

Press Release



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Market Volatility Impacts All Segments of the US Master Trust Universe, According to BNY Mellon Asset Servicing

99% of plans post negative results for the third quarter

BOSTON, November 10, 2008 – The median plan for the 509 corporate, foundation, endowment, public, Taft-Hartley and healthcare plans that make up the BNY Mellon Master Trust Universe posted a combined -8.89% return for the third quarter of 2008, representing the fourth consecutive quarter of negative returns. Of the plans in the universe, only 39% posted a return that either matched or exceeded the custom policy return of -8.27%, a contrast to recent quarters when the majority of plans beat the universe policy.

The BNY Mellon US Master Trust Universe represents a market value of \$1.2 trillion, with an average plan size of \$2.4 billion.

“The US Master Trust Universe has not escaped the turmoil in the financial markets as all plan types posted negative returns for the third quarter,” said Greg Stewart, first vice president and regional product manager of BNY Mellon Asset Servicing. “Healthcare plans were the best performers, posting a return of -7.50% while Endowments, who have typically been one of the better performing segments, posted the worst return of the quarter, down more than 9%.”

Highlights

- Of the plans in the universe, 99% posted negative results for the period ending September 30, 2008.
- On a year-to-date basis through September 30, 2008, the BNY Mellon US Master Trust Universe is down more than 14%; on a one-year annualized basis the average return is -14.63%.
- Healthcare was the top performing plan type for the third quarter with a -7.50% median return, followed by Taft-Hartley, corporate, foundations, public and endowments.
- US fixed income led all asset classes for the quarter with a median return of -2.77%, underperforming the Lehman Brothers® Aggregate return of -0.49%. Non-US fixed income posted a median return of -5.42%, versus the Citigroup® Non-US Dollar World Government Bond Index return of -4.72%. US equities returned -9.46%, compared to the Russell 3000® Index return of -8.73%. Non-US equities returned -20.35%, lagging the MSCI® All Country World Index ex US return of -14.91%.

“Equities were hardest hit during the third quarter with the median Non-US equity return down more than 20% and just under 29% for the year. US equities fared a little better, but were still down over 9% for the quarter and 18.8% year to date,” said Stewart. “The fixed income markets were more favorable but investors still have seen values fall and negative returns this year. Given the relative performance of fixed income versus equities, asset owners with greater fixed income weightings, such as Healthcare plans, have performed better, but no one has done well in absolute terms.”

The average asset allocation in the BNY Mellon US Master Trust Universe for the third quarter was: US equity 32%, US fixed income 27%, non-US equity 16%, non-US fixed income 1%, alternative investments 11%, real estate 4%, 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 US Trust Universe Median Plan Returns

Period Ending September 30, 2008

Universe	Number of Participants	3Q 2008	One-Year	Five-Years	Ten-Years
Master Trust Total Fund	509	-8.89	-14.63	6.66	6.10
Corporate Plans	222	-8.98	-15.25	6.68	6.04
Foundations	73	-9.14	-14.59	6.97	7.01
Endowments	70	-9.37	-12.60	8.54	6.66
Public Plans	66	-9.17	-14.99	6.63	6.33
Taft-Hartley Plans	43	-7.82	-14.03	4.96	5.36
Healthcare Plans	16	-7.50	-10.22	5.87	5.24
Universe Custom Composite Benchmark		-8.27	-17.93	5.64	4.26

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