

Press Release



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Plans in the U.S. Master Trust Universe Continue to Lose Ground, According to BNY Mellon Asset Servicing

All plan types post negative results for the second quarter

BOSTON, August 13, 2008 – The median plan for the 599 corporate, foundation, endowment, public, Taft-Hartley and healthcare funds that make up the BNY Mellon Master Trust Universe posted a combined -0.77% return for the second quarter of 2008, marking the third straight quarter of negative returns. Despite the negative performance, the median plan outperformed the universe's custom benchmark by nearly 60 basis points, beating its -1.35% second quarter return.

The BNY Mellon Master Trust Universe represents a market value of \$1.6 trillion, with an average plan size of \$2.7 billion.

"All plan types posted negative results for Q2, though the returns are a marked improvement over the first quarter," said Greg Stewart, first vice president and regional product manager of BNY Mellon Asset Servicing. Endowments were the strongest performing plan type, posting a -0.25% return, while corporate plans trailed all segments with a return of just under -1.00%. Year-to-date, all segments are down, with healthcare plans being the best relative performer, a pattern repeated over a one-year period.

Highlights

- Of the plans in the universe, 77% posted negative results for the period ending June 30, 2008.
- Endowments were the top performing plan-type for the second quarter with a -0.24% median return, followed by healthcare, foundations, public, Taft-Hartley, and corporate plans.
- US fixed income led all asset classes for the quarter with a median return of -0.92%, outperforming the Lehman Brothers® Aggregate return of -1.02. Non-US fixed income posted a median return of -3.13, ahead of the Citigroup® Non-US Dollar World Government Bond Index return of -4.72. US equities returned -0.94%, compared to the Russell 3000® Index* return of -1.69%. Non-US equities returned -1.42%, lagging the MSCI® All Country World Index ex US return of -0.01%.

"Equity returns were down again this quarter, but in contrast to previous quarters, non-US fixed income was the worst performing asset class, losing more than 3%," said Stewart. "Over the longer periods, equities have clearly underperformed, down over 10% year-to-date, with bonds just in the black. Thus, we continue to see fund types with greater equity allocations do relatively worse than those that underweight equity and overweight fixed income."

The average asset allocation in the BNY Mellon Master Trust Universe for the second quarter was: US equity 35%, US fixed income 26%, non-US equity 18%, non-US fixed income 1%, alternative investments 8%, real estate 3%, cash 2%, and other (private equity, oil, gas, etc.) 7%.

BNY Mellon Asset Servicing offers clients worldwide a broad spectrum of specialized asset servicing capabilities, including custody and fund services, securities lending, performance and analytics, and execution services. BNY Mellon Asset Servicing offers its products and services through The Bank of New York Mellon and other subsidiaries of The Bank of New York Mellon Corporation.

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BNY Mellon Trust Universe Median Plan Returns

Period Ending June 30, 2008

Universe	Number of Participants	2Q 2008	One-Year	Five-Years	Ten-Years
Master Trust Total Fund	599	-0.77	-4.37	9.54	6.07
Corporate Plans	255	-0.97	-5.02	9.30	5.87
Foundations	88	-0.62	-3.95	9.63	6.89
Endowments	86	-0.25	-2.64	11.68	6.87
Public Plans	75	-0.69	-4.41	10.34	6.52
Taft-Hartley Plans	46	-0.89	-5.55	7.98	5.41
Healthcare Plans	19	-0.56	-2.12	7.83	5.38
Universe Custom Composite Benchmark		-1.35	-5.58	7.27	4.61

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