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**ActiFindex™ Indexes Deliver Breakthrough 2007 Performance;  
17 of 18 Indexes Beat Benchmark, Average Outperformance of 540 BPS with  
an Average Beta of only 0.92**

**Wellesley, MA, (January 23, 2008):** F-Squared Investments reported that the 2007 year-end results for its family of 18 ActiFindex™ indexes generated returns that were impressive both for their level of outperformance versus traditional benchmarks, as well as for the consistency of performance across the entire index family, it was announced today by Howard Present, President and CEO.

The ActiFindex indexes, published daily by the American Stock Exchange and covering 15 different asset classes, are the industry's first set of indexes constructed from a highly selective number of top-rated, actively-managed mutual funds. These indexes cover three broad investment objectives, including: sector indexes (PrecisionAlpha™); conventional long-only large-, mid- and small-cap indexes; and retirement income indexes (designed specifically for systematic withdrawal portfolios). Each is comprised of a select number (typically ten) of the best mutual funds in their respective asset class, as determined by third party, independent investment research consultants: Mesirow Financial (providing investment oversight for the six PrecisionAlpha sector indexes); Klein Decisions (providing oversight for the nine broad market indexes); and Kanon Bloch Carré (providing oversight for the three retirement income indexes).

On a relative performance basis versus traditional benchmarks (i.e., S&P 500, Russell family of indexes, Dow Jones Sector indexes), the 17 indexes with full-year performance figures generated an average of 544 basis points of annual outperformance.

Significantly, these results represented an average beta of only 0.92, or a risk level 8% less than the comparable market benchmark. Notable standouts include:

- *ActiFindex Risk Adjusted Large Core*, which returned 11.4% versus 5.5% for the S&P500, beta of 0.93.
- *ActiFindex PrecisionAlpha™ Natural Resources*, which returned 38.0% versus 34.4% for the DJ GSSI Natural Resources, beta of 1.02.
- *ActiFindex PrecisionAlpha Financials*, returning -8.1% versus -21.4% for the DJ US Financials, beta of 0.77.
- *ActiFindex Retirement Income Large Growth*, returning 17.1% versus 11.8% for the Russell 1000 Growth, beta of 0.80.
- *ActiFindex Risk Adjusted Small Growth*, returning 17.2% versus 7.1% for the Russell 2000 Growth, beta of 0.83.

“The bottom line is that we believe we have harnessed a more powerful, repeatable, and reliable means of extracting the investment value add from active management,” noted Present, “the results of 2007 further validate this powerful investment approach.”

<b>Index Ticker</b>	<b>PEER GROUP ASSET CLASS</b>	<b>BENCHMARK</b>	<b>ONE YEAR (2007) ACTIFINDEX RETURN</b>	<b>ONE YEAR (2007) BENCHMARK RETURN</b>	<b>ONE YEAR (2007) EXCESS RETURN</b>	<b>BETA</b>
AIPAFIG	Financials	DJ US Finl Services	-8.11	-21.41	13.30	0.70
AIPAHCG	Health Care	DJ US Healthcare	10.45	8.36	2.09	0.90
AIPANRG	Natl Resources	S&P GSSI Natural Res	37.99	34.44	3.55	1.03
AIPAREG	Real Estate	DJ US Real Estate	-12.20	-18.15	5.95	0.93
AIPATEG	Technology	S&P GSTI Technology	22.09	16.94	5.15	0.92
AIPAUTG	Utilities	S&P GSSI Utilities				
AIRALVG	Large Value	Russell 1000 Value	1.49	-0.17	1.66	0.94
AIRALCG	Large Blend	S&P 500	11.36	5.49	5.87	1.00
AIRALGG	Large Growth	Russell 1000 Growth	15.39	11.81	3.58	0.98
AIRAMVG	Mid Value	Russell Midcap Value	5.76	-1.42	7.18	0.90
AIRAMCG	Mid Blend	Russell Midcap	10.31	5.60	4.71	0.91
AIRAMGG	Mid Growth	Russell Midcap Gr	22.45	11.43	11.02	1.01
AIRASVG	Small Value	Russell 2000 Value	-0.87	-9.78	8.91	0.73
AIRASCG	Small Blend	Russell 2000	2.91	-1.57	4.48	0.82
AIRASGG	Small Growth	Russell 2000 Growth	17.16	7.05	10.11	0.86
AIRILBG	Large Blend	S&P 500	6.89	5.49	1.40	1.07
AIRILVG	Large Value	Russell 1000 Value	-1.86	-0.17	-1.69	0.92
AIRILGG	Large Growth	Russell 1000 Growth	17.08	11.81	5.27	1.07
AVERAGE			9.31	3.87	5.44	0.92

#### About F-Squared Investments:

F-Squared Investments was founded on the premise of providing investors with the highest possible retained returns. F-Squared has a series of 18 ActiFindex™ indexes published daily, each consisting of a highly select list of top rated actively managed mutual funds. The funds within each index are selected by institutional consultants, providing imbedded due diligence and ongoing monitoring. The institutionally-based investment methodology behind the construction of the indexes, AlphaCycle™ investing, reflects best practices of the world's largest and most sophisticated investors and has been shown to be a superior means of capturing the investment value-add from active management.

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