



**FOR IMMEDIATE RELEASE**

**MERLIN INTRODUCES NEW ENHANCED MULTI-PRIME PERFORMANCE REPORTING FOR HEDGE FUND MANAGERS AND INVESTORS**

**Investors Demand Analytics Including Alpha by Sector,  
Drawdown by Market Cap and Risk Exposure by Region**

**Merlin Allows Hedge Funds to Determine Performance by Component  
on Net and Gross Basis**

**SAN FRANCISCO – AUGUST 4, 2010** – Merlin Securities, a leading prime brokerage services and technology provider for hedge funds, managed account platforms and family offices, today announced that it has launched groundbreaking new reporting functionality which will enable funds to more precisely articulate their performance for today’s sophisticated institutional investors.

Merlin’s clients can drill down and calculate additional required performance measures and ratios across multiple custodians for specific components of their portfolio: sector, market cap, industry, strategy, geography and a range of customizable user-defined components. Merlin’s new functionality allows hedge funds to calculate and analyze their performance net of fees and expenses.

“In today’s competitive marketing environment, hedge fund investors require greater transparency and more customizable reporting to allow them to understand a fund’s performance across a variety of components,” said Amr Mohamed, senior partner and chief technology officer at Merlin. “Our hedge fund clients can now provide more sophisticated insights into their performance with just a few clicks. For instance, a fund can articulate and segregate alpha contribution by sector, drawdown by market capitalization and market risk exposure by geographic region. In addition, fund managers can also quickly generate their monthly performance analysis net of fees – a process that previously required manual input.”

Merlin’s new reporting functionality is available for the full range of measurements that investors demand, including Sharpe ratio, Treynor ratio, volatility, skew on returns, Alpha and Beta versus benchmark (including customized and blended benchmarks), up and down capture ratios, Sortino ratio and drawdown. These measures, in turn, can be isolated by sector, market cap, industry, strategy, geography – or by a customized criterion.

Additionally, whereas hedge funds historically have calculated their return-based statistics manually by spreadsheet, Merlin now provides a tool to automate that process. Managers can load their net returns into the system then seamlessly calculate all the analytics on a portfolio or component level based on net numbers.

“Today’s hedge fund investors expect to be able to drill down into a portfolio and understand performance in ways that historically would have required hours of manual input and analysis,” said Patrick McCurdy, partner and head of capital development at Merlin Securities. “Portfolio-level analytics are no longer enough, and managers are searching for tools to help them deliver these metrics in a simple and cost-effective manner. We continually strive to provide our hedge fund clients with the tools and technology they need to showcase their performance and demonstrate their edge.”

### **About Merlin Securities**

Founded in 2004, Merlin is a leading prime brokerage services and technology provider for hedge funds. The firm serves more than 450 single- and multi-primed managers, providing them with a broad suite of solutions including dynamic performance attribution analytics and reporting, seamless multi-custody services, capital development, 24-hour international trading, securities lending and access to the Gerson Lehrman Group’s worldwide network of experts. Merlin is a member of FINRA and SIPC. For more information, please visit [www.merlinsecurities.com](http://www.merlinsecurities.com).

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