

29.06.2007 Proctor Investment Managers acquires 17.5% stake in alternatives firm Conquest Capital

Proctor Investment Managers LLC, a strategic private equity investor providing capital, marketing, and management solutions to investment management firms, today announced a strategic partnership with Conquest Capital Group, a New York City-based alternative asset management firm specializing in managed futures, long-volatility and beta replication strategies.

The partnership with Conquest marks the seventh for Proctor since its formation in January 2006. "We have been fortunate to have attracted a number of high-caliber affiliates, whose AUM growth – from \$4.7 billion to more than \$8 billion in 2007 alone – is a testament to the strength of their strategies and performance," said James C. Coley II, Proctor's chairman and CEO.

Conquest Capital Group, which launched the first successful managed futures index replication-based fund in 2004, has approximately \$380 million in assets under management. Under the agreement, Proctor has acquired a 17.5% equity interest in Conquest for an undisclosed sum. Proctor will become the company's strategic sales and marketing partner, and Mona Aboelnaga Kanaan, Proctor's president, will join Conquest's management committee.

"In addition to its successful history of providing alpha generating strategies to clients, Conquest Capital has been a pioneer in the replication of hedge fund strategies and the development of alternative beta products," said Ms. Kanaan. With a reputation for ground-breaking research and development of proprietary quantitative models, Conquest has developed a broad array of differentiated investment strategies for investors seeking exposure to managed futures, foreign exchange or long-volatility. In short, Conquest represents the innovation and growth potential we seek in an asset manager."

Ms. Kanaan added, "As we work to broaden our range of alternative investment products, this partnership marks our first investment into an alternative firm specializing in single strategies. Conquest's research in analyzing the systematic sources of hedge fund returns has resulted in the firm developing transparent, investable products that replicate and economically capture hedge fund beta, complimenting their existing product line. We look forward to helping them accelerate that growth."

Conquest Capital Group Managing Partner Marc Malek said, "Partnering with Proctor Investment Managers gives us a value advantage in the alternative investments market. Their strong distribution and sales capability will enable us to concentrate on what has made us successful to date: conducting research, creating new products and developing solutions to the alpha-beta problem." He noted that Conquest has already raised \$100 million this year.

Mr. Coley added, "We believe that Conquest's hedge fund beta products will continue to push the debate on beta versus alpha performance in the alternative industry. As of June, Conquest's managed futures strategy has one of the longest industry track records and live validation of the alternative beta approach. We expect significant institutional demand as we begin to globally roll-out this strategy -- along with their existing products -- with Conquest's management team."

Proctor will provide expert institutional and intermediary sales, marketing and client servicing to Conquest Capital Group, fostering the growth of the firm and building value for both parties.

Launched in 2006 with the backing of National Bank Financial of Canada, Proctor Investment Managers is a strategic private equity investor in high-caliber asset management firms. As a strategic investor, Proctor allows firms to meet the demands of an increasingly competitive and demanding market environment by providing capital, global sales and marketing capabilities and industry expertise. Proctor has partnered with a diverse group of firms that manage over \$8 billion of client assets in traditional and alternative investment products. For more information, please visit www.ProctorIM.com.

Founded in 2001, Conquest Capital Group is an alternative asset management firm with approximately \$380 million under management. It offers five investment vehicles, specializing in the trading of futures and FX markets globally. Conquest Capital Group has a strong quantitative team with published work in the areas of volatility, CTA analysis, alternative beta and risk aversion. For more information, please visit

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