

Press Release



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BNY Mellon Beta Management Tops \$1 Billion in Assets under Management

Business Utilizes Derivatives Strategies To Achieve Desired Asset Allocations in Illiquid Markets

SAN FRANCISCO, January 7, 2009 – BNY Mellon Beta Management, part of BNY Mellon Asset Management, has announced that it has passed the milestone of \$1 billion in assets under management.

The business, which was launched in mid-2008, utilizes derivatives and futures to facilitate asset allocation shifts in portfolios that hold illiquid or hard-to-sell assets. It was launched to specifically help institutions facing asset allocation decisions during periods of market turmoil, and it has the ability to overlay existing assets of an institutional investor and change the asset allocation profile of the portfolio without requiring the sale of the underlying assets.

“We are building this service to help institutional clients efficiently reach their asset allocation targets at a time when many of their fixed income holdings are illiquid,” said Mark Keleher, chief executive officer of BNY Mellon Beta Management. “We are using cost-effective instruments such as futures, forward agreements, exchange-traded funds, and swaps; and our approach can be tailored to meet specific client needs.”

Derivatives also can be used to manage residual cash across client portfolios.

Keleher said that many institutions are faced with allocations that do not meet their policy benchmark targets because equities have fallen much faster in value than bonds. “Some portfolios that are designed to be 60 percent equities and 40 percent bonds have now become 50 percent bonds and 50 percent equities,” he said. “However, the institutions are having difficulty selling enough bonds so they can buy additional equities. By using derivatives, we can help them reach their goals.”

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