FundQuest

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FundQuest Expands Alternative Investments Offering with Hedge-Style Mutual Funds, Commodities, and Global Bonds

Boston, MA July 22, 2009—FundQuest has adjusted its recommended allocation to include three additional asset classes on its open architecture platform for financial advisors. FundQuest, a leading managed account services provider, helps advisory firms to control costs and accelerate growth through outsourced technology, back-office, and investment research services.

According to Tim Clift, Chief Investment Officer at FundQuest, “Our research indicated that the market correction has provided an opportune time to add these three asset classes. In particular, we see good valuations, increased portfolio diversification, and a means to add a hedge against future inflation and a weaker dollar.”

Financial advisors are looking for additional ways to serve the needs of their increasingly risk-averse investor clients and, based on FundQuest’s analysis of the current markets, each of the three additional asset classes has specific potential benefits.

First, as a group, commodities have the potential to provide inflation protection to a portfolio. Second, in general, hedge-style mutual funds exhibit low correlations to long-only stock and bond indices and, on average, have offered a superior “return-per-unit-of-risk” compared to stocks and bonds. Since hedge-style mutual funds are under Securities and Exchange Commission regulatory oversight, they offer investor protections including transparency and a level of liquidity which most traditional hedge funds do not provide. Finally, bonds of developed (international) markets currently look attractive on a relative value basis when compared to the US bonds which usually dominate traditional portfolios for US based investors.

In FundQuest’s model-based-portfolios, approximately ten percent of the assets are allocated to alternative investment classes. For advisor-directed portfolios, FundQuest offers a wide selection of hedge-style mutual funds and research-based recommendations.

FundQuest conducts rigorous quantitative and qualitative due-diligence on all FundQuest recommended investments including: length of track record, relative performance, adherence to objectives, risk profile, manager tenure, and other key criteria.

Past performance is no guarantee of future results.

About FundQuest

FundQuest is the best partner to RIAs, independent advisors, broker-dealers, banks, and trust organizations to help them grow, control expenses, improve profitability, and expand their fee-based product and services offerings. The company's advanced technology, objective investment research, high quality back-office operations, and sales support services enable financial advisors to deliver highly competitive personal wealth management services. FundQuest's services are employed by more than 180 financial advisory firms.

Financial advisors leverage FundQuest's flexible wealth management solutions to deliver: unified managed accounts, mutual fund advisory, hybrid active and passive portfolios, separately managed accounts, income portfolios, trust services, annuities, exchange-traded funds, and alternative -investments. FundQuest provides well-established connectivity to all of the major custody and clearing firms.

The combined US and European operations of FundQuest have $40 billion in assets under management and administration. FundQuest's services are offered in the U.S. through FundQuest Incorporated, a registered investment adviser based in Boston, MA. FundQuest is part of BNP Paribas, one of the world's largest financial services firms.
www.fundquest.com/usa

FundQuest Contact:

Jim Graves
617.526.7386
jgraves@fundquest.com