

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

For Immediate Release

**F-SQUARED INVESTMENTS AND SMARTLEAF ANNOUNCE PARTNERSHIP
TO CREATE ALPHA-CYCLE™ SEPARATELY MANAGED ACCOUNT
INVESTMENT VEHICLES**

***INDUSTRY BREAKTHROUGH FOR ADVISORS AND AS FIRST-OF-ITS-KIND
RETAIL SMA***

Wellesley, MA, January 5, 2008 – F-Squared Investments, LLC and Smartleaf, Inc. have reached an agreement to develop a series of separately managed account (SMA) investment solutions based upon F-Squared Investments' indexes of top-rated mutual funds (ActiFindex™) and delivered through Smartleaf's world class overlay technology. These products will be made available at price levels significantly below traditional SMAs.

F-Squared Investments' ActiFindexes are indexes of a highly selective number of top-rated actively managed mutual funds with a track record of delivering superior, sustainable investment performance. These indexes integrate professional research and due diligence, multi-manager diversification, and a strict sell discipline into the product itself. By combining these attributes, each ActiFindex is designed to bring to advisors and retail investors the consistency, discipline and performance that has typically been reserved for the institutional investment community.

F-Squared Investments' proprietary replication technology allows the indexes to be converted to a highly correlated tracking portfolio of individual stocks. The resulting portfolios are designed to provide more consistent returns with reduced likelihood of significant underperformance. When coupled with Smartleaf's overlay technology, the investor gains the added benefit of customization and active tax management, all at a price level that reflects a one-third to one-half discount versus the cost of traditional SMAs.

These investment models can be blended together within the confines of a single Unified Managed Account (UMA) into customized or pre-configured asset allocation models.

"This partnership brings together two firms that have introduced cutting edge investment products in their own right, but by combining our complementary strengths we can now deliver superior solutions at price points which were previously impossible to achieve," said Howard Present, CEO of F-Squared Investments. "In a real sense, we have created a true virtual investment vehicle. We are excited about what this brings to the advisor market, as well as the breakthrough potential of our AlphaCycle SMA as a first-of-its-kind retail SMA."

Jerry Michael, CEO of Smartleaf, added that “F-Squared’s ability to combine active alpha, imbedded due diligence, diversification, and operational structure in the form of model portfolios is an exciting complement to the customization and tax management capabilities of Smartleaf. Our combined ability to use technology and innovation to construct alpha-generating, customized portfolios at low price points will allow us to offer separately managed accounts which are truly groundbreaking.”

About Smartleaf:

Smartleaf, founded in 1999, provides ASP-based technology for financial institutions managing individual investor accounts. Smartleaf's offering, *Smartleaf Portfolio Manager*, allows firms to manage, in a highly customized fashion, thousands of individual accounts with unprecedented tax and operational efficiency. Utilizing in-house or third party model portfolios, Smartleaf Portfolio Manager generates, on a daily basis, actionable tax-lot trade recommendations for each individual portfolio. These recommendations are automatically pre-trade compliant and tax, risk and expense sensitive.

www.smartleaf.com

About F-Squared Investments:

F-Squared Investments 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 has a series of 18 publicly listed ActiFindex indexes, 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.

www.f-squaredinvestments.com

www.activeindexsolutions.com

All rights reserved. “ActiFindex” is a service mark of Active Index Solutions, LLC. Investment products that may be based on ActiFindexes are not sponsored by Active Index Solutions, LLC or F-Squared Investments, LLC, and neither firm makes any representation regarding the advisability of investing in them. Inclusion of a mutual fund in this index does not in any way reflect an opinion of Active Index Solutions or F-Squared Investments regarding the investment merits of such a mutual fund. None of the mutual funds included in the index have given any real or implied endorsement or support to Active Index Solutions or to this index. One cannot invest directly into an index.