

SCIVEST

WHERE SCIENCE MEETS INVESTING

SCIVEST ACQUIRES A MAJORITY STAKE IN QUANT INVESTMENT STRATEGIES INC.

TORONTO, May 4, 2005: SciVest Canadian Holdings Inc. (“SciVest”) announces the acquisition of a significant interest in Quant Investment Strategies Inc. (“Quant”), a Toronto-based firm that specializes in developing quantitative investment strategies and providing diversified financial advisory services. Quant currently has \$55 million in fee-paying assets under management and will continue to operate as a separate corporate entity under the SciVest umbrella.

SciVest is currently one of the largest Canadian-based equity market neutral hedge fund strategy specialists and the acquisition of Quant, which is also dominant in the same space, will greatly enhance SciVest’s position as a globally competitive leader in equity market neutral investing.

Quant is one of the first equity market neutral managers in Canada which launched its first fund more than six years ago. “Quant has a unique quantitative investment process that will compliment SciVest’s own investment process,” says Dr. John J. Schmitz, President and CEO of SciVest. “Incremental value will also be created for SciVest, Quant and their respective clients as a result of significant operational and cost synergies, as well as opportunities for diversification that will result from this acquisition.”

Craig Lee will head up Quant as its President and CEO. Mr. Lee’s financial experience includes a number of senior managerial fixed income trading positions, among them Co-Head of Government Trading at Burns Fry (now BMO Nesbitt Burns), Head of Government Trading at CIBC World Markets and Co-Head of Fixed Income for Lehman Brothers Canada. “Craig was one of the founding partners of Quant and adds a rare combination of senior fixed income and equity experience that will enhance SciVest’s own capabilities,” says Dr Schmitz. “In addition, under the SciVest platform, and given Craig’s extensive fixed income experience, Quant will be able to diversify its product line into fixed income arbitrage, a relatively undeveloped strategy in the Canadian marketplace for hedge fund strategies.”

“Teaming up with SciVest allows Quant to work with some of the best quantitative managers globally in building the scale of our combined operations and maximizing each of our capabilities”, says Craig Lee, President and CEO of Quant.

Last year, SciVest also added Michael Rodgers to its team in a move to further increase the breadth and depth of its expertise in equity market neutral strategies. Michael Rodgers was formerly a senior portfolio manager with the New Brunswick Investment Management Corporation where he was a visionary in realizing the need for uncorrelated investment strategies within a pension fund structure. He was responsible for the development and management of the corporation’s own US equity market neutral strategies.

“The addition of Craig Lee and Michael Rodgers, and including myself, SciVest now has under one roof a team of three out of possibly less than ten portfolio managers in the whole country that have senior experience managing more than \$50 million of equity market neutral portfolios,” notes Dr. Schmitz. “We are truly excited about building one of the leading equity market neutral investment firms in the world, and enhancing our ability to develop other diversified strategies within the alternative investment strategies asset class.”

SciVest Capital Management Inc., a world leader in the market neutral equity hedge fund strategy, is the investment management arm of SciVest Canadian Holdings Inc. The SciVest Funds are distributed through brokers and dealers across Canada by SciVest Alternative Strategies Inc., the distribution arm of SciVest headquartered in Toronto. The firm’s oldest fund, the SciVest Market Neutral Equity Fund, was the winner of the **2004 Canadian Investment Award for the Best Relative Value Strategy Hedge Fund**. In 2003, the Fund was also recognized as the **Top Performing Emerging and Mid-stage Equity Market Neutral Fund** in the world at the Global Alternative Investment Management Forum at Lausanne, Switzerland.

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