

Press Release



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First Quarter Losses for Plans in US Master Trust Universe Much Less than Fourth Quarter of 2008, According to BNY Mellon Asset Servicing

Month of March returns back in the black

BOSTON, May 14, 2009 – The median plan in the BNY Mellon US Master Trust Universe posted a -6.07% return for the first quarter of 2009, representing the sixth straight quarter of negative returns. But that amount was less than half the loss posted for the fourth quarter of 2008 (-13.10%).

With a market value of \$888.9 billion and an average plan size of \$1.5 billion, the BNY Mellon US Master Trust Universe is a fund-level tracking service that can be used to make peer comparisons of both performance and asset allocation results. The Universe consists of 578 corporate, foundation, endowment, public, Taft-Hartley and health care plans.

“All segments of the BNY Mellon US Master Trust Universe were in negative territory for the first quarter, but fared quite a bit better than during the final quarter of 2008,” said Greg Stewart, first vice president and regional product manager of BNY Mellon Asset Servicing. “In fact, the median return for the month of March 2009 was positive (3.68%) as equity markets, domestic and international rallied. Still, the financial impact of the last 18 months remains apparent in the extended period results, where the median plan posted annualized returns of just 0.20% and 2.68% over five and 10 years, respectively.”

Highlights

- Of the plans in the universe, 97% posted negative results for the period ending March 31, 2009.
- 86% of the plans posted a return that either matched or exceeded the custom policy return of -7.98% in the first quarter. Most plans have lower allocations to equities than the custom policy and this underweighting in the weaker performing asset class contributes to the outperformance.
- Health care was the top performing plan type for the first quarter with a -3.45% median return, followed by endowments, foundations, public, Taft-Hartley and corporate plans.
- US fixed income led all asset classes for the quarter with a median return of 0.36%, outperforming the Barclays Capital U.S. Aggregate Bond Index return of 0.12%. Non-US fixed income posted a median return of -0.76%, versus the Citigroup Non-US Dollar World Government Bond Index return of -5.74%. US equities returned -9.86%, compared to the Russell 3000 Index return of -10.80%. Non-US equities returned -11.34%, lagging the MSCI All Country World ex US Index return of -10.62%.

“Once again, Health Care plans were the best performing segment during the first quarter with a return of -3.45%. This segment, which has a greater allocation to fixed income, benefitted from the stronger returns of the asset class,” said Stewart. “When comparing asset class performance, U.S. and non-U.S. Fixed Income were the better relative plays, 0.36% and -0.76% respectively for the quarter versus Equities which were well in the red with significant losses despite the March rally.”

The average asset allocation in the BNY Mellon US Master Trust Universe for the first quarter was: US equity 30%, US fixed income 31%, non-US equity 15%, non-US fixed income 1%, alternative investments 10%, real estate 2%, cash 2%, and other (private equity, oil, gas, etc.) 9%.

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 provides services through The Bank of New York Mellon and other related companies.

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BNY Mellon US Trust Universe Median Plan Returns

Period Ending March 31, 2009

Universe	Number of Participants	1Q 2009	One-Year	Five-Years	Ten-Years
Master Trust Total Fund	578	-6.07	-25.78	0.20	2.68
Corporate Plans	245	-6.48	-26.17	0.02	2.60
Foundations	89	-5.73	-26.95	0.14	3.19
Endowments	86	-5.47	-25.89	1.37	3.02
Public Plans	70	-6.22	-27.04	0.16	2.94
Taft-Hartley Plans	49	-6.46	-24.72	-0.74	2.28
Health Care Plans	20	-3.45	-17.16	1.07	3.14
Universe Custom Composite Benchmark		-7.98	-30.66	-2.16	-0.31

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