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Money Management Institute Pursues Broad Based Support for New Communication Standards--Recommendations for Separately Managed Accounts

Migration to Open Architecture, XML Format Will Support Industry's Rapid Growth

New York, April 20, 2006 -- Recommendations for developing new standards for communications between participants in the separately managed accounts (SMA) industry were presented to the Money Management Institute's Board of Governors at a meeting April 12 in New York. The recommendations, developed by Accenture, a global management consulting, technology services and outsourcing company based on a study commissioned by MMI in late 2005, aim to improve the performance and efficiency of the industry, which is expected to grow from \$700 billion to \$1.4 trillion by 2011.

"MMI recognizes that the industry's current communication processes cannot support the explosive growth in separately managed accounts," said MMI President Christopher L. Davis. "In order for the separately managed accounts business to thrive and prosper, we need a plan to improve industry-wide operational efficiencies. The recommendations, which call for the adoption of industry standards for messaging between industry participants, are a critical step in that process and we're pleased with the direction of Accenture's work."

The recommendations call for industry-wide adoption of an open technology architecture based on the extensible markup language (XML) messaging format. Under the recommendations, MMI will assume responsibility for the open XML schema as well as overall project management responsibilities, including developing test messages and a certification process.

"The recommendations will support a competitive landscape for the SMA industry by allowing participants to choose a communications model – either point-to-point or using an industry hub," said Pat Tsien, managing director in Accenture's capital markets practice. "This approach enables industry participants to select the model that best suits their needs, and the existence of multiple vendors encourages innovation and competitive pricing."

Money managers currently deal with multiple plan sponsors that each have their own messaging format to communicate information about accounts. The new standards will create a common language with which financial advisors can more quickly and accurately

process transaction requests. The standards will also enable advisors to access more information about transactions that can in turn be shared with investors.

"Investors are increasingly demanding a broader range of products and money managers are looking for alternative ways to address their needs," said Mark Pennington, who chaired the April 12th MMI Board meeting. "MMI and the SMA industry are working to ensure that SMAs remain a competitive product, and that financial advisors receive the information they need to evaluate them and make informed recommendations to their clients. Adoption of these standards will enable the SMA industry to keep pace with the rapidly increasing demand, and MMI will work diligently with its members to communicate the approaches and outstanding issues for adoption."

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The Money Management Institute (MMI) is the national organization for the managed account solutions industry, representing portfolio manager firms and sponsors of investment consulting programs. The MMI was organized in 1997 to serve as a forum for the industry's leaders to address common concerns, discuss industry issues and work together to better serve investors. The Institute is the leading advocate for the industry on regulatory and legislative issues. The MMI's membership comprises firms that offer comprehensive financial consulting services to individual investors, foundations, retirement plans and trusts; related professional portfolio management firms, and firms that provide long term services to both sponsor and manager firms such as computer/technology firms. www.moneyinstitute.com