



Press Release

Date: October 29, 2007

Re: *FIS Group Launches an Environmental Investment Product*

FIS Group is developing an environmental strategy for official launch in early 2008. The strategy will invest in a variety of investment vehicles including hedge funds, actively managed long-only funds and, to a lesser extent, late stage venture and private equity strategies. Tina Byles Williams, CEO and CIO for FIS Group, said that, while there have been similar launches in recent months by asset managers overseas, none follow the unique strategy developed by FIS Group.

This environmental product will be primarily allocated to emissions credit origination, aggregation and trading as well as water-related strategies. A smaller percentage will be allocated to the more crowded clean technology space. FIS Group has spent the last 18 months intensely researching the environmental opportunity set and scouring the globe for environmental managers, many of which are based in Europe. "We have identified funds that are focused on financial returns, not regulatory compliance, and are open for investment. Including compliance funds and funds closed to new investment the size of the universe is approximately 65 funds," said Byles Williams. FIS Group has identified an investable universe of approximately 40 funds and has selected 11 for a preliminary buy list.

The product will initially target a \$500 million capacity, and is anticipated to grow to \$1 billion. "The environmental opportunity set is comprised primarily of emerging fund managers whose capacity for investment will grow as more attention is focused on these sectors. We are able to leverage our proprietary research and proven skill in selecting what we believe will be the most successful fund managers for inclusion in this product," said Byles Williams. When asked why FIS Group is uniquely positioned to offer this strategy, Byles Williams said, "The environmental markets are being driven by a unique set of circumstances that would take a long period of time to understand at a level where most investors would be comfortable making an allocation. Additionally, several of the best fund providers are not household names that can be culled from a third-party database." FIS Group has invested time and resources developing an understanding of the environmental markets and their drivers, the growth opportunities within each segment and has identified institutional quality fund providers. "These are either new markets with non-traditional risk or traditional markets with new drivers and an augmented set of risks - it takes time to work through understanding all of the intricacies to find real value," she said.

Roger Kenyon, who will manage the product, previously developed and managed the National Bank of Canada's alternative investments external traders program. Mr. Kenyon approached Byles Williams approximately 2 years ago to discuss forming an environmental investment strategy. Kenyon introduced Byles Williams to several environmental fund managers on a visit to Europe at which point the opportunity crystallized in her mind; "that's when I was absolutely blown away by the potential for this investment opportunity," she recalled. "The holy grail for institutional investors is to be able obtain positive alpha with de minimus correlation to conventional stock and bond portfolios. If properly structured to mitigate market, policy and fund-level risks, these strategies provide an opportunity to obtain that objective at an appropriate level of risk for most fiduciaries."