

Press Release



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BNY Mellon Asset Servicing Introduces Fair Value Pricing to Provide Updated Equities Valuations after European and Asian Markets Close

BOSTON, August 18, 2009 – BNY Mellon Asset Servicing, the global leader in securities servicing, announced today that it has introduced Fair Value Pricing, the financial services industry's most automated system for valuing non-U.S. equities after the European and Asian markets close. The system, which recently was launched with a major mutual fund complex, provides the updated valuations up until the closing of the New York Stock Exchange.

"Fair Value pricing is an important tool for institutions such as mutual funds because it enables them to determine the value of the securities in their portfolios if a significant event occurs after the close of the markets that trade those securities," said Steve Berggren, global accounting product manager for BNY Mellon Asset Servicing. "This enables us to calculate a more accurate net asset value (NAV) or Unitized Value. It also provides our clients with a standard method for a fund close price where securities are traded in multiple markets, providing more accuracy in price for participants entering or exiting a fund or plan."

The automated system gathers data from multiple vendors as well as a factoring agency. The factor determines a daily multiplier that is used to alter the closing prices of these securities in their native markets. Using the multiplier brings the prices of the securities to a fair value that reflects events that impact stock prices between the closing of the native markets and the closing of the New York Stock Exchange. Clients have the option of determining the fair value of their securities through either the data vendors or the factor.

"We believe our process is the first in the industry to be automated from start to finish, including the generation of reports that institutional investors can use for control and audit purposes both for determination of fair value use and next-day regression testing against market open prices," said Berggren. "These reports enable investors to see how a fair value update changes the values of the securities they hold."

BNY Mellon Asset Servicing offers clients worldwide a broad spectrum of specialized asset servicing capabilities, including custody and fund services, securities lending, performance and analytics, and execution services. BNY Mellon Asset Servicing provides services through The Bank of New York Mellon and other related companies.

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 \$20.7 trillion in assets under custody and administration, \$926 billion in assets under management, services \$11.8 trillion in outstanding debt and processes global payments averaging \$1.8 trillion per day. Additional information is available at www.bnymellon.com.

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