



# News

Merrill Lynch & Co., Inc.

World Headquarters  
4 World Financial Center  
New York, NY 10080

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For **Merrill Lynch** information:

Media Relations

Terez Hanhan or Lizzie Anderson  
(212) 449-7295

[elizabeth\\_anderson@ml.com](mailto:elizabeth_anderson@ml.com)

[terez\\_hanhan@ml.com](mailto:terez_hanhan@ml.com)

For **GlobeOp** information:

Brunswick Group

Melissa Daly or Ruban Yogarajah  
(212) 333-3810

[GoTeam@Brunswickgroup.com](mailto:GoTeam@Brunswickgroup.com)

## **MERRILL LYNCH PRIME BROKERAGE LAUNCHES “MERRILL MIDDLE OFFICE SOLUTION” FOR ALTERNATIVE ASSET MANAGERS**

New York, October 18, 2007 – Merrill Lynch & Co., Inc. (“Merrill Lynch”) announced today that it has launched *Merrill Middle Office Solution*, an outsourced, prime broker-neutral platform for various middle- and back-office services for the hedge fund industry. The service is powered by GlobeOp Financial Services S.A. (“GlobeOp”) (**LSE: GO.**), an independent provider of middle-, back-office and other services to asset managers. *Merrill Middle Office Solution* is available to prime brokerage clients of Merrill Lynch, which serves more than one-third of hedge funds with assets over \$1 billion.

Powered by GlobeOp’s ® established open platform, *Merrill Middle Office Solution* will provide hedge funds and their managers with middle- and back-office services on an independent platform, giving hedge funds the flexibility to work with multiple prime brokers. Additionally, as a prime brokerage customer of Merrill Lynch, such hedge funds and their managers will have

access to Merrill Lynch's prime brokerage services, including stock loan and financing services. The initial launch will be in the U.S.

"As hedge funds add prime brokers, the cost and effort to consolidate data across the various systems increases," said Peter Donovan, head of Financing Client Management at Merrill Lynch. "We developed the *Merrill Middle Office Solution* to give hedge funds access to the benefits of a multi-prime broker environment while simplifying the operational requirements. We are confident that multi-prime brokered funds will find it easier to shift balances to Merrill Lynch and to take advantage of our stock loan capability and sophisticated suite of financing products."

"Both start-up and established hedge funds are increasingly outsourcing their middle- and back-office functions to multiple service providers in order to focus on what matters most to them – performance," said Jeff Penney, co-head of Global Markets Financing & Services at Merrill Lynch. "While other prime brokers may lock in their clients with a front-end system, our strategy is to facilitate the flexible, independent multiple-prime broker environment most hedge funds prefer, giving these hedge funds access to competitive pricing for financing and stock loan. By working together with GlobeOp, we believe that Merrill Lynch is partnering with the pre-eminent provider in this multi-prime broker middle-office services space."

Utilizing GlobeOp's global processing and servicing strengths, the core product is a data consolidation engine, with overnight reconciliation of all cash and security positions to multiple prime brokers and fund administrators. A centralized data master generates reports required by the hedge fund manager, including risk management reporting, performance measurement and attribution analytics. Hedge funds trading over the counter (OTC) derivatives are supported with full trade capture, valuation, collateral management and settlement service.

"We are pleased that GlobeOp has been selected to help facilitate Merrill Lynch's vision of an open platform, middle office architecture for its prime brokerage clients. This initiative is a result of our continuous drive to respond to demands for increased operational risk mitigation and scalability," said Bill Kelly, head of U.S. sales for GlobeOp. "Our tailored, highly competitive value-add service package offers the strategic benefits of an independent open platform, while accommodating rapid fund growth in high volumes and complex products. GlobeOp's automated, integrated systems and processes reduce fund investments in technology and people. Multiple prime brokerage services and providers are available to the fund manager

through a single point of web-based access. Funds with complex or high-volume OTC derivatives trades can also access GlobeOp's advanced OTC derivatives processing service, which currently values more than 60 distinct instruments and processes approximately 1300 trades daily, or 3% of the total daily trade volume."

### **About Merrill Lynch**

Merrill Lynch is one of the world's leading wealth management, capital markets and advisory companies, with offices in 38 countries and territories and total client assets of approximately \$1.7 trillion. As an investment bank, it is a leading global trader and underwriter of securities and derivatives across a broad range of asset classes and serves as a strategic advisor to corporations, governments, institutions and individuals worldwide. Merrill Lynch owns approximately half of BlackRock, one of the world's largest publicly traded investment management companies with more than \$1 trillion in assets under management. For more information on Merrill Lynch, please visit [www.ml.com](http://www.ml.com).

### **About GlobeOp**

GlobeOp Financial Services ® (LSE:GO.) is a leading, independent financial technology specialist providing automated, integrated middle- and back-office, administration and risk reporting services to hedge funds and asset management firms-including banks, insurance companies, mutual & pension funds and proprietary traders. Clients trading a wide range of asset classes and derivatives outsource to GlobeOp to reduce technology investments and operational risks, and to focus resources on asset generation and portfolio management. Established in 2000, GlobeOp today serves more than 150 clients worldwide, representing \$85 billion in assets under management (AuM). With headquarters in London and New York, GlobeOp employs more than 1,600 people on three continents; offices are also located in Dublin, Ireland; George Town, Cayman Islands; Harrison, NY and Hartford, CT, U.S.A.; and Mumbai (Bombay), India. Further information: [www.globeop.com](http://www.globeop.com).

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