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TRUEBETA LAUNCHES FIRST DYNAMIC LEVERAGE MODEL FOR HEDGE FUND REPLICATION

NEW YORK – January 13, 2010 – TrueBeta, the first independent, factor-based hedge fund replication service, today announced the launch of a dynamic leverage model for hedge fund replication. The application of dynamic leverage will significantly improve TrueBeta’s correlation to broad hedge fund performance.

“TrueBeta is setting a benchmark for the replication accuracy,” TrueBeta CEO Rabbe Ekholm said. “The new dynamic leverage model will enable TrueBeta to explicitly reflect the impact of variations in leverage across market cycles.”

The TrueBeta dynamic leverage model is based on return trends in major market indices, primarily the S&P 500, adjusted monthly. TrueBeta determined through extensive quantitative testing that changes in leverage are primarily driven by broad trends in market returns. TrueBeta’s leverage will move between 1 and 2, compared with a fixed 1.5 of the original model.

For calendar year 2009, the new dynamic leverage model showed a correlation of 0.95 with the industry-standard Hedge Fund Research Index compared to 0.91 of the original TrueBeta model. The dynamic model had a compound 2009 return of 13.7 percent after fees, versus the 10.9 percent achieved by the original model.

TrueBeta will publish both its standard and enhanced methodologies until May 2010, after which the enhanced methodology will become the new standard. During the transition period, TrueBeta may adjust aspects of the dynamic leverage model based on feedback from clients and other market participants.

About True Beta

TrueBeta LLC develops and markets quantitative financial strategies for institutional clients. It is the first replication offering created expressly with the goal of serving as a benchmark for the hedge fund industry, and it is the only replication strategy with a fully transparent, completely rules-based methodology. True Beta is fully independent and available through licensing to all market participants, including white label options to banks and other financial institutions. TrueBeta is based in Greenwich, Connecticut. For more information, please go to www.true-beta.com.