

Press Release



THE BANK OF NEW YORK MELLON

Contact: Ron Sommer
+1 412 236 0082
ron.sommer@bnymellon.com

The Bank of New York Mellon Launches MarginDIRECTSM Liquidity Management Tool

Single Solution Combining Custody and Money Funds Management Capabilities Will Help Hedge Funds Manage Margin Positions

NEW YORK, February 9, 2009 – The Bank of New York Mellon today announced the launch of MarginDIRECTSM, an innovative new liquidity tool that helps hedge funds manage margin positions and reduce counterparty risk in an uncertain credit environment.

Drawing upon its strengths as the global leader in asset management and securities servicing, The Bank of New York Mellon developed MarginDIRECT by combining two of its industry-leading services — custody and MoneyFunds DIRECT — into a single comprehensive solution managed by The Bank of New York Mellon's Liquidity Services group.

MarginDIRECT provides safekeeping for posted margin balances away from a hedge fund's over-the-counter (OTC) derivative trading counterparties, and thereby reduces the hedge fund's risk exposure. Margin assets received on behalf of clients are targeted for investment through MoneyFunds DIRECT, the bank's on-line liquidity portal that provides direct access to over 100 money market funds in multiple currencies, as well as individual money market securities, on a single, centralized investment and reporting platform.

MarginDIRECT's key service features include the establishment of multiple accounts for each hedge fund counterparty, straight-through-processing for optimum transaction speed, and robust reporting — via both traditional periodic reports and on-line updates — for the hedge fund and its counterparties. In addition, to maximize liquidity, MarginDIRECT offers real-time reporting on all margin activity; by ensuring that both parties can monitor that they are fully collateralized, this reporting can significantly reduce hedge fund risk exposure.

"MarginDIRECT reflects our commitment to helping our clients succeed in the current credit environment," said Jonathan Spigel, managing director and global head of liquidity services at The Bank of New York Mellon. "Hedge funds need access to resources that measure up to today's challenging market conditions, and MarginDIRECT can serve as a single and complete solution for managing margin positions, account data and money market investments," he said

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has \$20.2 trillion in assets under custody and administration, \$928 billion in assets under management and services more than \$11 trillion in outstanding debt. Additional information is available at www.bnymellon.com.
