



News Release

FOR IMMEDIATE RELEASE

MANAGED FUNDS ASSOCIATION JOINS MAJOR DEALERS IN COMMITMENTS TO REGULATORS ON CREDIT AND EQUITY DERIVATIVES

WASHINGTON, D.C. March 27, 2008 --- Managed Funds Association (MFA) today announced that it is joining the 17 major derivatives dealers (the “Major Dealers”) as a signatory to a letter to the Federal Reserve Bank of New York and other relevant regulators setting forth goals and strategies for the continued improvement of operational efficiency across OTC credit and equity derivatives.

Today’s letter represents unprecedented cooperation between both buy-side and sell-side with the purpose of leading fundamental change in derivatives markets processes through the use of electronic platforms to improve market discipline and efficiency. Although MFA endorsed related efforts by the Major Dealers in the past, this is the first time that MFA has demonstrated its support of industry efforts by joining the Major Dealers in submitting a letter to industry regulators detailing the latest operational targets and commitments. The International Swaps and Derivatives Association, Inc. (ISDA) and the Asset Management Group of the Securities Industry and Financial Markets Association (SIFMA) also joined MFA and the Major Dealers in signing the letter.

“MFA is pleased to have had a major role in developing the latest industry strategy, and we are committed to working closely with the Major Dealers, ISDA and SIFMA to reach industry goals,” said Richard H. Baker, MFA President and CEO. “MFA fully endorses the collaborative efforts to improve market discipline and efficiency by strengthening transaction processing and settlement arrangements for credit and equity derivatives.”

In order to continue to improve processes in the credit derivatives markets, the Operations Management Group (comprised of senior representatives from the Major Dealers, MFA, ISDA and SIFMA and several buy-side institutions) has asserted its goal of creating a marketplace that confirms the vast majority of its trades on the date the trade is executed. As a major step toward this goal, the Major Dealers and buy-side members of the Operations Management Group have agreed in their letter to regulators to meeting by July 2008 a series of operating expectations for electronically-eligible confirmable trade events with all counterparties (excluding novations).

Several alternative investment firms, including Citadel Investment Group, L.L.C. and BlueMountain Capital Management LLC, are joining with the Major Dealers, MFA, SIFMA and ISDA to develop an implementation plan that will assist other market participants in meeting these goals.

These operating expectations include:

- 90% T+1 trade submission;
- 90% of trades submitted accurately (matching without amendment); and
- 92% of trades matched by T+5.

In support of the above targets, the Operations Management Group detailed in the letter to regulators a number of other operational goals established for 2008, including:

- Promotion of consistent use of electronic confirmation platforms for electronically-eligible trades;
- By May 2008, a market implementation plan will be delivered by MFA, ISDA and SIFMA that addresses educating the marketplace on the goals in the letter and a strategy for enabling participants to operate consistently with them; and
- During 2008, consent requests for novations are to be submitted via electronic platforms rather than email.

MFA began working with the dealer community in early 2005 to develop ways to improve processing practices for new trades and novations in the credit derivatives market. Collaborative efforts with the Major Dealers, ISDA and its member firms, and SIFMA led to initiatives that resulted in substantial reductions in backlogs of trade confirmations for credit derivatives.

“MFA is dedicated to improving market efficiency and soundness,” said Mr. Baker. “The OTC derivatives markets are vital to our industry, and we pledge to work toward developing solutions that will enhance and ensure their proper functioning.”

MFA’s work with the Major Dealers has also focused on practices in the equity derivatives market, where MFA’s members are substantial and active participants. In an effort to strengthen operational efficiency in these markets, MFA has worked diligently with ISDA and the dealer community to craft standardized documentation for major equity derivatives products so that they may be processed electronically. MFA will continue to work toward improving market practices by collaborating with ISDA, SIFMA, the Major Dealers and service providers to prioritize future standardization efforts and to develop a strategy for prompt onboarding of clients to electronic processing platforms for equity derivatives.

About Managed Funds Association

MFA is the voice of the global alternative investment industry. Its members include professionals in hedge funds, funds of funds and managed futures funds. Established in 1991, MFA is the primary source of information for policy makers and the media and the leading advocate for sound business practices and industry growth. MFA Members represent the vast

majority of the largest hedge fund groups in the world who manage a substantial portion of the approximately \$2 trillion invested in absolute return strategies. MFA is headquartered in Washington, D.C., with an office in New York, N.Y. For more information please visit: www.managedfunds.org.

#

For media inquiries:

Meg Bode
MFA Media Relations
516-869-6610