

FOR IMMEDIATE RELEASE

Contact: Douglas Hesney / Zach Kouwe
Dukas Public Relations
(212) 704-7385
doug@dukaspr.com / zkouwe@dukaspr.com

F-Squared Investments Tops \$4 Billion in Net Inflows for 2011

Firm's Assets Experience 270 Percent Growth Rate in 2011;
Total Assets Approaching \$6 Billion Mark

NEWTON, MA. – January 17, 2012 – F-Squared Investments today announced it has brought in more than \$4 billion in net inflows during the 2011 calendar year, driving total assets under management or model manager agreements to nearly \$6 billion. The firm, which started 2011 at \$1.5 billion in assets, has experienced a growth rate of over 270 percent for the year and a two-year growth rate of over 2,100 percent.

F-Squared's rapid rate of inflows underscores investors' rising demand for strategies that meet the "Participate and Protect" definition: Ability to participate in rising equity markets yet still offer meaningful protection from significant market declines. The firm's AlphaSector™ strategies have become an industry leader in this rapidly growing category.

"Over the past few years investors have spoken – all you need to do is listen. They are now demanding investment solutions that manage risk and return differently," said Howard Present, President and CEO of F-Squared Investments. "The risk of significant loss, high daily volatility, and the so-called 'Lost Decade' for equities has conspired to change the playing field. Investors need solutions that participate in equity markets, but also provide superior downside protection."

The firm's growth in 2011 was based on success across all key lines of business including sub-advising one of the industry's best-selling U.S. equity mutual funds – the Virtus Premium AlphaSector Fund (VAPAX). For 2011, the Virtus Premium AlphaSector Fund ranked #8 in net inflows among all 2,499 U.S. stock mutual funds tracked by Morningstar.

During the year, F-Squared successfully launched three new business units, including strategically critical efforts targeting the Defined Contribution market and the Hedge Fund/Alternatives market.

"F-Squared continues to build a leadership position in this critical investment segment, one that we are committed to see grow," added Mr. Present. "We have a proven and growing suite of products and have bolstered our professional staff with

several key hires. We have also built strategic partnerships with high impact investment firms that help us deliver our solutions to the marketplace.”

About F-Squared Investments

F-Squared Investments, based in Newton, MA, is an SEC registered investment adviser offering a range of investment solutions offered through sub-advised mutual funds, separate accounts, and institutional accounts. The firm’s AlphaSector suite of solutions have provided investors a unique combination of upside participation in most bull markets, while delivering aggressive risk controls in bear markets. The firm has seen demand for its products translate to superior growth in assets, with firm assets increasing from \$250 million in late 2009 to nearly \$6 billion at the end of 2011. Visit www.f-squaredinvestments.com for more information on F-Squared.

###