol ASRN.

ASRN's proven buy and sell discipline has generated some timely and impressive investment decisions over the past year alone, resulting in outperformance vs the S&P 500 of more than 29% YTD and 31% for the trailing 12 months through 10/10/2008²:

- Eliminated exposure to Financials in July of 2007;
- Emphasized Energy and Consumer Staples in the first two quarters of 2008 to generate a positive 1.5% return through June 2008, vs the S&P 500's loss of -11.9%;
- Moved to 50% cash in August 2008 and 75% cash September 26, 2008.

Separately Managed Accounts (SMAs) tracking ASRN are offered by F-Squared Investments, and are available through Adhesion's WealthADV Platform on the Schwab, Fidelity, TD Ameritrade, and Pershing systems. Given the fact that these SMAs only invest in sector-based or Treasury-based ETFs and typically have only 3-6 securities at any time, this is an ideal solution for virtually any SMA platform or format. All products accessed through WealthADV are available for only 55bp per annum covering the fees for both Adhesion and F-Squared.

"Although the performance numbers seem too good to be true, they are based on a live track record and really can't be ignored," stated Ron Santangelo, renowned industry expert and former Manager of Merrill Lynch's Managed Solutions and Analytics Group. "It's a fresh take on an old concept, but its defensive bias and objective decision making result in a powerful investment option," he added.

The strategy builds upon the fact that individual sectors within the S&P 500 can differ dramatically in relative performance with, on average, the difference between the best and worst performing sectors exceeding 35% per year². However, ASRN differs from other sector-based strategies in key areas:

- *Only sectors that have a positive buy signal are allowed in the portfolio* – sectors with neutral or negative rating are removed from the index;
- *No arbitrary bias to market capitalization weighting* - All sectors represented are equally weighted, with a 25% cap for any one sector;

- *Cash as a safe haven* – In periods of market weakness, the index can move partially or fully to cash.

“ASRN creates the best of both worlds, participating during periods of market strength and automatically becoming defensive in times of market weakness,” said Howard Present, President and CEO of F-Squared Investments. “Investments tracking this index are ideal for this current market where investors need to be shielded from the extreme volatility while having a disciplined means of transitioning back to equities given signs of continued strength,” he added.

ASRN appeals to many investors because of the power of its simplicity. It only invests in components of the S&P 500 or Treasuries. It uses no leverage, no derivatives, and no shorting. And it rebalances monthly based upon an unemotional quantitative model.

To learn more, including access to complete historical data, performance fact sheets and marketing presentation, please visit us at www.f-squaredinvestments.com or contact F-Squared Investments at 1-866-288-765 and ask for either John Nelson or Chris Anderson.

¹ As of October 10, 2008

² Morningstar Direct, New Found Research, LLC, NASDAQ OMX

F-Squared Investments:

Thought Leadership. Cost Leadership.™

1- 866-288-7657

About F-Squared Investments: F-Squared Investments is a Registered Investment Advisor that was founded on the premise of providing investors with the highest possible retained returns. The firm creates investment solutions with the goal of generating repeatable, consistent investment value-add and then delivering the investments with the lowest possible costs. F-Squared supports that goal by having established itself as the low cost industry leader in providing active, equity investment management.³ To learn more about F-Squared Investments and its investment approach, visit us at www.f-squaredinvestments.com or www.activeindexsolutions.com.

About Adhesion

Adhesion has been delivering wealth advisor solutions since 1999. **Its WealthADV platform is a comprehensive Managed Investing service**, providing the complete client reporting, back office and managed account solutions RIAs need to stay at the forefront of the market and grow successful practices. For more information regarding WealthADV please visit with us at www.WealthADV.com, or contact Rich Conley at rich.conley@wealthadv.com or 888.295.8351.

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AlphaSector Rotation Index is the exclusive property of F-Squared Investments, Inc. and Active Index Solutions, LLC. Active Index Solutions, LLC has contracted with The NASDAQ OMX Group, Inc. (collectively, with its subsidiaries and affiliates, "NASDAQ OMX") to calculate and maintain the AlphaSector Rotation Index. NASDAQ OMX shall have no liability for any errors or omissions in calculating the AlphaSector Rotation Index.