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For Immediate Release

**F-SQUARED INVESTMENTS ANNOUNCES A “NEXT GENERATION”
SEPARATELY MANAGED ACCOUNT
INDUSTRY BREAK-THROUGH
ACCOUNT MINIMUMS OF \$15,000 AND ALL-IN FEES OF 0.55%**

Wellesley, MA, May 5, 2008 – F-Squared Investments, LLC has announced a “next generation” separately managed account, which they have dubbed the Individually Managed Account (IMA). With investment minimums of \$15,000 and all-in fees to advisors of 0.55% per annum (inclusive of all costs including trading, custody, performance reporting, and transaction costs), the IMA is a true break-through product which is poised to reposition separate accounts within the industry.

“We believe this product defines an entirely new product category for advisors and their clients”, said Howard Present, President and CEO of F-Squared Investments. “It not only delivers on the original promise of SMAs by reducing minimums from \$100,000 to \$15,000 and cutting costs an average of 45%¹, but now positions the IMA as a potential substitute product for mutual funds, significantly reducing costs while adding customization and full tax management capabilities.”

F-Squared Investments’ IMA is being made available to registered investment advisors via the FOLIOfn trading and custody platform. Included in the pricing is fully-automated customization and tax management overlay for all client accounts. FOLIOfn also offers the ability to download client account data to many of the accounting platforms in the industry, enabling consolidated reporting regardless of an Advisor’s other custodial relationships. Advisors who want access to any of F-Squared’s IMA products can easily access them by contacting F-Squared (www.f-squaredinvestments.com). Investment advisory accounts for the program will be on the FOLIOfn Institutional investment platform (www.folioadvisor.com)

F-Squared Investment’s IMAs currently can be invested in any of five actively managed model portfolios, which are designed to track the performance of specific AlphaCycle™ Indexes. The five investment options now available include: Large Cap Core, Large Cap Growth, Small Cap Value, Small Cap Growth, and Financials. AlphaCycle Indexes deliver actively managed results and, over rolling 3-year time periods, have outperformed their corresponding passive index benchmarks 78% of the time.² For more information regarding the AlphaCycle Indexes and historical performance, visit www.activeindexsolutions.com.

“By bringing together our low-cost investment models and leveraging the technological capabilities of our partners at FOLIOfn and Smartleaf, we have been able to bring down both

costs and minimums while also providing valuable solutions for tax management and customization,” stated John Nelson, SVP and Director of Sales and Marketing for F-Squared, adding that “another key to the delivery is the ease of implementation, brought about by full automation of all of these features.”

The AlphaCycle IMA offers world class investment management with all of the innate tax and customization advantages of separately managed account portfolios -- and at these minimums and costs it becomes a powerful alternative to mutual funds, ETFs, and mutual fund wrap programs. It is significantly less expensive than a mutual fund, whose average fees generally range between 120 and 140 basis points¹, and the IMA is more tax efficient and customizable as well. With respect to ETFs, the AlphaCycle IMA allows for access to active strategies (versus a passive ETF), while providing customization and tax management advantages. In fact, research has shown that tax management strategies can add up to 0.6%³ to net return, which would more than offset the full fee charged for the AlphaCycle IMAs.

“The investment world can ill afford the luxury of standing still,” concluded Mr. Present, “yet, the mutual fund represents 40+ year-old technology; the traditional SMA is 25 years old. Applying thoughtful use of current technology and approach allows us to both improve the solution for the client while meaningfully reducing the fees.”

¹Morningstar, Financial Research Corporation, Dover Research, and F-Squared Investments

²American Stock Exchange, Morningstar Direct, F-Squared Investments

³McIntire and Stein, 2003

F-Squared Investments:

Thought Leadership. Cost Leadership.™

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About F-Squared Investments:

F-Squared Investments is an SEC 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.* F-Squared has a series of 18 publicly listed AlphaCycle Indexes, each consisting of a select list of highly rated actively managed mutual funds. The funds within each index are selected by institutional consultants, providing multi-manager solutions and imbedded manager rotation. F-Squared investment solutions do not, however, result in the purchase of any existing mutual funds. To learn more about F-Squared Investments and its investment approach, visit us at www.f-squaredinvestments.com or www.alphacycleinvesting.com.

About Smartleaf, Inc.:

To learn more about Smartleaf and their separate account overlay technology, visit them at www.smartleaf.com.

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