

# Press Release



Contact: Mike Dunn  
+1 212 922 7859  
mike.g.dunn@bnymellon.com

Jamie Brookes  
+44 20 7163 2146  
jamie.brookes@bnymellon.com

## **Mellon Capital Management Selected to Manage Tangent-Added® Strategy by Municipal Employees Retirement System of Michigan**

### ***BNY Mellon Investment Firm Picked for \$350 Million Mandate in Levered Asset Allocation Strategy***

SAN FRANCISCO and LONDON, July 12, 2011 – Mellon Capital Management, part of BNY Mellon Asset Management, has been selected by the Municipal Employees Retirement System (MERS) of Michigan to manage \$350 million in Mellon Capital's Tangent-Added® strategy, an asset allocation strategy that seeks to outperform the Standard & Poor's 500® Index.

The strategy allocates among U.S. stocks, Treasury bonds and cash up to a maximum 150 percent long exposure with a risk profile designed to be comparable to an all-equities strategy. While the Tangent-Added® strategy uses leverage, its goal is to mitigate the downside risks of leverage through the use of call options for exposure above 100 percent.

"Mellon Capital's long performance history with tactical asset allocation and its value-added partnership approach is a successful match for our equity program," said Jeb Burns, chief investment officer of MERS. "We believe selecting investment managers with innovation, insight and discipline, like Mellon Capital, is much more important than fitting our investment managers into style boxes that constrain their ability to prudently react to changing market conditions."

"We are pleased that the Municipal Employees Retirement System of Michigan has selected our Tangent-Added® strategy and expect the relationship to be much broader as we become MERS' trusted advisor," said Gabriela Parcella, chief executive officer of Mellon Capital. "We managed client assets in Tangent-Added® strategies for over two decades and believe our more-transparent and liquid Tangent-Added® strategies are particularly attractive to institutional investors seeking excess returns in a low-return environment."

Mellon Capital manages approximately \$29.9 billion in its asset allocation strategies, including assets managed as dual officers and overlays.

#### **Notes to Editors:**

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