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Capital Advisors Group Launches FundIQ

New Research to Help Treasurers Evaluate Money Market Fund Investments

Newton, Mass. (May 17, 2010) – Capital Advisors Group (CAG), a leading institutional investment advisor focused on short-term cash investing, today announced the launch of FundIQ - the industry's first money market fund research product designed to help treasury professionals pursue investment performance by applying the firm's new fundamental risk analysis process and an independent credit opinion to institutional prime money market funds.

Over the past 19 years, Capital Advisors Group has worked to select the most appropriate money market funds as part of its clients' comprehensive separate account investment strategies. In the course of this selection process, the firm developed a detailed due diligence process that has helped to identify risks that may be associated with specific funds. While some money market fund tools provide treasurers with basic fund characteristics and metrics, FundIQ looks beyond the numbers to provide real analysis and a new fund risk rating system to help investors pursue yield while monitoring specific risk factors.

Ben Campbell, Capital Advisors Group's President and CEO noted, "The most interesting part of this research is that all of the funds we evaluate today are rated triple-A by nationally recognized ratings agencies, yet we still find notable variances in the inherent risk in the funds based on the research method we use. This deeper level of risk assessment is meant to help treasurers who simply don't have the time or resources to conduct the level of due diligence required to support their money market fund investment decisions. FundIQ was developed in response to these treasurers' concerns and we hope that they can now invest more confidently knowing that a research team has invested a great deal of time and effort in assessing some very specific risk factors within these funds."

Capital Advisors Group's FundIQ research seeks to answer some difficult questions in carrying out its methodical money market fund due diligence process.

- **Portfolio Risk:** How is liquidity affected by WAM, Spread WAM, diversification and other key characteristics?
- **Sponsor Risk:** Are the funds backed by institutions with support mechanisms that can withstand crises?
- **Advisor/Management Risk:** Do the management teams have a favorable track record, in good times and bad?
- **Shareholder Risk:** Can the funds retain assets and reduce outflows when perceived risk increases?
- **Systemic Risk:** Are the funds prepared to withstand geopolitical, regulatory, market and other non-fund specific risk factors?



Lance Pan, Director of Investment Research and Strategy at Capital Advisors Group and lead developer of the FundIQ methodology added, “Most institutional treasurers today are facing an uphill battle. Between the lack of information, a lack of time and a lack of resources, the job has grown exponentially more difficult on a number of fronts since the implosion of the auction rate securities market in early 2008.” Pan continued, “That was really the end of an era – when the perception was that most short term investments were safe and liquid and money market funds were as good as cash in a vault. Today is a much different story – any liquidity investment, including money funds, should undergo a considerable amount of due diligence before a treasurer moves forward. FundIQ was developed specifically to fill this growing information gap.”

Past money market fund issues and recent regulatory changes have highlighted the need for institutional money market fund investors to possess a much deeper understanding of the funds in which they invest. After the Reserve Primary Fund famously “broke the buck” in 2008, treasurers scrambled to find a safe haven for the most liquid portion of their cash portfolios – some are still hesitant to return to the institutional prime fund market. What had previously been considered among the most risk free of investment vehicles, the prime institutional (or cash management) money market fund had lost favor as treasurers rushed into government and agency funds. FDIC-insured bank deposit accounts also found favor with corporate treasurers. With signs of improvement in the economy, treasurers are once again seeking yield but are unsure about where and how to begin. Capital Advisors Group’s FundIQ has been developed to shed new light on money funds to help treasurers confidently pursue return while responsibly assessing risk.

FundIQ at a glance:

- Covers 15 of the largest AAA-rated institutional prime money market funds representing more than \$540B in fund assets*
- Deep analysis in 5 major risk categories including: management, portfolio, fund sponsor, systemic, and shareholder
- Monitors more than 40 individual risk variables in each fund

About Capital Advisors Group

Founded in 1991, Capital Advisors Group, Inc. is among the nation's most experienced independent investment advisors with a focus on supporting the short term cash investment needs of its clients. With more than 250 clients and \$7 billion** in assets under management, Capital Advisors Group maintains a strict independence in an effort to assure clients' best interests are served while providing a high level of service to support client treasury departments. For more information please visit www.capitaladvisors.com.

*Data as of 4/27/10

**Data as of 3/31/10