

SMITH GRAHAM INVESTMENT ADVISORS DOUBLES SIZE AND SERVICES IN STRATEGIC ACQUISITION

Houston-based investment firm opens New York Office
increasing assets to nearly \$6 billion

HOUSTON, TX – Smith Graham & Co. Investment Advisors of Houston has acquired the fixed-income and small- and mid-cap value equity assets of Ark Asset Management Company, Inc. (Ark) of New York, doubling Smith Graham's assets under management to nearly \$6 billion and more than doubling the firm's number of investment professionals. Smith Graham's acquisition of Ark's assets will close Friday, February 27, 2009.

Approximately 90 percent of Ark's clients have consented to transferring their assets to Smith Graham.

Founded 19 years ago, Smith Graham is one of the nation's largest African-American owned investment management firms, specializing in managing domestic and global assets for a wide range of institutional clients. By acquiring Ark's assets, Smith Graham not only bolsters its assets under management, gaining a strategic competitive edge, but also synergistically broadens its product line and client base, particularly in the Taft-Hartley market.

Calling the acquisition "transformational" for Smith Graham, Chairman and CEO Gerald B. Smith explained, "We will integrate Ark's fixed-income investment team into Smith Graham's, combining talent and breadth of experience hard to match in the industry. Ark's team has an excellent track record in managing stable-value, intermediate and broad market portfolios, which will help expand our offerings across the yield curve. Also, we have added Ark's small- and mid-cap value equity team, a seasoned group that's been together for more than 15 years with proven results. Adding these new products diversifies our product line, and enhances service to our existing clients while attracting new ones. We will be one firm – Smith Graham – with two offices, Houston and New York, steadfastly committed to Smith Graham's core mission of setting the highest standards for client service. By adding Ark's investment talent to Smith Graham's, which increases our number of investment

professionals to 20, we are even better positioned to respond to and meet our client's growing needs."

Cyril M. Theccanat will now assume the office of President and Chief Investment Officer, and will oversee all investment operations within the Houston-base as well as the new Manhattan office. Theccanat has more than 21 years of experience in the investment management business. Most recently, he served as Smith Graham's Chief Investment Officer and was responsible for the management and oversight of the investment team.

Based in downtown Houston in the Chase Tower, Smith Graham will open its New York office at 140 Broadway on March 2, 2009.

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Smith Graham & Co.

Investment Advisors

6900 JP Morgan Chase Tower, Houston, TX 77002 • 140 Broadway, New York, NY 10005

Company Profile

Firm Overview

Smith Graham & Co. Investment Advisors is a preeminent investment management firm that provides fixed-income and equity portfolio strategies for institutional clients. A minority-owned firm founded in 1990, Smith Graham offers clients unparalleled expertise through the investment team's 300 years of collective experience.

With an array of fixed income products that encompass the full spectrum of the yield curve as well as small and mid cap value equity products, Smith Graham's goal is to offer a broad range of high quality investment products. The firm's specialization, however, is establishing value-added partnerships with clients by constructing and monitoring investment strategies that meet their unique objectives. Smith Graham is 100% employee-owned. As a result, our success is directly tied to the success of each client.

Smith Graham manages approximately \$6 billion in institutional assets.

Strengths

- Superior performance with low risk and low volatility
- Breadth and depth of investment experience
- Domestic presence with global focus
- Personal commitment to client service

Competitive Advantage

Smith Graham's competitive advantage emanates from two areas-- the firm's intellectual capital and its disciplined investment process. In managing fixed income portfolios, a strict adherence to risk control in a relative value framework is used. For the equity portfolios, we combine a systematic, quantitative approach with traditional fundamental analysis. The professionals who comprise our investment team have significant industry experience and in-depth knowledge of the global financial markets. Several team members have lived or worked overseas, thereby, providing the group with a global perspective in analyzing the financial markets. While our portfolio managers are generalists, they each have sector expertise.

Foundation of Our Success

Key elements ensuring Smith Graham's long-term success are:

Investment Management

Produce above market returns net of fees

Business Development

Build strong relationships to grow with clients

Technology

Utilize latest technologies to more effectively service our clients

Client Services

Responsive to clients' needs and objectives

Community Partnership

Active in the communities in which we serve

For additional information contact:

Gerald B. Smith

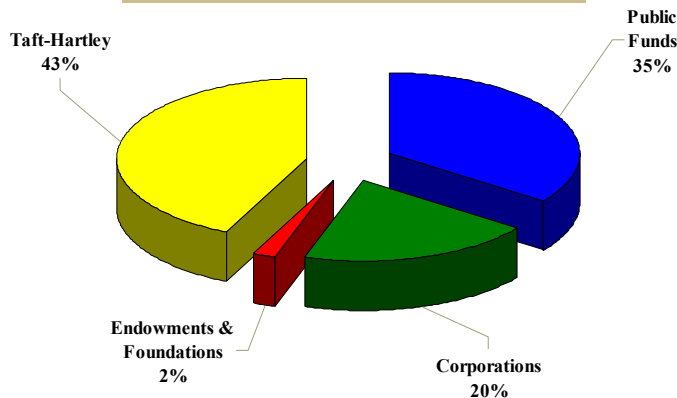
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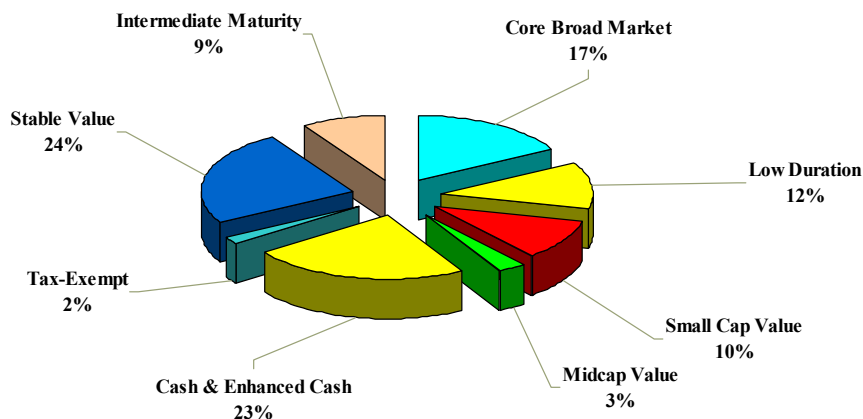
At-A-Glance

Assets By Client Type



Investment Management Products

As of January 31, 2009



100% Employee Owned

Firm Established 1990

Investment Management Team

Cyril Theccanat, President and Chief Investment Officer

Fixed Income Team

Cyril Theccanat, Co-Head of Fixed Income
Peter Heine, Co-Head of Fixed Income, Managing Director, Senior Portfolio Manager
Nirmal Singh, SVP, Senior Portfolio Manager
Paresh Jain, VP, Portfolio Manager
Mitchell Wilbanks, VP, Portfolio Manager
Don Elsenbrock, VP, Fixed Income Analyst
George Onisiforou, VP, Associate PM/Securitized Sectors Analyst
P. Michael Kravitz, AVP, Credit Analyst
Steven Wood, SVP, Senior Trader
John Scott, VP, Trader/Credit Analyst

Equity Team

William Charcalis, Managing Director, Senior Portfolio Manager
Stephen Marciano, SVP, Portfolio Manager
Scott B. Covino, AVP, Analyst
Robert Bresica, AVP, Trader
Helen Chu, VP, Senior Programmer/Systems Analyst