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**FundQuest Releases "What Now?" Research Paper Comparing  
Active and Passive Investment Management**

**BOSTON, MA, May 13 , 2009** – [FundQuest](#) has just released a new research white paper titled, "What Now—Active or Passive Management? Examining Real Alpha and Exotic Beta". This twenty-four page study compares the historical benefits of active versus index-based passive portfolio management in sixty categories of investments.

The study is designed to offer actionable information as a reference tool for portfolio construction. It provides an indicator designed to determine if either an active or passive bias, or a combination of both approaches, may be appropriate for each investment category. This study may help financial advisors and investors in their efforts to create optimal mixes of active and passive strategies.

Download a copy of this new white paper at: [www.activepassivefunds.com](http://www.activepassivefunds.com)

This new white paper enhances FundQuest's past research by including broader coverage, and a more robust methodology. The research examines the historical performance of over 30,435 U.S. domiciled mutual funds representing almost \$4 trillion of assets. The sixty fund categories include stock, bond, domestic, and international mutual funds and covers both all of the live (in operation) and 9,965 obsolete mutual funds in the Morningstar database. By including obsolete funds, the data better reflects the reality of each category's historical returns. Every mutual fund's behavior pattern and performance was analyzed for thirteen rolling three-year trailing periods, from January 1, 1994 to December 31, 2008.

According to the study's author, Jane Li, Manager, Investment & Research, at FundQuest, "We don't expect the debate between the merits of active and passive management to end anytime soon. Our study showed that, generally, active managers generated more real alpha in bull markets and less in bear markets during the periods studied. However, even though passive investments have gained market share over the past few years, many see active management as more important than ever today, especially as indiscriminate selloffs have created enormous dislocations between fundamentals and valuation."

"We have carefully examined both active and passive methods of investing applied over time," said Tim Clift, Chief Investment Officer for FundQuest. "What we discovered was very compelling. The research identified the specific categories in

which active investment management has historically delivered better or equal results to passive or index- based management, and the specific categories in which the reverse was true.”

In 2008, FundQuest launched a family of funds, the ActivePassive Funds<sup>®</sup>, and a mutual fund portfolio program, the ActivePassive Portfolios<sup>®</sup>, based on the research approach described in the white paper.

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FundQuest is a partner to RIAs, independent broker-dealers, banks, credit unions, and trust companies, and seeks to help them grow, control expenses, improve profitability, and expand their product and services offerings. FundQuest’s services are employed by more than 180 financial advisory firms. The company’s advanced technology, objective investment research, high quality back-office operations, and sales support services assist financial advisers in their efforts to deliver highly competitive personal wealth management services.

Financial advisers leverage FundQuest’s flexible wealth management solutions to provide: unified managed accounts, mutual fund advisory, separately managed accounts, income portfolios, trust services, annuities, exchange-traded funds, and alternative investments.

FundQuest is part of BNP Paribas one of the world’s largest and most stable financial services firms.\* FundQuest’s services are offered in the U.S. through FundQuest Incorporated, a registered investment adviser. [www.fundquest.com/usa](http://www.fundquest.com/usa)

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*The ActivePassive Funds’ investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by calling 1-877-273-8635, or by visiting [www.activepassivefunds.com](http://www.activepassivefunds.com). Read it carefully before investing.*

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Alpha is an annualized return measure of how much better or worse a fund's performance is relative to an index of funds in the same category, after allowing for differences in risk. Beta measures the volatility of the fund, as compared to that of the overall market. The Market's beta is set at 1.00; a beta higher than 1.00 is considered to be more volatile than the market, while a beta lower than 1.00 is considered to be less volatile.

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