



## News Release

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*Corporate Affairs*

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**FOR IMMEDIATE RELEASE**

**MELLON CAPITAL LAUNCHES 130/30 STRATEGY  
WITH \$25 MILLION IN CLIENT FUNDING**  
*Quantitative strategy aims to boost performance by exploiting market inefficiencies*

SAN FRANCISCO, December 18, 2006 — Mellon Capital Management Corporation has launched its 130/30 Enhanced Equity Strategy with \$25 million in client funding. The strategy aims to outperform the Standard & Poor's 500<sup>®</sup> Index or Russell 1000<sup>®</sup> Index, which both represent an index of large capitalization stocks.

“The 130/30 strategy is less restrictive than a long-only strategy as it permits us to short stocks that we rank as overvalued, producing a more efficient overall portfolio,” said Thomas Hazuka, Mellon Capital's chief investment officer. Mellon Capital utilizes quantitative techniques to rank stocks, with the top-ranked stocks expected to return the best performance. The strategy permits Mellon Capital to overweight its highly ranked stocks by buying up to 130 percent of the total portfolio value while shorting 30 percent of the portfolio's value. “It is a natural extension of our expertise in both long-only and long-short strategies,” said Warren Chiang, managing director of active equity strategies.

The strategy utilizes advanced risk management tools and processes to maintain style, sector and market neutrality. Chiang added, “This strategy's ability to take short positions allows for better hedging of risk, while also providing additional opportunities to produce alpha, or performance in excess of the benchmarks.”

Founded in 1983 by innovators in the investment management field, Mellon Capital specializes in global quantitative investment strategies. As of September 30, 2006, the firm had \$158.6 billion in assets under management, including assets managed by dual officers and \$28.9 billion in overlay strategies. Additional information about Mellon Capital is available at [www.mcm.com](http://www.mcm.com).

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 high net worth individuals, providing asset management, private wealth management, asset servicing, payment solutions and investor services. Mellon has approximately \$5.3 trillion in assets under management, administration or custody, including \$918 billion under management. News and other information about Mellon is available at [www.mellon.com](http://www.mellon.com).

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