



Second Quarter 2008

Volume 18.2

## IN THIS ISSUE

Market Review

Global Attribution

Economic Outlook

Announcements

Market Benchmarks

Report of the Quarter

BNY Mellon Trust Universes

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### Market Review

During the second quarter the effects of the collapse in the sub-prime mortgage market and the resulting tight credit conditions continued to ripple through the economy. ▶

### Economic Outlook

There are seven interlinked issues that are key to the outlook: (1) housing, (2) the financial crisis, (3) oil, (4) the dollar, (5) economic activity, (6) inflation and (7) monetary policy. ▶

### Announcements

#### ***BNY Mellon Asset Servicing and Wilshire Associates Strategic Alliance***

BNY Mellon Asset Servicing, the global leader in securities servicing, and Wilshire Associates Incorporated, a leading global investment technology, financial services and consulting firm, announced that they have extended their strategic alliance. ▶

### Report of the Quarter

#### ***Excess Weight Summary by Asset Report***

The Excess Weight Summary by Asset report allows clients to see their portfolio's asset allocation compared to a benchmark using two different graphs. ▶

[Print Version](#)

## Second Quarter 2008

<b>IN THIS ISSUE</b>	<b>Market Review</b>	Global Attribution
	Economic Outlook	Announcements
	Market Benchmarks	Report of the Quarter
	BNY Mellon Trust Universes	

## Market Review

### Economic Review

During the second quarter the effects of the collapse in the sub-prime mortgage market and the resulting tight credit conditions continued to ripple through the economy. However, the spotlight shifted during the quarter from the woes of the financial services sector to the seemingly inexorable rise in the price of a barrel of oil. With the shift in attention from the credit to the oil and commodity markets, inflation has replaced recession as the primary concern of economists and investors. In a recent survey, one-year expectations for U.S. consumer price inflation were 5.2%, and by one estimate two-thirds of the world's population, mostly in developing economies, will experience double-digit rates of inflation before the end of the year. While it appears that the worst of the credit crisis has passed, consumers still face the "double whammy" of falling home prices and rising prices for almost everything else, and their willingness (or lack thereof) to continue spending in the next several months probably will determine whether we experience a statistical recession or an almost-as-painful growth slowdown.

### Domestic Equity Review

Equity investors never like uncertainty, and uncertainty abounds as we pass the half-way mark in this year. Continued negative financial news was delivered as Citigroup took additional mortgage write-offs and investment brokers were downgraded on bad credit. The market also reflected concern over soaring commodity prices, inflation and rising interest rates. The key pressures continue to exist, and they seem to center around the financials and impaired capital, rising commodity prices, primarily oil, one of the worst housing declines on record, inflationary pressures, and a beleaguered consumer.

### International Markets Review

Equity markets were unsettled during the second quarter as investors faced two (arguably paradoxical) challenges: a deflationary crisis in global credit markets and the inflationary thrust of soaring food and energy prices around the world. Neither challenge has been 'resolved' and the implications of each are likely to set the tone of financial markets during the second half of the year. The past six month performance of international equity markets has indeed been volatile, as investors reacted to concerns that a U.S. recession may spread. What started as a favorable recovery in equity performance within the MSCI Emerging Markets asset class during April and May gave way to a sharp sell-off in June, resulting in a negative return for the quarter. The news has not been all negative though: the U.K. reported strong May retail sales; the 3.5% rise was fastest monthly rate since the series began in 1986. The U.S. also showed consumer strength along with strong export growth. Eurozone industrial production and Japanese machinery orders surprised the market with better-than-expected April numbers.

### Fixed Income Review

On the heels of May's improved market performance and cautious optimism that the worst was behind us, June saw a return of fear. In addition to the ongoing issue of mounting losses in the financial sector, the bond market in June was hurt by weak economic growth and expectations of rising inflation. Market sentiment took a pronounced shift over the quarter with increased risk taking early on, but a flight-to quality returning in June. With the rise in rates and inflation concerns, Treasury Inflation Protected Securities (TIPS) outperformed. European bond yields increased dramatically during the second quarter, resulting in negative total returns in both the Euro and U.K. rate markets.

### Financial Markets Review

The market tried to stabilize in the second quarter, as credit losses mounted, oil prices soared, and the U.S. dollar declined. Following the Federal Reserve's rescue of Bear Stearns on March 17, the financial markets had a relief

rally. This rally was the direct opposite of the first quarter flight to safety: sovereign yields rose and risky assets rallied. Although the market tried to rally into late May, waning consumer confidence, rising unemployment, and the declining housing market helped push most equity indices flat to slightly down for the quarter. The Federal Reserve left the Fed Funds rate unchanged at its June meeting, after its 25-basis-point easing at the end of April had completed an aggressive move from 5.25% to 2% in less than eight months. Not surprising is the resilience of the commodity-oriented indices, particularly the Goldman Sachs Natural Resources Index, which has gained over 20.6% during the quarter and is up 14.7% year-to-date.

### *U.S. Equities*

The small-cap oriented Russell 2000 Index managed to gain a marginal 0.6%, while the large-cap oriented Russell 1000 Index declined by 1.9%. In a reversal of last quarter's style bias, growth stocks outperformed value stocks across the spectrum of small, mid and large capitalization stocks. The Energy sector continued to outpace its counterparts for the quarter.

### *Non-U.S. Equities*

International equities continued their first quarter declines, with notable exceptions in the MSCI Japan and Pacific indices. The MSCI EAFE Index posted a -1.9% return for the second quarter. Emerging Markets could not escape the overall negative trend, with the MSCI Emerging Markets index returning -0.8% for the quarter.

### *U.S. Fixed Income*

For the second quarter, the move in interest rates was pronounced with 2-year Treasury yields rising 100 bps and 30-year yields increasing 25 bps. The outperformance of longer maturity bonds contributed to a flattening of the Treasury yield curve. Investment grade sectors held their value and most out-performed and narrowed in spread to Treasuries and high yield posted good results overall despite a very negative June performance.

Commentary provided by Mellon Institutional Funds, BNY Mellon Asset Management.

[↑ Back to Top](#)

## Second Quarter 2008

**IN THIS ISSUE**

Market Review

Global Attribution

**Economic Outlook**

Announcements

Market Benchmarks

Report of the Quarter

BNY Mellon Trust Universes

## Economic Outlook

This is [Richard Hoey](#) of The Bank of New York Mellon Corporation with a market commentary on on August 4, 2008

There are seven interlinked issues that are key to the outlook: (1) housing, (2) the financial crisis, (3) oil, (4) the dollar, (5) economic activity, (6) inflation and (7) monetary policy. Our view is that (1) house prices should decline into the first half of 2009, but the majority of the decline has already occurred, (2) the U.S. is still in a financial crisis, but it has moved into the recuperative stage, (3) the uptrend in crude oil prices peaked in the 140s largely because energy demand is beginning to weaken, (4) the dollar is in an uncertain transitional phase, likely to remain somewhat vulnerable until relative growth and relative real yields finally shift, but the preconditions for a medium-term bottom may begin to emerge over the coming quarters, (5) the U.S. economy should experience a continuing slowdown over the next several quarters, (6) headline inflation is now quite high, but should halve by the end of 2009 and (7) the most likely path for the Federal funds rate is a prolonged stall followed by an uptrend over the course of 2009.

We believe that the U.S. economy is in a prolonged period of somewhat subpar economic activity, which began in late 2007 and should persist into early 2009. There should be some economic volatility due to the tax rebates and then the subsequent growth payback for the temporary nature of these tax rebates. The economic weakness should be extended rather than concentrated in a few quarters.

Our view on housing is that residential construction should reach the bottom of an L-shaped pattern by the end of this year, with minimal potential for either strong further declines or a strong rebound. With respect to house price deflation, we are pessimistic about home prices but not to the same degree as some of the more negative observers.

We believe that per barrel crude oil prices in the \$140s will prove to be the upper end of the crude oil price trading range. We believe that it was primarily the fundamentals of supply and demand rather than market speculation that drove crude oil prices higher, but that cyclical fundamentals are now changing enough to halt the uptrend in oil prices.

The shock of higher energy and food prices has driven up inflation rates around the world. We expect that there will be a large disparity in the sustainability of these inflationary pressures among various countries depending on cyclical conditions and macroeconomic policies. In the U.S., we expect that the headline rate of inflation will crest in the second half of 2008 and be substantially lower by the end of 2009. Housing weakness is generating a disinflation in rents. Energy prices are likely to stall in 2009. The pace of wage increases in the U.S. is already decelerating and the labor market continues to weaken. Inflationary momentum is likely to be more persistent in many emerging countries since the inflation shock arrived following an economic boom fostered by undervalued currencies and stimulative macroeconomic policies.

Mr. Hoey's comments are provided as a general market overview and should not be considered investment advice or predictive of any future market performance.

## Second Quarter 2008

<b>IN THIS ISSUE</b>	Market Review	Global Attribution
	Economic Outlook	Announcements
	<b>Market Benchmarks</b>	Report of the Quarter
	BNY Mellon Trust Universes	

## Market Benchmarks - June 30, 2008

	QTR ENDING	YTD ENDING	YEAR ENDING	3 YEARS ENDING	5 YEARS ENDING	7 YEARS ENDING	10 YEARS ENDING
<b>Cash</b>							
90 DAY TREASURY BILL	0.31	1.20	3.63	4.27	3.18	2.86	3.63
<b>Bonds</b>							
LEHMAN AGGREGATE	-1.02	1.13	7.12	4.09	3.86	5.44	5.68
LEHMAN GOVT CREDIT	-1.51	0.98	7.24	3.84	3.58	5.56	5.69
CITIGROUP BROAD	-1.19	1.41	7.77	4.28	4.02	5.56	5.76
MER HIGH YIELD BOND	1.80	-1.24	-2.03	4.60	6.85	7.27	5.21
<b>Equity</b>							
S&P 500	-2.73	-11.91	-13.12	4.41	7.58	2.45	2.88
RUSSELL 1000 GROWTH	1.25	-9.06	-5.96	5.91	7.32	1.07	0.96
RUSSELL 1000 VALUE	-5.31	-13.57	-18.78	3.53	8.92	4.73	4.91
RUSSELL 2000	0.58	-9.37	-16.19	3.79	10.29	5.63	5.53
RUSSELL 3000	-1.69	-11.05	-12.69	4.73	8.37	3.20	3.51
<b>Int'l Bonds</b>							
CITIGROUP WLD GOVT BD HEDGED	-2.32	0.20	5.72	3.28	3.59	4.59	5.26
CITIGROUP WLD GOV EX US	-4.72	5.70	18.72	6.65	7.06	9.76	6.67
<b>Int'l Equity</b>							
WORLD NET DIVS	-1.66	-10.57	-10.68	8.88	11.99	5.54	4.19
WORLD EX USA HEDGED	-1.59	-16.20	-20.33	6.26	9.80	0.69	1.70
EAFE NET DIVS	-2.25	-10.96	-10.61	12.84	16.67	9.02	5.83
EAFE EX-JAPAN	-4.98	-14.25	-12.94	10.98	14.60	7.68	3.87
EMERGING MARKETS	-1.58	-12.72	2.59	24.37	26.72	18.94	12.64
TSE 300 (CAD \$)	9.09	5.99	6.75	16.16	18.16	11.60	8.99
<b>Real Estate</b>							
NCREIF REAL ESTATE *	1.60	4.86	13.58	16.76	15.08	12.64	12.63

\* As of June 30, 2008

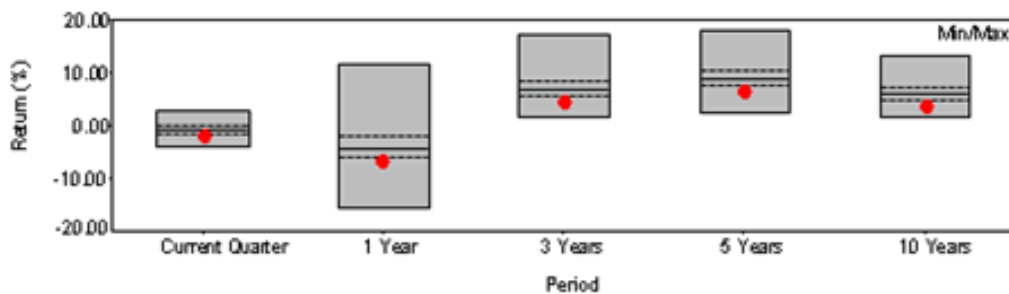
**Second Quarter 2008**

**IN THIS ISSUE**

- Market Review
- Economic Outlook
- Market Benchmarks
- BNY Mellon Trust Universes**
- Global Attribution
- Announcements
- Report of the Quarter

## BNY Mellon Trust Universes

### Master Trust Funds - Total Fund - Quarter Ending June 30, 2008

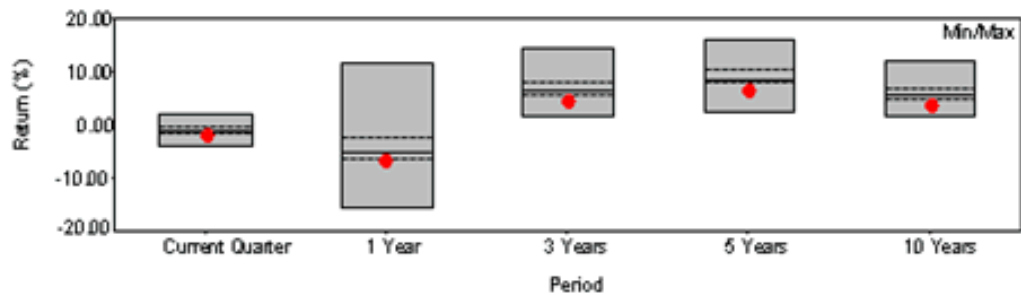


	Return	(%tile)	Return	(%tile)	Return	(%tile)	Return	(%tile)	Return	(%tile)
Maximum	3.02		11.51		17.18		18.14		13.62	
25th Percentile	- 0.10		- 1.64		8.31		10.62		7.07	
Median	- 0.76		- 4.40		6.77		9.08		6.04	
75th Percentile	- 1.29		- 6.24		5.60		7.65		5.21	
Minimum	- 3.99		- 15.48		1.52		2.70		1.91	
# of Portfolios	575		536		504		447		326	
● 50R3000V40LB AGG/10 MSC Mex US	- 1.35	78	- 5.58	66	5.36	80	7.27	81	4.61	87

### Master Trust Funds - Total Fund - Asset Allocation Quarter Ending June 30, 2008

	Total % of Market Value	5th	25th	Median	75th	95th
US Equity	33%	62.56%	47.77%	38.62%	29.85%	17.01%
Non-US Equity	19%	29.82%	21.32%	17.76%	14.22%	8.15%
US Fixed Income	25%	65.21%	38.79%	29.30%	21.50%	8.04%
Non-US Fixed Income	2%	8.98%	4.56%	1.71%	0.52%	0.00%
Real Estate	4%	13.60%	9.75%	5.76%	3.72%	99.00%
Alternative Investments	9%	56.04%	28.80%	13.46%	6.17%	2.31%
Cash	2%	21.38%	5.63%	2.58%	0.78%	0.00%
Other	6%					

## Total Funds - Corporate - Quarter Ending June 30, 2008

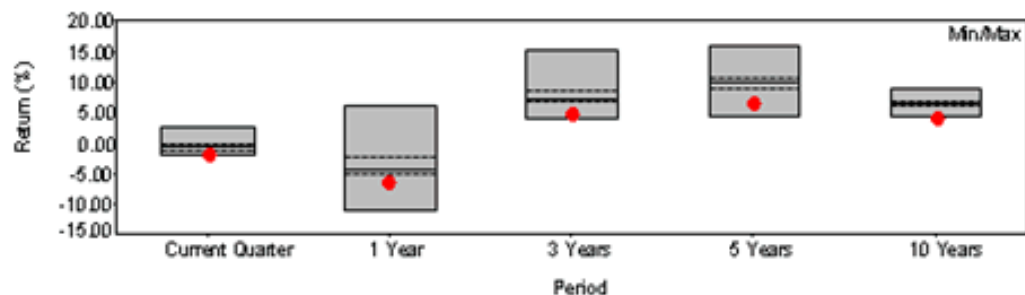


	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)
Maximum	2.26		11.51		14.46		16.24		12.29	
25th Percentile	- 0.29		- 2.39		7.78		10.27		6.91	
Median	- 0.94		- 5.05		6.68		8.94		5.84	
75th Percentile	- 1.45		- 6.44		5.59		7.93		5.10	
Minimum	- 3.99		- 15.48		1.52		2.80		1.91	
N of Portfolios	260		243		236		205		151	
● 50R3000V40LB AGG/10 MSCI Mex US	- 1.35	72	- 5.58	60	5.36	81	7.27	82	4.61	85

## Total Funds - Corporate - Asset Allocation Quarter Ending June 30, 2008

	Total % of Market Value	5th	25th	Median	75th	95th
US Equity	34%	62.36%	49.16%	42.29%	34.11%	20.42%
Non-US Equity	17%	27.64%	21.30%	16.98%	13.54%	8.66%
US Fixed Income	30%	67.68%	40.58%	32.38%	24.44%	15.20%
Non-US Fixed Income	0%	7.92%	3.77%	1.48%	0.00%	0.00%
Real Estate	3%	11.94%	8.59%	5.82%	4.33%	1.38%
Alternative Investments	5%	28.93%	14.60%	8.42%	3.78%	0.93%
Cash	2%	76.90%	6.67%	2.28%	0.54%	0.00%
Other	9%					

## Total Funds - Public - Quarter Ending June 30, 2008



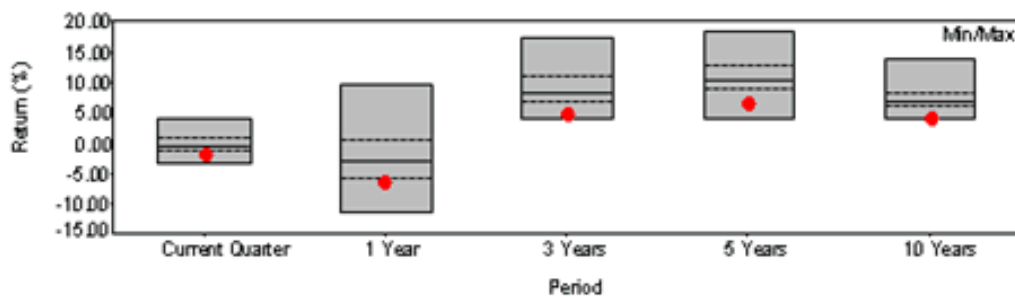
	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)
Maximum	2.44		6.13		15.12		15.91		8.92	
25th Percentile	- 0.31		- 2.39		8.47		10.62		6.99	
Median	- 0.81		- 4.46		7.18		9.73		6.46	
75th Percentile	- 1.13		- 5.50		6.54		8.75		5.92	
Minimum	- 1.88		-11.31		4.00		4.42		4.60	
N of Portfolios	65		62		61		59		42	
● 50R3000V40LB AGG/10 MSCI Mex US	- 1.35	87	- 5.58	78	5.36	94	7.27	94	4.61	98

## Total Funds - Public - Asset Allocation

Quarter Ending June 30, 2008

	Total % of Market Value	5th	25th	Median	75th	95th
US Equity	32%	53.87%	41.55%	35.12%	27.27%	15.06%
Non-US Equity	21%	28.48%	21.51%	19.89%	17.19%	10.93%
US Fixed Income	24%	58.86%	33.86%	26.90%	23.33%	14.52%
Non-US Fixed Income	3%	6.19%	4.81%	2.47%	0.83%	0.00%
Real Estate	5%	13.02%	8.78%	6.08%	5.19%	1.23%
Alternative Investments	8%	20.10%	11.50%	8.02%	4.65%	2.45%
Cash	2%	12.57%	4.60%	3.05%	2.05%	0.00%
Other	5%					

## Total Funds - Foundation/Endowments - Quarter Ending June 30, 2008



	Return	(%tile)	Return	(%tile)	Return	(%tile)	Return	(%tile)	Return	(%tile)
Maximum	3.69		9.44		17.18		18.14		13.62	
25th Percentile	0.47		0.41		11.18		13.06		8.40	
Median	- 0.48		- 2.99		8.10		10.40		6.87	
75th Percentile	- 1.19		- 6.20		6.51		8.83		5.87	
Minimum	- 3.46		- 11.70		3.97		3.86		4.19	
# of Portfolios	160		142		127		112		77	
● 50R300V40LB AGG/10 MSCI Mex US	- 1.35	85	- 5.58	72	5.36	91	7.27	93	4.61	95

## Total Funds - Foundation/Endowments - Asset Allocation Quarter Ending June 30, 2008

	Total % of Market Value	5th	25th	Median	75th	95th
US Equity	32%	58.82%	43.89%	32.24%	25.64%	12.64%
Non-US Equity	18%	35.28%	22.41%	18.01%	15.56%	8.16%
US Fixed Income	14%	40.89%	26.33%	20.76%	10.98%	2.09%
Non-US Fixed Income	1%	9.66%	2.54%	1.58%	0.00%	0.00%
Real Estate	1%	13.52%	4.64%	3.41%	1.29%	0.00%
Alternative Investments	27%	64.61%	45.59%	28.62%	14.37%	4.34%
Cash	2%	14.03%	6.54%	4.17%	1.50%	0.00%
Other	5%					

## Manager Universes - Top 10

Sorted By Total Return on the Three Year Time Period Ending June 30, 2008

<b>LARGE VALUE EQUITY MANAGERS</b>	<b>3 Yrs Jun . 2008</b>	<b>2 Yrs Jun . 2008</b>	<b>1 Yr Jun . 2008</b>	<b>Qtr Jun . 2008</b>	<b>3 Yrs Std Dev.</b>
W.H. Reaves & Co., Inc.	16.70	19.77	9.58	10.32	10.93
Janus Capital Management LLC	15.29	12.50	-7.91	-4.75	12.59
United States Trust Company, N.A	12.00	10.85	-1.88	8.94	10.54
Loomis, Sayles & Company	10.04	5.16	-12.26	-2.75	10.06
Atlanta Life Investment Advisors, Inc.	9.55	8.26	-4.96	2.16	8.33
Jennison Associates LLC	9.05	3.98	-12.05	5.44	11.77
Marque Millennium Capital Management, LLC	8.27	5.86	-5.50	2.08	7.94
Becker Capital Management, Inc.	8.02	5.53	-8.83	0.08	7.79
Bartlett & Co.	7.98	5.05	-12.02	1.51	10.22
MFS Investment Management, Inc.	7.94	5.70	-10.20	-1.41	8.74
Russell 1000 Value Index	3.53	-0.51	-18.78	-5.31	
<b>LARGE GROWTH EQUITY MANAGERS</b>	<b>3 Yrs Jun . 2008</b>	<b>2 Yrs Jun . 2008</b>	<b>1 Yr Jun . 2008</b>	<b>Qtr Jun . 2008</b>	<b>3 Yrs Std Dev.</b>
Husic Capital Management	17.43	7.73	2.51	11.44	21.52
Fred Alger Management, Inc.	16.71	16.30	1.63	3.53	13.76
Westfield Capital Management Company, LLC	15.98	15.45	7.71	11.45	11.27
McKinley Capital Management, Inc.	12.94	13.56	3.35	3.24	10.00
Albion Management Group	12.63	11.28	-4.89	-0.28	11.55
Rushmore Investment Advisors Inc	11.41	7.97	-3.29	0.40	10.82
Winslow Capital Management	11.37	11.64	4.07	5.64	10.39
CastleArk Management, LLC	11.28	12.25	4.67	4.67	9.66
J.P. Morgan Investment Management Company	10.58	11.66	5.73	6.87	11.20
William Blair & Company	10.44	8.53	-1.59	2.66	9.67
Russell 1000 Growth Index	5.91	5.81	-5.96	1.25	
<b>SMALL VALUE EQUITY MANAGERS</b>	<b>3 Yrs Jun . 2008</b>	<b>2 Yrs Jun . 2008</b>	<b>1 Yr Jun . 2008</b>	<b>Qtr Jun . 2008</b>	<b>3 Yrs Std Dev.</b>
NewSouth Capital Management, Inc.	18.42	14.81	2.29	11.37	12.08
Transamerica Investment Management, LLC	18.19	17.70	10.55	11.71	12.59
Neuberger Berman, LLC	15.02	16.38	13.18	9.31	8.97
Lord, Abnett & Company	13.55	6.19	-4.46	2.31	11.96
NMF Asset Management, LLC	11.48	1.60	-6.88	2.67	11.64
Loomis, Sayles & Company, L.P.	11.39	6.83	-11.82	1.56	12.08
Vaughan Nelson Investment Management	11.30	7.90	-2.85	9.50	12.00
Fisher Investments	10.88	6.63	-6.59	2.07	10.96
Netols Asset Management	9.66	9.18	-6.28	7.18	12.39
NWQ Investment Management Company	9.42	-0.10	-14.57	0.76	14.69
Russell 2000 Value	1.39	-4.63	-21.63	-3.55	
<b>SMALL GROWTH EQUITY MANAGERS</b>	<b>3 Yrs Jun . 2008</b>	<b>2 Yrs Jun . 2008</b>	<b>1 Yr Jun . 2008</b>	<b>Qtr Jun . 2008</b>	<b>3 Yrs Std Dev.</b>
Driehaus Capital Management, Inc.	21.02	14.61	10.48	10.45	23.39

Westfield Capital Management Company, LLC	16.75	14.88	5.19	9.30	12.42
Next Century Growth Investors, LLC	15.82	8.69	-0.51	9.51	20.16
Wells Capital Management	14.93	2.82	-9.63	5.64	21.19
Tygh Capital Management	14.38	7.70	-2.78	10.60	15.95
Lord, Abbett & Company	13.84	9.44	-3.69	6.95	20.34
TCW Asset Management Company	13.79	9.49	0.13	8.04	14.72
Friess Associates, LLC	13.46	7.68	-0.62	11.84	16.46
Lee Munder Investments Ltd.	13.21	12.17	-5.03	3.87	18.36
Wentworth, Hauser And Violich	12.64	8.86	-3.60	6.42	13.38
Russell 2000 Growth	6.08	2.07	-10.83	4.47	

These Universes (Composite Accounts) include 1,500 manager-supplied GIPS® compliant composite accounts, and over 60 composite universe classifications, including asset classes (US Equity, Non US Equity, US Fixed, Non US Fixed). All style classifications are performed by our data analysts, along with manager input, who are responsible for overseeing the quality of the database. These Universes are available as a module to the BNY Mellon Performance Universes software.

[↑ Back to Top](#)

Second Quarter 2008

## IN THIS ISSUE

- Market Review
- Economic Outlook
- Market Benchmarks
- BNY Mellon Trust Universes

## Global Attribution

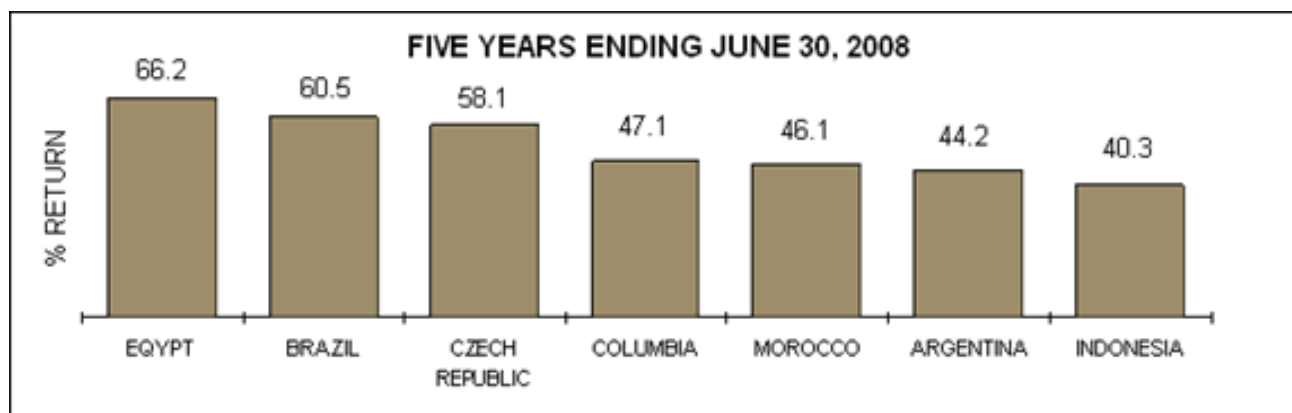
- Announcements
- Report of the Quarter

## Global Attribution

**Financial Times All World Ex US Equity Index**  
**Total Returns by country for periods ending June 30, 2008**

	Mo	Qtr	Yr	3 Yr	5 Yr		Mo	Qtr	Yr	3 Yr	5 Yr
<b>Total Index</b>	-8.5	-1.2	-5.9	16.7	19.8	<b>Norway</b>	-5.9	15.3	14.3	32.0	40.0
<b>Egypt</b>	-8.1	-6.8	28.9	25.1	66.2	<b>Mexico</b>	-8.8	-4.2	-4.2	32.8	36.0
<b>Brazil</b>	-7.5	18.7	52.2	60.8	60.5	<b>Peru</b>	-1.6	-4.3	22.0	38.1	35.0
<b>Czech Republic</b>	4.9	13.6	55.8	49.3	58.1	<b>Poland</b>	-8.7	-6.1	-4.7	28.2	34.6
<b>Columbia</b>	-15.4	-3.5	-6.1	27.7	47.1	<b>Hungary</b>	-7.3	3.3	-17.1	13.1	34.4
<b>Morocco</b>	-0.9	-2.9	46.9	62.3	46.1	<b>China</b>	-13.3	-2.3	-1.9	37.5	34.3
<b>Argentina</b>	15.1	39.3	41.3	46.2	44.2	<b>India</b>	-20.3	-18.6	-11.0	25.5	34.0
<b>Indonesia</b>	-2.2	-2.9	28.1	37.8	40.3	<b>Russia</b>	-7.5	10.1	21.7	45.6	33.6

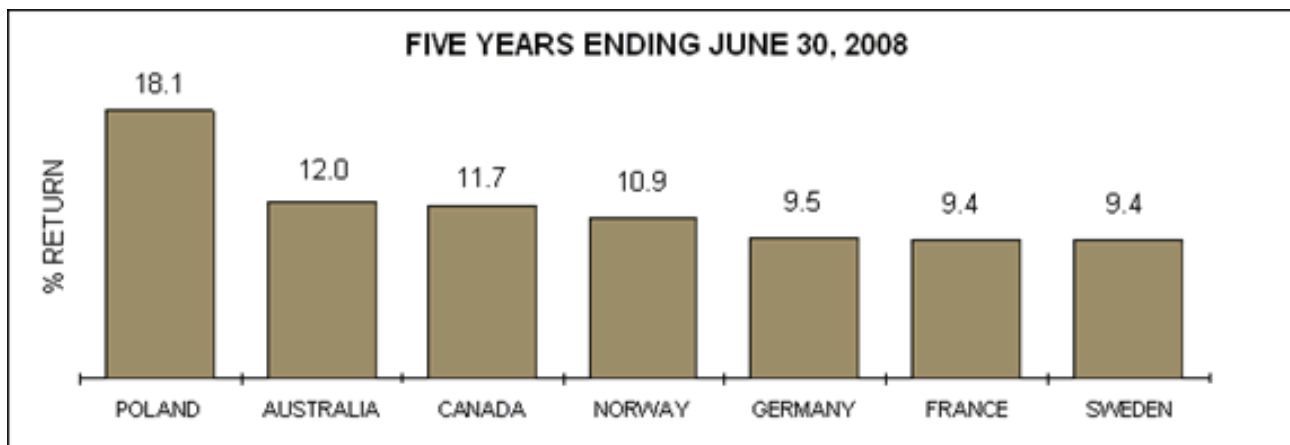
Source – BNY Mellon Asset Servicing Global Performance Measurement



**Citigroup World Government Bond Index Non US Composite**  
**Total, Currency, and Local Returns by Country for Periods Ending June 30, 2008**

	Mo	Qtr	Yr	3 Yr	5 Yr		Mo	Qtr	Yr	3 Yr	5 Yr
<b>Total Index</b>						<b>Norway</b>					
Return	0.4	-4.7	18.7	6.7	7.1	Return	-0.7	-2.4	21.5	10.0	10.9
Currency	0.6	-2.4	15.4	6.0	5.0	Currency	0.2	-0.2	16.7	8.8	7.5
Local	-0.2	-2.3	3.3	0.7	2.1	Local	-0.9	-2.2	4.8	1.2	3.5
<b>Poland</b>						<b>Germany</b>					
Return	1.1	3.3	32.3	19.4	18.1	Return	0.7	-3.1	20.8	9.8	9.5
Currency	2.1	4.3	31.3	16.7	13.5	Currency	1.4	-0.6	17.2	9.2	6.7
Local	-1.0	-1.0	1.0	2.7	4.6	Local	-0.7	-2.6	3.5	0.6	2.8
<b>Australia</b>						<b>France</b>					
Return	1.4	4.7	19.0	11.9	12.0	Return	0.5	-3.4	20.2	9.6	9.4
Currency	0.7	5.1	13.8	8.3	7.7	Currency	1.4	-0.6	17.2	9.2	6.7
Local	0.8	-0.4	5.2	3.7	4.2	Local	-0.9	-2.8	3.0	0.4	2.7
<b>Canada</b>						<b>Sweden</b>					
Return	-2.0	0.0	14.1	11.0	11.7	Return	-0.9	-3.9	17.7	9.6	9.4
Currency	-2.1	1.1	5.3	6.8	6.3	Currency	-0.2	-1.4	14.4	9.1	6.1
Local	0.1	-1.1	8.9	4.3	5.4	Local	-0.7	-2.5	3.2	0.5	3.3

\* Total combined country return is represented by the shaded area



[↑ Back to Top](#)

## Second Quarter 2008

**IN THIS ISSUE**

Market Review

Global Attribution

Economic Outlook

**Announcements**

Market Benchmarks

Report of the Quarter

BNY Mellon Trust Universes

**Announcements****BNY Mellon Asset Servicing and Wilshire Associates Extend Global Risk Management Strategic Alliance**

*BNY Mellon Asset Servicing clients now can access the power of the combined firms' advanced attribution and risk analytical tools*

BNY Mellon Asset Servicing, the global leader in securities servicing, and Wilshire Associates Incorporated, a leading global investment technology, financial services and consulting firm, announced today that they have extended their strategic alliance.

The Bank of New York (BNY) formed a strategic alliance with Wilshire in 2004, before the merger with Mellon Financial Corporation in July 2007, giving BNY clients access to daily security level factor-based performance attribution, risk and characteristics for equity, fixed income and total plan assets. Clients also benefited from online access to the Wilshire Trust Universe Comparison Service® platform.

The new and expanded agreement extends the client base that can benefit from Wilshire's advanced analytics capabilities to include clients of both legacy BNY and Mellon businesses. Clients also will benefit from having an outsourced solution for their data management, production, and support challenges. This, of course, will enable the clients to focus on their core business of adding value to their investments.

Taken together, BNY Mellon Asset Servicing and Wilshire Associates provide global risk services to more than 2,550 institutional investor clients that manage more than \$22.1 trillion in assets.

"Our relationship with Wilshire has been an outstanding success, and we are delighted to extend our alliance so that all our clients can reap the benefits," said Gerald L. Hassell, president of The Bank of New York Mellon. "Wilshire's advanced attribution and analytics offerings provide the perfect complement to our powerful performance measurement and analytical capabilities, enabling us to offer a more compelling and holistic solution to global institutional clients."

"The Bank of New York Mellon and Wilshire share a commitment to and passion for exceeding our clients' expectations and providing cutting edge tools to serve the rapidly changing needs of the global investment community," said Dennis A. Tito, chairman and chief executive officer of Wilshire Associates. "We are excited about the future and look forward to continuing our association with BNY Mellon as we raise the bar and provide clients worldwide with a premier suite of risk and performance attribution services."

"Now, more than ever, our clients are looking to us to provide advanced attribution methodologies, intuitive risk management tools, and extended reporting capabilities," said Debra A. Baker, managing director, Global Product Management - Performance & Risk Analytics at BNY Mellon Asset Servicing. "Our alliance with Wilshire will assist in empowering us to continue to meet the client demand for advanced risk management services across the regions and across multiple market segments."

BNY Mellon Asset Servicing offers clients worldwide a broad spectrum of specialised 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 Bank, N.A. and other related companies.

The Bank of New York Mellon Corporation is a global financial services company focused on helping clients manage and service their financial assets, operating in 34 countries and serving more than 100 markets. The company is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. It has more than \$23 trillion in assets under custody and administration, more than \$1.1 trillion in assets under management and services \$12 trillion in outstanding debt. Additional information is available at [bnymellon.com](http://bnymellon.com).

Wilshire Associates is a leading global financial services and investment consulting firm with four business units: Wilshire Analytics, Wilshire Consulting, Wilshire Funds Management and Wilshire Private Markets. The firm was founded in 1972, revolutionizing the industry by pioneering the application of investment analytics and research to investment management for the institutional marketplace. Wilshire also is credited with helping to develop the field of quantitative investment analysis that uses mathematical tools to analyze market risks. All other business units evolved from Wilshire's strong analytics foundation.

Wilshire developed the index now known as the Dow Jones Wilshire 5000 Composite Index<sup>SM</sup>, the first asset/liability models for pension funds, the first U.S. equity style metrics work and many other "firsts" as the firm grew to nearly 350 employees serving the investment needs of institutional and high net worth clients around the world. Based in Santa Monica, CA, Wilshire provides services to clients in more than 20 countries representing in excess of 600 organizations with assets totaling more than \$12.5 trillion. With ten offices on four continents, Wilshire Associates and its affiliates are dedicated to providing clients with the highest quality counsel, products and services. Please visit [wilshire.com](http://wilshire.com) for more information.

[↑ Back to Top](#)

## Second Quarter 2008

**IN THIS ISSUE**

Market Review

Global Attribution

Economic Outlook

Announcements

Market Benchmarks

**Report of the Quarter**

BNY Mellon Trust Universes

**Report of the Quarter****Excess Weight Summary by Asset Report**

When evaluating the performance of an investment, it can be beneficial to compare it against an appropriate benchmark. In addition to performance, understanding the asset allocation of a portfolio and its benchmarks can help explain the difference in returns. BNY Mellon Asset Servicing recognizes the importance of allocation decisions in the investment process and has developed the **Excess Weight Summary by Asset** report, currently available on Workbench.

The Excess Weight Summary by Asset report allows clients to see their portfolio's asset allocation compared to a benchmark using two different graphs.

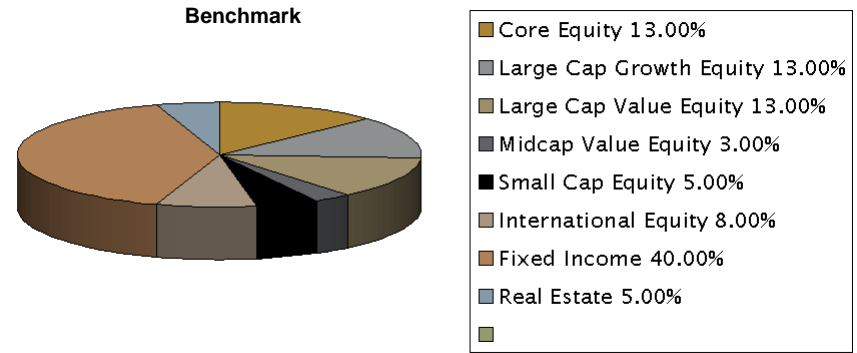
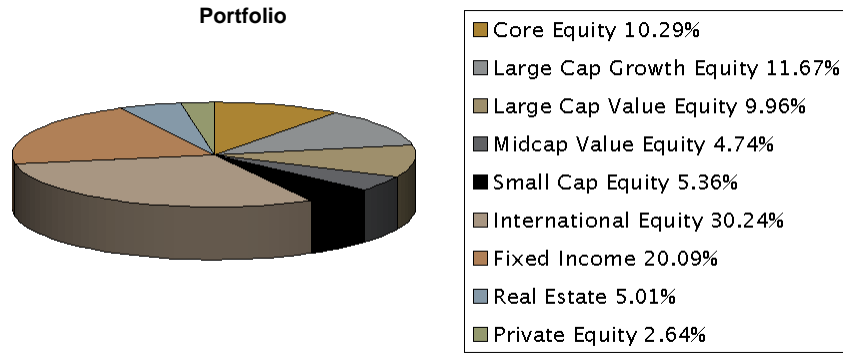
The portfolio shown in this example is a Total Fund Composite reflecting all assets within ABC, Ltd, and the benchmark selected is a customized index reflecting total fund policy weights.

The pie chart illustrates the overall allocation of the total fund and custom benchmark, while the bar graph shows the relative weights of the portfolios' asset classes versus the benchmark. In this example, it's clear that ABC Ltd has chosen to significantly overweight its allocation to International Equity and underweight Fixed Income. Allocation decisions are a key driver of performance and this report can be helpful in comparing portfolio and benchmark weights.

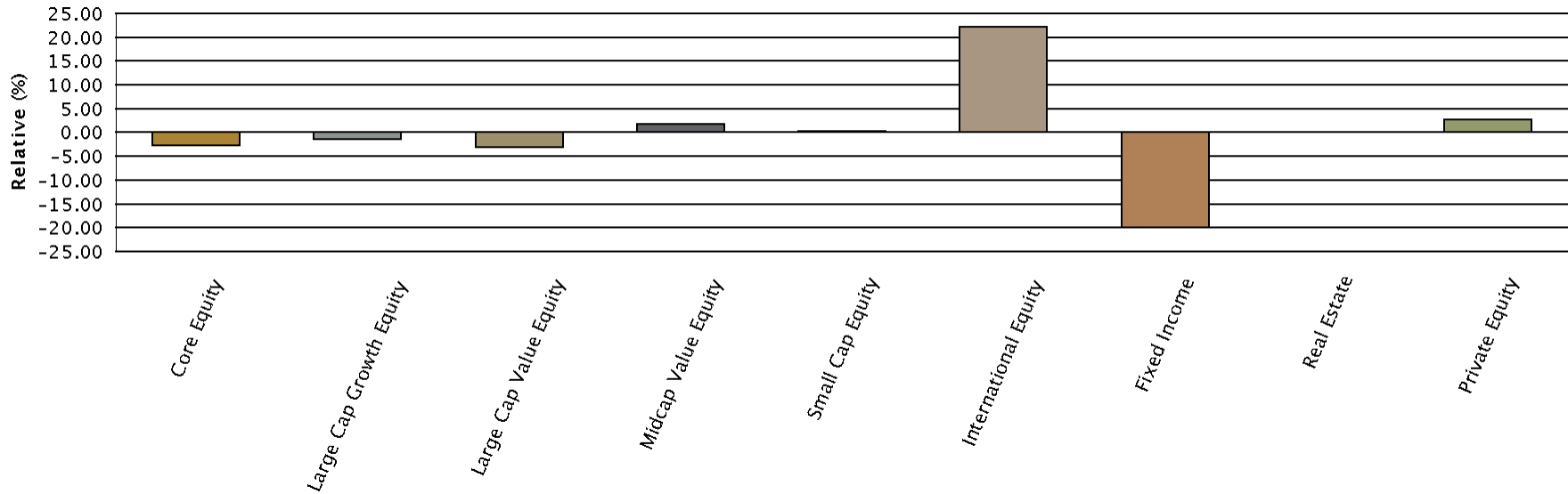
If you have any questions regarding this report or any of our products and services, please contact your Investment Analytics Consultant.

**Excess Weight Summary By Asset**  
Values Stated as Percentages

1 Month Ending March 31, 2008



**Relative Weighting of Portfolio**



Policy Benchmark is ABC TFA Benchmark.

For periods greater than one month, the excess weight is the average of each period's weight deviations.