



FOR IMMEDIATE RELEASE

**MERLIN SECURITIES LAUNCHES NEW REPORTING APPLICATION
MERLIN COMPASS**

**New Product Suite Connects with any Trading
Platform Using the FIX Protocol**

**Creates a Seamless Process from Execution, to Real-Time P&L,
to Allocation Reporting**

SAN FRANCISCO – January 12, 2009 – Merlin Securities, a leading prime brokerage services and technology provider for hedge funds, funds of funds and long-only managers, today announced that it has rolled out Merlin Compass, a new P&L reporting application that adds intra-day portfolio reporting to the existing integrated trade monitoring and post-trade allocation and reporting tools.

This new product suite integrates both in-house Merlin trading applications and any other trading systems that use the FIX protocol, thus eliminating the duplicative and error-prone process of rekeying trade information across multiple platforms. Information enters the system in real-time as trades are executed, and clients have continuous access to trade execution reports and up-to-the-minute P&L reporting. With Merlin Compass, processes that once required special plug-in tools – such as tax lot matching and optimization – are now seamlessly and simultaneously conducted with trade execution.

“Merlin Compass represents the tightest integration of trading components available in the industry,” said Aaron Vermut, senior partner and chief operating officer of Merlin Securities. “Our clients told us they wanted a tightly integrated platform that flowed all the way from trade entry and execution to real-time P&L to end-trade allocation and export to multiple prime brokers. We are very pleased to introduce a solution that allows managers to focus on making investment decisions, not on post-trade administrative matters or correcting clerical errors.”

Amr Mohamed, senior partner and chief technology officer for Merlin Securities added: “We built Merlin Compass with our clients’ various needs in mind. For instance, clients using their own order management system (OMS) can easily import their trades into the Merlin Compass system using the FIX protocol. Similarly, for clients who rely on Merlin to consolidate information across several prime brokers, Merlin Compass provides a platform to monitor real-time performance across the entire portfolio, considering holdings and trading activity across all accounts and prime brokers.”

About Merlin Securities

Merlin Securities is a leading prime brokerage services and technology provider for hedge funds, funds of funds and long-only managers. The firm provides single- and multi-primed hedge fund managers with dynamic performance attribution portfolio analytics and reporting. In January 2008, Sequoia Capital, a leading venture capital firm, invested \$20 million in Merlin Securities. The firm has offices in New York and San Francisco and is a member of NASD and SIPC.

Merlin was recognized as the #1 prime broker for funds less than \$1 billion by *Alpha* magazine's 2008 hedge fund service provider survey for the second year running. Additionally, *Global Custodian* in 2008 gave Merlin the highest overall scores in the single- and multi-primed brokerage categories for the second consecutive year. Merlin was the top-ranked non-algorithmic-driven firm and second overall among brokerages trading NYSE stocks as measured by arrival price, according to the 2008 Elkins/McSherry annual transaction cost survey.

For more information, please visit www.merlinsecurities.com.

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