



News Release

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Corporate Affairs

FOR IMMEDIATE RELEASE

MELLON FINANCIAL CORPORATION LAUNCHES TWO INSTITUTIONAL FUNDS TO INVEST IN EMERGING MARKETS, MICRO CAPS *Both strategies to employ quantitative techniques*

BOSTON, July 12, 2006 — Mellon Financial Corporation announced today that it has launched two new Mellon Institutional Funds -- the Mellon Equity Micro Cap Fund (SMEMX) and The Boston Company Emerging Markets Core Equity Fund (SBCEX). Both funds employ quantitative techniques and a bottom-up investment approach that emphasizes individual stock selection.

“Increasingly, our institutional clients are seeking alternatives to traditional large- and mid-cap investment vehicles,” said Patrick Sheppard, chief executive officer of Mellon Institutional Funds. “These funds will add diversification and help institutional investors balance their portfolios.”

The Mellon Equity Micro Cap Fund is advised by Mellon Equity Associates, LLP, an investment subsidiary of Mellon Financial Corporation. It aims to create long-term capital growth through stock selection and stock exposure relative to the fund’s benchmark, the Dow Jones Wilshire U.S. Micro-Cap Index. The fund invests primarily in companies with market capitalizations of less than \$1 billion. The advisor analyzes approximately 3,500 stocks daily, using seven proprietary valuation models, and seeks to identify and create a portfolio of 150 to 200 equity holdings. The portfolio managers are John R. O’Toole, senior vice president, and Peter D. Goslin, vice president, both of Mellon Equity.

The Boston Company Emerging Markets Core Equity Fund is advised by The Boston Company Asset Management LLC (TBCAM), also a Mellon investment subsidiary. It seeks to achieve long-term capital growth by investing in equity securities of companies located in foreign countries represented by the Morgan Stanley Capital International Emerging Market (MSCI EM) Index. The fund’s advisor uses a proprietary quantitative model and fundamental analysis to identify attractive stocks with low relative price multiples and positive trends in earnings forecasts. The portfolio managers are Daniel B. LeVan, senior vice president, and Peter J. Collins, assistant vice president, both of TBCAM.

Both new funds have a minimum investment of \$100,000. The Micro Cap Fund charges a 1.00% annual management fee and the Emerging Markets Core Equity Fund charges a 1.10% annual management fee. Each also charges a 2.00% redemption fee for shares redeemed (either by selling or exchanging to another fund) within 30 days of purchase.

Mellon Equity was established in 1987 and currently manages more than \$21.9 billion. TBCAM was founded in 1970 and currently manages approximately \$64.2 billion. Both manage assets for a wide range of corporate, public, Taft-Hartley, defined benefit and defined contribution plans, as well as endowments and foundations.

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 \$4.9 trillion in assets under management, administration or custody, including \$808 billion under management. News and other information about Mellon is available at www.mellon.com.

For more information on all our funds, please visit us at www.melloninstitutionalfunds.com or call 1-800-221-4795 for a free information kit. The kit includes a current prospectus, which contains more information. Please read the prospectus carefully. Investors should consider the investment objectives, risks, fees and expenses of a fund carefully before investing or sending money.

Investing in international securities involves risks such as currency fluctuations and political instability. In some countries, liquidity may be lower and short-term volatility may be higher than the U.S. market.

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