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Eagle to Collaborate with Morgan Stanley on Hedge Fund Software

Strategic alliance formed to deliver premier software solutions to the Hedge Fund industry.

BOSTON – March 6, 2002 – Eagle Investment Systems Corp. today announced it will join with Morgan Stanley Prime Brokerage to develop a new product for the Hedge Fund industry - software that will provide expanded partnership and tax reporting capabilities.

The software, called **PT-Plus**, is targeted for release by the 4th quarter of 2002. It will provide Hedge Fund companies with improved partnership-accounting and tax capabilities in such areas as allocations, layering, tax compliance, flexible incentive and performance-based fee calculations. Other investor, regulatory, and tax reporting features will also be available. Hedge Funds will be able to run **PT-Plus** on their own hardware, or choose to have it hosted externally and accessible through a Web-based interface.

PT-Plus will allow Hedge Funds to perform several functions:

- track the capital investments of investors and shareholders
- tailor multi-currency and/or multi-basis general ledgers for all required instrument types
- automate pricing from unlimited sources
- fully automate the creation of annual financial and tax reports, such as K-1's and offshore client reports

The software will also be integrated with Morgan Stanley Prime Brokerage's portfolio accounting system, **MSPA**, enabling those Hedge Funds that rely on **MSPA** to use **PT-Plus** for partnership accounting and tax preparation. "We believe **PT-Plus** will become the industry standard, and combined with **MSPA** will provide a complete and powerful accounting solution for Hedge Funds," said Mark Rice, head of technology for Morgan Stanley Prime Brokerage.

"As a long-time industry leader, Morgan Stanley's prime brokerage and Hedge Fund expertise, coupled with our leading-edge technology, make this relationship a perfect marriage. We feel together we are poised to provide a state-of-the-art partnership and tax solution to the Hedge Fund industry," said David Palten, President of Eagle.

"We continually strive to provide clients with superior products and services. By collaborating with Eagle, we are able to deliver a much-needed solution to the Hedge Fund community," said Seth Weinstein, Managing Director of Morgan Stanley Prime Brokerage.

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Leveraging the advanced technological design and robust functionality of Eagle's product suite, **Eagle PACE™** and **Eagle STAR®**, **PT-Plus** will be fully integrated with these products and available for local installation or via a licensed ASP model hosted by Eagle.

Eagle PACE is a Web-based investment portfolio management system that includes performance measurement, performance attribution, integration with VAR providers, a robust report designer and report distribution capabilities via the Eagle Portal, or wireless devices.

Eagle STAR is a Web-based investment accounting system featuring multiple accounting books, multiple base currencies, a rules-based architecture to facilitate rapid change without programming, support for multiple sources of reference data, and complete securities accounting and real-time ledger accounting.

About Eagle Investment Systems

Eagle, a Mellon Financial CompanySM, is a leading provider of Web-based investment management software solutions. Serving the needs of money managers, mutual funds, Hedge Funds, plan sponsors, banks and corporate trusts, Eagle globally distributes **Eagle PACE™** and **Eagle STAR®**. To learn how Eagle's products and services can help your business achieve its Straight-Through Processing goals, contact us at 1.800.810.3819 (within the U.S.), 1.617.219.0100, email us at sales@eagleinvsys.com, or visit our web site at www.eagleinvsys.com.

About Mellon Financial Corporation

Mellon Financial Corporation is a global financial services company. Headquartered in Pittsburgh, Mellon is one of the world's leading providers of financial services for institutions, corporations and affluent individuals, providing institutional asset management, mutual funds, private wealth management, asset servicing, human resources services and treasury services. Mellon has more than \$2.6 trillion in assets under management, administration or custody, including more than \$590 billion under management. Its asset management companies include The Dreyfus Corporation and U.K.-based Newton Investment Management Limited. News and other information about Mellon is available at www.mellon.com.

About Morgan Stanley

Morgan Stanley is a global financial services firm and market leader in prime brokerage services, securities, asset management and credit services. With more than 700 offices in 28 countries, Morgan Stanley connects people, ideas and capital to help clients achieve their financial aspirations. For more information about Morgan Stanley, go to www.morganstanley.com.

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