

For Immediate Release

Matrix Asset Management Announces Strategic Arrangement with First Affiliated

Toronto, Ontario, November 1, 2011 - Matrix Asset Management Inc. ("Matrix") (MTA:TSX) today announced it has entered into a strategic arrangement with First Affiliated. First Affiliated is a Canadian Multi-Family Office (MFO) providing integrated wealth, lifestyle and legacy management services to affluent families and business owners. A wholly owned subsidiary of Matrix has been granted options to acquire equity interests of First Affiliated Holdings Inc. and First Affiliated Securities Inc. exercisable over a period of time and subject to certain terms and conditions. Matrix has also provided growth capital to First Affiliated Holdings Inc.

First Affiliated adds a new and complementary aspect to Matrix's already established wealth management business. The First Affiliated team will continue to serve its clients in an independent and objective manner. Matrix's strategic arrangement with First Affiliated will serve to broaden their capabilities and aims to expand their MFO services nationally.

"Matrix has been searching for the right opportunity in the high net worth space", stated David Levi, CEO of Matrix Asset Management Inc. "We recognized First Affiliated as one of the preeminent "MFO's" in the industry and we see this as an opportunity to play a role in providing something unique and valuable to Canadian high net worth clients and business owners. We are thrilled to be joining forces with First Affiliated, to collectively focus on growing their business in the Multi-Family Office industry across Canada."

A privately owned firm since 1989, First Affiliated spearheaded the development of the independent MFO in Canada. Using the MFO platform, First Affiliated serves its clients by acting as the "Family CFO" to coordinate efforts with the client's existing advisors and provide integrated solutions which optimize and simplify their financial affairs. First Affiliated is independent, fee based and does not sell any product – putting them in a unique position to offer unbiased and objective advice. Their boutique nature with low client to advisor ratios allows truly personal interaction and service – guided by each client's

values and aspirations. The ultimate goal is to preserve wealth, empower family prosperity and build lasting legacies.

“Matrix is the perfect business partner to help grow First Affiliated,” stated Chris Clarke, Director, President and Founder of First Affiliated Holdings Inc. “There are numerous synergies for our clients and we look forward to working collaboratively with the professionals at Matrix. We remain committed to continuing to provide extraordinary service to our existing clients while exploring these synergies.”

Matrix Asset Management continues to be committed to growing through acquisitions, and is currently exploring opportunities both in the high net worth space, as well as other areas.

CORNERSTONE GROUP™ acted as Exclusive Agent to Matrix on this Transaction.

About Matrix Asset Management Inc.:

Matrix Asset Management Inc.(TSX:MTA) is a diversified asset and wealth management company with approximately \$2.3 billion in assets under management and offices across Canada. The Company's mission is to provide a diverse array of investment choices and the best possible investment management service for Canadian investors and institutions. The Company delivers its services through three main operating subsidiaries serving institutional, high net worth, and retail investors.

About First Affiliated:

First Affiliated (www.firstaffiliated.ca) is a leading Canadian Multi-Family Office (MFO) with a 20 year history of providing fee-based integrated wealth, lifestyle and legacy management to affluent families and business owners across the country. The company's mission is to objectively align with its clients' Family Prosperity Plan™, taking a proactive and holistic approach to bring the plan to realization - while providing accountability and peace of mind along the way.

Forward looking statements: Certain statements in this press release are forward-looking statements, including statements about the growth of Matrix Asset Management Inc. through acquisition. Forward-looking statements are based on beliefs and assumptions at the time the statements are made, including beliefs and assumptions about the availability of potential acquisitions and successful integration of acquired operations. While management considers these beliefs and assumptions to be reasonable based on information currently available to it, they are subject to numerous risks and uncertainties and no assurance can be given

that such beliefs and assumptions will prove to be correct. Accordingly, actual results may differ significantly from those expressed or implied by forward-looking statements due to many factors including, but not limited to, risks associated with completing acquisitions and successfully integrating acquired operations. Many of these risks are beyond the control of Matrix. Other than as specifically required by law, Matrix undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which such statements are made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results or otherwise.

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