



Second Quarter 2009

Volume 19.2

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Market Review

The second quarter of 2009 extended many of the themes from the prior quarter, although the intensity and velocity of the negative news appeared to ease slightly. The U.S. economy continued to contract, shrinking at an annualized rate of 5.5%, compared to 6.3% in the prior quarter. ►

Economic Outlook

In our opinion, the U.S. recession is over, an outcome consistent with our forecast of a recession trough near mid-2009. This is Richard Hoey of The Bank of New York Mellon Corporation with a market commentary on August 7, 2009. ►

Announcements

The Bank of New York Mellon and Investor Analytics Form Strategic Alliance To Provide Enterprise-Wide Risk Management and Reporting

Through this new alliance, BNY Mellon clients will have access to tools to measure and manage investment risks across multiple asset classes, strategies and portfolios using state of the art risk analytics, calculations, portfolio stress testing, and historical scenario analysis. ►

Thought Leadership: Equity Style Analysis – Beyond Performance Measurement Case Study

This case study shows how various characteristic data can be compared in the context of universe peer groups and provides insight into the structure and performance of individual manager portfolios. Further, by incorporating peer and index comparisons over time, this visual representation of data illustrates a compelling case for including fundamental analysis in investment manager comparisons. ►

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Fixed Income Profile

The Fixed Income Profile provides you with access to industry leading fundamental and quantitative statistics that will help you identify the structure and critical style characteristics of your fixed income portfolio or composite of portfolios. ►

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Market Review

Economic Review

The second quarter of 2009 extended many of the themes of the prior quarter, although the intensity and velocity of the negative news appeared to ease slightly. The U.S. economy continued to contract, shrinking at an annualized rate of 5.5% in the first quarter 2009, as compared to 6.3% in the prior quarter. The unemployment rate continued to swell, with the headline rate reaching 9.5% as of the end of June. The currency markets sharply reversed course, with all major currencies gaining ground against the dollar. The U.S. trade deficit held steady, with imports exceeding exports by \$26 billion for the month of May. After a long and well-documented decline, General Motors finally succumbed to bankruptcy in June, as the country worried about how the effects would ripple through the economy.

Financial Markets Review

Financial markets provided positive news to investors in the second quarter with positive returns across most major asset classes. As in the first quarter, the Fed expressed intent to leave the Federal Funds Rate at the target of 0-0.25% for an extended period of time. The government carried out the much anticipated stress test on the largest financial institutions, and attempted to predict their ability to withstand a prolonged economic slump. Several institutions were declared to be adequately capitalized, while others were charged with the task of increasing their reserves to prevent collapse. As the quarter progressed, several of the institutions further proclaimed their strength by repaying the TARP funds they had received from the government ahead of schedule. Long-term treasury rates have increased from approximately 2% in late 2008 to near to 4% as of the end of the second quarter. Inflation fears, among other factors, led to an increase in prices for many commodities including oil which rose from below \$50 per barrel at the start of the quarter to nearly \$70 per barrel at quarter-end.

Domestic Equity Review

The broad U.S. equity indices managed to turn around for the quarter, as the Russell 3000 and S&P 500 had positive returns of 16.8% and 15.9%, respectively. While the first quarter produced almost uniformly negative returns across styles and sectors, the gains produced in the second quarter reached all areas of the domestic equity markets — large, small, growth and value. The story was much the same in terms of the economic sectors of the U.S. markets; consistently positive returns were achieved across all sectors of the Russell 3000. The significant increase in market volatility during the first quarter continued into the second. The standard deviation of the Russell 3000 index was 28.5% for the period. At quarter-end, investors eagerly looked to upcoming earnings reports to validate their hopes that the recession is nearing its end.

For the first time in three quarters, small stocks as represented by the Russell 2000 Index outperformed their larger counterparts, returning 20.7% versus the 16.5% return of the Russell 1000 Index. The gains were even across the growth/value divide with both the Russell 3000 Growth and Russell 3000 Value indices posting a 16.8% return for the quarter. Remarkably, every sector of the Russell 3000 Index posted positive returns in the second quarter, led by Financials and Other Energy.

International Markets Review

International equity investors were rewarded with strong positive returns across the international equity markets. The declining dollar contributed to the out-performance of the international markets. Emerging markets followed up a relatively strong first quarter by again exceeding the performance of their developed

counterparts. The broad MSCI EAFE index posted a 25.8% return, a strong showing for developed international equity markets after six consecutive quarters of negative returns.

International equity markets rewarded their investors across all regions, with returns ranging from the 23.1% for the MSCI Japan Index to 32.0% for the MSCI Pacific Ex Japan Index. Emerging markets' performance exceeded that of the developed markets led by the MSCI Emerging Markets Latin America Index returning 38.6%. For the second consecutive quarter, international value stocks out-performed international growth, in a reversal from the prior quarter.

Fixed Income Review

The second quarter saw fixed income investments reclaim positive ground in the majority of fixed income sectors. The highest performing sectors were the High Yield and US Credit, returning 15.2% and 8.8%, respectively. Increasing doubt about the U.S. government's ability to effectively continue to issue debt, at its present rate, put downward pressure on government debt, causing the Barclays Capital Government Bond Index to lose 2.2% during the period. The Barclays Capital Mortgage Backed Securities index, which had a relatively strong first quarter, was barely able to stay positive with a 0.7% return. International fixed income securities experienced a recovery in the second quarter, highlighted by a 3.5% return for the Citigroup World Government Bond index.

As in the prior quarter, high yield bonds led the way in performance, with the Barclays Capital Corporate High Yield BB (Ba) index achieving a 15.2% return for the quarter. The Barclays Capital US Credit index was the next highest performer with an 8.8% return. Fixed Income as an asset class performed better this quarter, with the Barclays Capital Aggregate Bond returning 1.8%.

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Economic Outlook

This is Richard Hoey of The Bank of New York Mellon Corporation with a market commentary on August 7, 2009.

In our opinion, the U.S. recession is over, an outcome consistent with our forecast of a recession trough near mid-2009. We also believe that the global recession has ended, as the economic recovery, which began in Asia, spreads to most major countries. Real GDP should rise in most major countries during the third quarter of 2009. However, we expect the level of economic activity and employment in most countries to remain substantially lower than it was at the cycle peaks for an extended period of time. The news on the change in economic activity should be positive, but the news on the level of economic activity and employment is likely to remain negative.

We have high confidence in three major themes: (1) most policy authorities worldwide are "all-in" with powerfully stimulative policy, led by the U.S. and China, (2) the severe inventory liquidation in the U.S. is about to slow, and (3) there has been a major drop in the equity cost of capital and the debt cost of capital for most corporations, fostering corporate deleveraging via refinancing as a substitute for further downsizing.

The cyclical transition from the Great Recession to economic expansion is better understood as the exhaustion of severe weakness in residential construction, auto sales and production, and inventory liquidation rather than as the sum of a number of new sources of strength. However, we do expect the expansion to be sustainable, given the substantial easing of the credit crunch which has already occurred. Different aspects of the economy should improve at a different pace. Industrial production is likely to rebound immediately as the severe pace of inventory liquidation eases. In contrast, the labor market recovery is likely to be slow, with the peak in the unemployment rate likely to lag by about three quarters, as is the normal cyclical pattern.

The economic evidence has been tracing out a classic recession trough pattern: (1) the leading indicators have risen for several months in a row, (2) the purchasing managers' surveys have been rising in the U.S. and worldwide, (3) within the purchasing managers' surveys, orders have been rising, (4) housing inventories have dropped and home sales, building permits and housing starts have risen, (5) the yield curve has steepened, with long-term yields rising, (6) corporate risk spreads have narrowed, (7) commodity prices have risen off their extreme lows, (8) the stock market has risen substantially, led by financial and cyclical stocks, and (9) the moving average of initial unemployment claims has dropped, even in those states where there are no auto plants to mask the underlying trend of improvement. Aggregate hours worked in the U.S. economy have declined for many months, but that decline came to an end in July 2009 with a flat reading for the overall economy and a rise of 0.4% in manufacturing. We believe this was the cyclical trough. In our opinion, the recession is over.

The past has been somewhat re-written by the GDP revisions: the economic decline during the Great Recession was substantially more severe than originally reported. This helps explain why labor market weakness has been so pronounced. Real GDP is now reported to have declined rather than risen in the third quarter of 2008. The two-quarter-long waterfall stage of the Great Recession in late 2008 and early 2009 was even more severe than originally reported, with real GDP declining at a 5.4% annual rate in the fourth quarter of 2008 and at a 6.4% rate in the first quarter of 2009. This two-quarter waterfall decline phase of the

recession transitioned to a mild decline in the second quarter of 2009, when real final sales were roughly flat. We believe that the second quarter of 2009 will mark the last quarter of declining residential construction, the last quarter of declining automobile production, the most severe inventory liquidation of the cycle and the last quarter of the Great Recession.

One of the reasons that we have been more optimistic than the economic pessimists that the Great Recession would bottom near mid-2009 has been that we do not expect a further major rise in the savings rate. While they expect the savings rate to continue a further upward shift to 10% or more with severe weakness in consumer spending as consumer behavior changes dramatically, we think that it is more likely that there will be a stabilization in the savings rate at roughly half that rate, near the level of the second quarter of 2009. There are good reasons to expect a somewhat higher savings rate now that the prior housing boom has been followed by lower house prices. However, we believe that many consumers who wish to raise their savings rate substantially will not succeed in doing so, largely for two reasons: (1) they will find it difficult to restrain their spending and (2) the growth in sustainable income should prove sluggish relative to their spending desires. In their own long-term self-interest, they should further increase their savings rate by further reducing their spending. We just don't think that they will change their behavior enough to reach the very high savings rates that the cyclical pessimists expect.

There are many conceptual and measurement problems with the reported savings rate. One of these is that the actual savings rate generally proves to have been higher than what was originally reported, due largely to persistent upward revisions in the original estimates of income. In the recent GDP revisions, the savings rate was revised up for twelve of the last twelve years. One result of this persistent pattern of initial underestimates of the savings rate is that analysts tend to overestimate how much the savings rate "must" rise and how weak consumption "must" be. We do believe that restricted availability of mortgage credit and auto credit did weaken consumption spending when these restrictions were most severe during the worst phases of the credit crunch, just at the time when consumer net worth was dropping sharply. As these credit channels gradually open up, we expect that the savings rate should stabilize. Note that the drop in consumer net worth has probably ended. The government is borrowing heavily on behalf of many consumers who have a very low propensity to save out of income. At the same time, monetary policy is ensuring that the interest rates available to savers are quite low. Please note that we are not arguing for strong growth in consumption, but rather that it is not destined for severe further weakness that would prolong the recession.

If the economic expansion is beginning, how rapid is it likely to be? The normal Postwar pattern after such a severe recession would be a "Big V," with a powerful expansion at about a 5% or 6% annual rate in the first year. We do not believe that this is a realistic expectation for this recovery, because the deleveraging drag on the economy is real, even though we believe that it is less severe than the economic pessimists have argued. Our most likely case is that in the last half of 2009 and the four quarters of 2010, real GDP growth should average about 3% to 3.5%, possibly a touch higher. The "new normal" trend growth rate in the U.S. is likely to be in the 2% to 2.5% range. Thus, such a growth rate would be subpar relative to a traditional recovery after a severe recession, but would still represent somewhat above-trend growth. Although that is stronger growth than many have been expecting, it would be a somewhat sluggish rebound after such a severe recession. The unemployment rate should trend higher for about another three quarters, in keeping with the normal cyclical pattern. We would expect a peak in the unemployment rate sometime in early 2010 at or somewhat above 10%, followed by a very gradual decline. Even as cyclical uncertainties begin to fade, companies will face continued policy uncertainties, which are likely to restrain decisions to hire.

We expect some complex crosscurrents in inflation. Despite the recent weakness in the dollar and strength in commodities prices, core inflation should drift lower in response to excess capacity and weak wage inflation. For reported inflation, however, we expect a "headline head fake" due largely to volatile oil prices. The 12-month rate of change of the reported Consumer Price Index could rise about 400 basis points from about minus 2% this summer to about plus 2% at the end of 2009. However, this should largely be an artifact of the violent volatility of oil prices. In the 12 months following a \$147 per barrel crude oil price in July 2008, reported inflation will be negative. In the 12 months following crude oil prices near \$30 per barrel in December 2008, reported inflation should rebound. This reacceleration of reported inflation will coincide with the rebound in economic activity in the second half of 2009, but will be more attributable to the oil price cycle than to the economic cycle.

In sum, there is no change to our outlook but the evidence in support of it has improved.

York Mellon Corporation, and does not constitute investment advice, nor should it be considered predictive of any future market performance.

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Richard B. Hoey

Chief Economist
The Bank of New York Mellon Corporation

Chief Economist
The Dreyfus Corporation

Richard B. Hoey is chief economist of The Bank of New York Mellon Corporation, as well as chief economist of The Dreyfus Corporation. Mr. Hoey joined Dreyfus in 1991 as chief economist. In July 1999, he was appointed chief economist of Mellon Financial Corporation, which merged with The Bank of New York Company, Inc. to form The Bank of New York Mellon Corporation on July 1, 2007. Earlier in his career at Dreyfus, Mr. Hoey managed three equity mutual funds which, in the aggregate, grew to over \$2 billion in size.

Mr. Hoey is responsible for monitoring all aspects of the economic environment for The Bank of New York Mellon Corporation and Dreyfus including the U.S. economy, the global economy and currencies. He works closely with the heads of various specialized equity and fixed income teams at The Bank of New York Mellon Corporation and Dreyfus. Mr. Hoey also serves as a principal spokesman for The Bank of New York Mellon Corporation and Dreyfus on economic and investment issues.

Previously, Mr. Hoey spent nearly two decades as a chief economist, portfolio strategist and a member of both the investment policy and stock selection committees of a number of leading investment firms, including Prudential-Bache, A.G. Becker and Drexel Burnham Lambert.

At the beginning of his career on Wall Street, he was co-owner and portfolio manager at an investment counsel firm which managed balanced accounts investing in blue chip stocks, special situations, convertible securities and growth stocks and acted as advisor on private placement financing.

Mr. Hoey graduated from Yale College where he earned a B.A. degree in politics and economics and from New York University Graduate School of Business Administration where he earned an M.B.A. in investments.

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Market Benchmarks - June 30, 2009

	QTR ENDING	YTD ENDING	YEAR ENDING	3 YEARS ENDING	5 YEARS ENDING	7 YEARS ENDING	10 YEARS ENDING
US Equity							
S&P 500	15.93	3.16	-26.21	-8.22	-2.24	0.92	-2.22
RUSSELL 1000	16.50	4.32	-26.69	-8.20	-1.85	1.35	-1.75
RUSSELL 1000 GROWTH	16.32	11.53	-24.50	-5.45	-1.83	1.46	-4.18
RUSSELL 1000 VALUE	-16.70	-2.87	-29.03	-11.11	-2.13	1.06	-0.15
RUSSELL 2000	20.69	2.64	-25.01	-9.89	-1.71	2.68	2.38
RUSSELL 3000	16.82	4.20	-26.56	-8.35	-1.84	1.45	-1.46
International Equity							
MSCI WORLD INDEX	21.05	6.79	-29.01	-7.48	0.57	3.33	-0.37
MSCI WORLD NET DIVIDEND	20.75	6.35	-29.50	-8.02	0.03	2.79	-0.84
MSCI EAFE	25.85	8.42	-30.96	-7.51	2.79	5.26	1.59
MSCI EAFE NET DIVIDEND	25.43	7.95	-31.35	-7.98	2.31	4.79	1.18
MSCI EUROPE	25.89	7.69	-34.05	-7.84	2.87	5.12	1.77
MSCI PACIFIC	25.74	9.75	-24.31	-7.06	2.43	5.43	1.07
MSCI EMERGING MARKETS	34.84	36.22	-27.82	3.27	15.09	16.33	9.02
TSE 300 (CAD \$)	19.97	17.56	-25.69	-0.89	6.58	7.94	6.15
US Fixed Income							
BARCLAYS CAPITAL AGGREGATE BOND	1.78	1.90	6.05	6.43	5.01	5.08	5.98
BARCLAYS CAPITAL GOVT BOND	-2.21	-3.17	6.63	7.28	5.41	5.23	6.06
CITIGROUP BROAD	1.20	1.44	7.05	6.96	5.37	5.36	6.16
MERRILL LYNCH HIGH YIELD BOND	22.55	28.99	-3.63	1.77	4.06	7.18	4.72
International Fixed Income							
BARCLAYS CAPITAL GLOBAL AGGREGATE	4.93	1.52	2.75	6.68	5.53	6.68	6.05
CITIGROUP WLD GOVT BD	3.48	-1.50	4.00	7.77	6.06	7.43	6.53
CITIGROUP WLD GOVT BD (HEDGED)	-0.57	-0.82	8.10	6.03	5.31	4.93	5.48
CITIGROUP WLD GOV EX US	5.44	-0.61	3.53	7.90	6.24	8.03	6.54
JP MORGAN GLOBAL GOVT BOND	2.95	-1.94	4.83	7.91	6.14	7.46	6.53
JP MORGAN EMERGING MARKETS BOND	9.95	12.71	2.43	6.44	9.02	11.81	11.16
Other							
NCREIF REAL ESTATE *	-7.33	-15.01	-14.67	4.16	9.43	9.14	9.37
VENTURE ECONOMICS ALL PRIVATE EQUITY *	-3.30	-17.61	-22.62	1.67	9.20	7.73	9.19

GOLDMAN SACHS COMMODITY INDEX	19.24	6.55	-59.68	-15.17	-3.45	3.98	6.32
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Cash

90 DAY TREASURY BILL	0.05	0.10	0.95	3.25	3.17	2.62	3.23
LIBOR BBA USD 1 MONTH	0.10	0.22	1.52	3.66	3.51	2.88	3.43

* As of March 31, 2009

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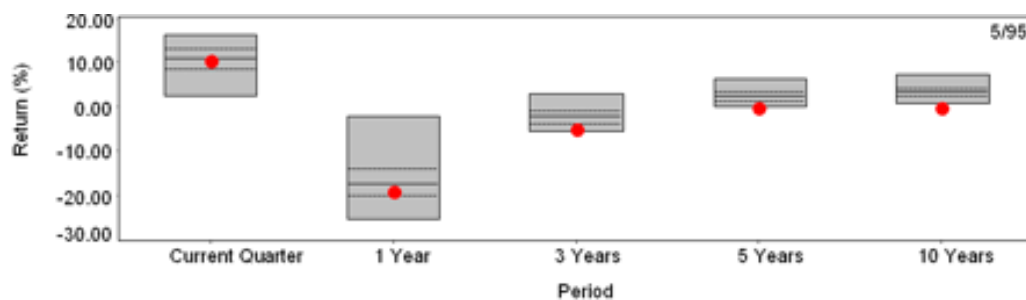
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Master Trust Funds - Total Fund - Quarter Ending June 30, 2009

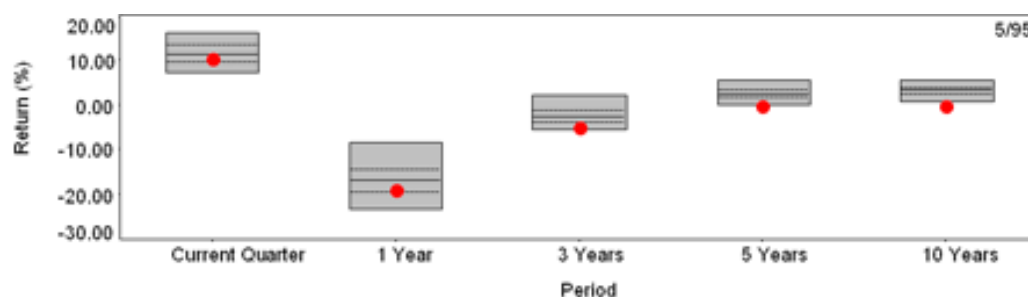


	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)
5th Percentile	15.76		- 2.16		2.89		5.90		7.14	
25th Percentile	12.99		- 14.03		- 0.75		3.38		4.16	
Median	10.80		- 17.49		- 2.38		2.35		3.30	
75th Percentile	8.46		- 20.08		- 3.67		1.46		2.40	
95th Percentile	2.78		- 25.46		- 5.70		- 0.03		0.82	
# of Portfolios	611		508		448		396		280	
● 50R3000/40 Barclays Agg/10MSCI WxUS	11.49	42	- 18.02	57	- 4.02	82	0.49	91	0.65	97

Master Trust Funds - Total Fund - Asset Allocation Quarter Ending June 30, 2009

	Total % of Market Value	5th	25th	Median	75th	95th
US Equity	33%	60.48%	44.54%	36.17%	27.37%	12.58%
Non-US Equity	30%	27.75%	20.56%	15.64%	11.27%	4.97%
US Fixed Income	15%	70.56%	42.02%	31.84%	24.58%	11.34%
Non-US Fixed Income	1%	12.41%	5.20%	2.86%	0.60%	0.00%
Real Estate	9%	15.74%	9.07%	7.20%	5.10%	1.14%
Alternative Investments	2%	60.75%	32.60%	13.88%	7.59%	3.32%
Cash	2%	44.92%	10.98%	4.74%	2.07%	0.00%
Other	8%					

Total Funds - Corporate - Quarter Ending June 30, 2009

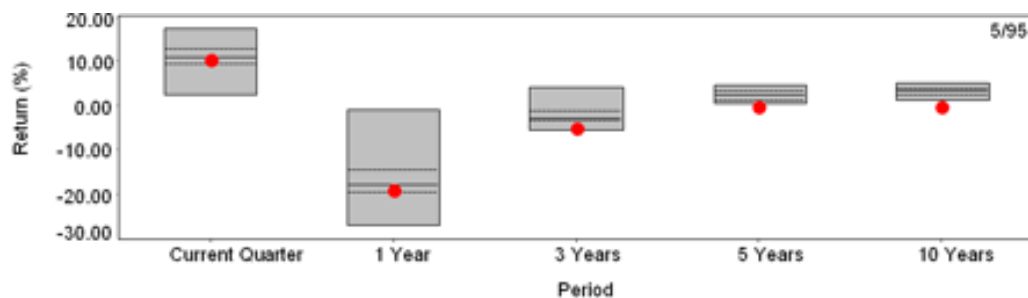


	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)
5th Percentile	15.75	-	8.47	-	2.03	-	5.40	-	5.28	-
25th Percentile	13.58	-	14.36	-	1.29	-	3.17	-	3.92	-
Median	11.69	-	17.34	-	2.64	-	2.31	-	3.13	-
75th Percentile	9.75	-	19.67	-	3.73	-	1.60	-	2.45	-
95th Percentile	7.19	-	23.45	-	5.75	-	0.28	-	0.81	-
# of Portfolios	241		192		169		147		111	
● 50R3000/40 Barclays Agg/10MSCI WxUS	11.49	54	- 18.02	60	- 4.02	81	0.49	92	0.65	97

Total Funds - Corporate - Asset Allocation Quarter Ending June 30, 2009

	Total % of Market Value	5th	25th	Median	75th	95th
US Equity	33%	56.74%	47.00%	38.60%	30.73%	20.25%
Non-US Equity	14%	26.49%	20.54%	15.00%	11.71%	6.10%
US Fixed Income	35%	57.63%	41.44%	34.07%	27.40%	15.56%
Non-US Fixed Income	0%	6.12%	3.70%	2.06%	0.00%	0.00%
Real Estate	2%	41.29%	7.73%	6.36%	4.15%	2.71%
Alternative Investments	5%	42.40%	15.96%	10.50%	6.67%	2.53%
Cash	0%	19.22%	6.22%	4.16%	1.35%	0.00%
Other	11%					

Total Funds - Public - Quarter Ending June 30, 2009

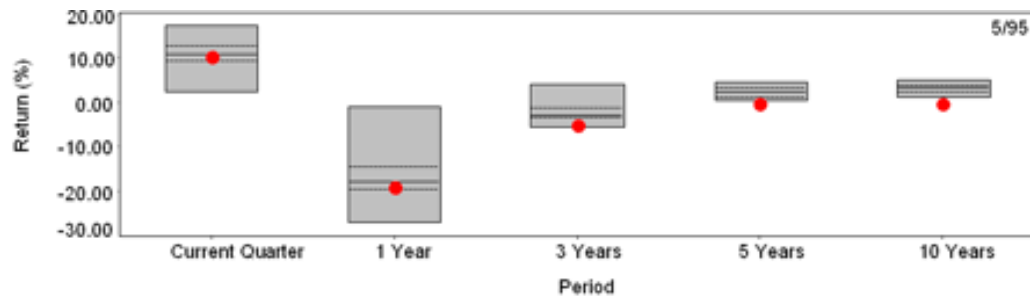


	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)
5th Percentile	17.36	-	0.94	-	4.13	-	4.83	-	5.07	-
25th Percentile	12.94	-	14.57	-	1.31	-	3.20	-	3.86	-
Median	10.85	-	17.83	-	2.77	-	2.38	-	3.41	-
75th Percentile	9.35	-	19.69	-	3.50	-	1.49	-	2.74	-
95th Percentile	2.70	-	27.10	-	5.59	-	0.52	-	1.59	-
# of Portfolios	90		74		69		64		41	
● 50R3000/40 Barclays Agg/10MSCI WxUS	11.49	42	- 18.02	55	- 4.02	85	0.49	96	0.65	98

**Total Funds - Public - Asset Allocation
Quarter Ending June 30, 2009**

	Total % of Market Value	5th	25th	Median	75th	95th
US Equity	32%	59.59%	42.97%	38.02%	29.98%	14.79%
Non-US Equity	18%	24.91%	20.89%	17.21%	11.29%	6.63%
US Fixed Income	32%	76.75%	37.98%	29.23%	25.65%	17.44%
Non-US Fixed Income	2%	14.11%	5.17%	3.26%	0.00%	0.00%
Real Estate	2%	13.07%	9.05%	7.99%	6.30%	5.28%
Alternative Investments	6%	24.34%	10.62%	8.52%	4.89%	2.40%
Cash	1%	23.59%	9.61%	4.37%	2.61%	1.63%
Other	7%					

Total Funds - Foundation/Endowments - Quarter Ending June 30, 2009



	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)	Return	(% tile)
5th Percentile	17.36		- 0.94		4.13		4.83		5.07	
25th Percentile	12.94		-14.57		- 1.31		3.20		3.86	
Median	10.85		-17.83		- 2.77		2.38		3.41	
75th Percentile	9.35		-19.69		- 3.50		1.49		2.74	
95th Percentile	2.70		-27.10		- 5.59		0.52		1.59	
# of Portfolios	90		74		69		64		41	
● 50R3000/40 Barclays Agg/10MSCI WxUS	11.49	42	-18.02	55	- 4.02	85	0.49	96	0.65	98

**Total Funds - Foundation/Endowments - Asset Allocation
Quarter Ending June 30, 2009**

	Total % of Market Value	5th	25th	Median	75th	95th
US Equity	30%	64.22%	41.00%	32.15%	19.61%	10.91%
Non-US Equity	13%	35.17%	21.31%	16.87%	13.18%	4.90%
US Fixed Income	13%	59.87%	29.13%	22.46%	13.27%	2.22%
Non-US Fixed Income	0%	10.85%	7.00%	2.92%	2.12%	1.12%
Real Estate	1%	19.12%	11.45%	7.09%	6.28%	1.87%
Alternative Investments	30%	68.06%	49.94%	32.73%	18.23%	7.19%
Cash	3%	37.15%	9.66%	6.38%	2.55%	0.83%
Other	10%					

Manager Universes - Top 10

Sorted By Total Return on the Three Year Time Period Ending June 30, 2009

LARGE VALUE EQUITY MANAGERS	3 Yrs Jun. 2009	2 Yrs Jun. 2009	1 Yr Jun. 2009	Qtr Jun. 2009	3 Yrs Std Dev.
W.H. Reaves & Co., Inc.	-1.37	-14.38	-33.11	14.00	22.32
Knightsbridge Asset Management LLC	-2.02	-13.43	-16.21	13.41	16.41
American Century Investment Management, Inc.	-2.54	-12.04	-12.85	7.71	12.05
Boston Partners Asset Management, L.P.	-2.87	-13.85	-15.19	19.09	18.03
The Putnam Advisory Co., LLC	-3.76	-15.48	-16.81	18.40	18.83
GE Asset Management	-3.88	-15.70	-23.40	19.09	21.04
MFS Investment Management, Inc.	-4.58	-16.44	-22.24	16.77	18.76
Becker Capital Management, Inc.	-4.72	-15.85	-22.32	16.85	18.63
Oak Value Capital Management, Inc.	-5.62	-18.50	-16.98	21.08	21.20
Janus Capital Management LLC	-5.66	-21.84	-33.66	31.03	29.87
Russell 1000 Value Index	-11.11	-24.08	-29.03	-16.70	

LARGE GROWTH EQUITY MANAGERS	3 Yrs Jun. 2009	2 Yrs Jun. 2009	1 Yr Jun. 2009	Qtr Jun. 2009	3 Yrs Std Dev.
Fred Alger Management, Inc.	0.99	-12.03	-23.91	20.70	24.89
Ashland Management, Incorporated	-0.14	-9.84	-20.89	11.90	15.73
Montag & Caldwell, Inc.	-0.64	-8.39	-21.00	15.35	18.86
Pioneer Investment Management, Inc.	-1.37	-10.00	-17.30	12.87	16.09
UBS Global Asset Management (Americas), Inc.	-1.57	-10.84	-22.84	17.54	21.00
Riverbridge Partners	-1.75	-11.25	-16.13	15.44	18.09
Lord, Abbett & Company	-1.99	-10.75	-20.98	18.01	21.03
William Blair & Company	-2.04	-11.39	-20.21	20.87	21.61
RCM Capital Management LLC	-2.29	-11.07	-19.99	17.07	19.56
McKinley Capital Management, Inc.	-2.33	-13.58	-27.78	9.76	18.59
Russell 1000 Growth Index	-5.45	-15.74	-24.50	16.32	

SMALL VALUE EQUITY MANAGERS	3 Yrs Jun. 2009	2 Yrs Jun. 2009	1 Yr Jun. 2009	Qtr Jun. 2009	3 Yrs Std Dev.
Kennedy Capital Management, Inc.	3.55	-2.73	-1.98	29.77	22.86
Atlanta Capital Management Company, LLC	-0.64	-7.56	-8.86	18.07	16.75
Vaughan Nelson Investment Management	-1.58	-10.80	-18.11	15.01	17.91
Transamerica Investment Management, LLC	-2.09	-13.45	-32.24	27.11	28.46
Morgan Stanley Investment Management, Inc.	-2.35	-15.31	-14.45	24.13	22.13
Neuberger Berman, LLC	-2.58	-12.11	-31.74	16.43	21.98
NewSouth Capital Management, Inc.	-3.06	-15.91	-30.88	27.45	28.06
Netols Asset Management	-3.06	-15.38	-23.59	19.70	22.03
Loomis, Sayles & Company, L.P.	-3.10	-16.15	-20.26	15.76	19.49
Artisan Partners Limited Partnership	-3.26	-14.58	-18.10	22.32	21.90
Russell 2000 Value	-12.07	-23.46	-25.24	-18.00	

SMALL GROWTH EQUITY MANAGERS	3 Yrs Jun. 2009	2 Yrs Jun. 2009	1 Yr Jun. 2009	Qtr Jun. 2009	3 Yrs Std Dev.
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Columbus Circle Investors	2.49	-9.06	-27.39	11.52	22.87
Brown Capital Management, Inc.	2.31	-5.32	-10.86	21.83	21.55
TCW Asset Management Company	0.82	-7.48	-14.53	32.59	27.81
Lee Munder Investments Ltd.	0.31	-12.71	-19.78	21.37	26.76
Wells Capital Management	-2.18	-14.56	-13.65	25.56	25.13
Lord, Abnett & Company	-2.37	-13.49	-22.30	24.69	29.22
Westfield Capital Management Company, LLC	-3.08	-14.82	-31.03	15.35	23.39
Riverbridge Partners	-3.24	-13.63	-15.47	23.37	22.73
TimesSquare Capital Management, LLC	-3.35	-12.51	-22.27	17.56	20.11
MFS Investment Management, Inc.	-3.82	-14.91	-16.69	31.39	26.64
Russell 2000 Growth	-7.83	-18.14	-24.85	23.38	

These Investment Manager Universes 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.

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Announcements**The Bank of New York Mellon and Investor Analytics Form Strategic Alliance To Provide Enterprise-Wide Risk Management and Reporting**

Extension of relationship strengthens focus on risk transparency and other solutions to meet growing regulator and investor demands

The Bank of New York Mellon, the global leader in asset management and securities servicing, announced that it has formed a strategic alliance with Investor Analytics (IA), a global leader in risk analysis and risk management solutions, to provide enterprise-wide risk analysis and reporting for asset owners and managers. The alliance will make IA's sophisticated risk analyses available to BNY Mellon clients worldwide, including banks, pension funds, asset managers, hedge funds, and other investment professionals.

Through this new alliance, BNY Mellon clients will have access to tools to measure and manage investment risks across multiple asset classes, strategies and portfolios using state of the art risk analytics, calculations, portfolio stress testing, and historical scenario analysis.

Asset managers are increasingly being asked by regulators and investors alike to provide multidimensional views as part of a comprehensive risk monitoring process. The new reports can be tailored to satisfy local regulatory requirements or investment norms, including UCITS III reporting, and complement BNY Mellon's existing analytic capabilities for single manager equity and fixed income funds, hedge fund of funds, and private equity portfolios. Clients who subscribe to the service will have multiple channels to access the reports, including on-line via BNY Mellon's Workbench platform as well as through Investor Analytics directly.

"Risk and the need for greater transparency have moved to the top of the agenda of financial institutions worldwide," said John Gruber, BNY Mellon Asset Servicing's head of Global Product Management, Performance & Risk Analytics. "Deepening our relationship with Investor Analytics allows us to bring superior risk management innovations to the market. By marrying our solutions, we're ideally placed to work closely with these institutions, facilitating the flow of data that informs their investment decisions."

Damian Handzy, chairman and CEO of IA added, "Investor Analytics is excited to be working with BNY Mellon to offer our unique market risk analyses in combination with the Bank's superior custody and back office services. Today more than ever, portfolio managers and investors are calling for specific risk transparency tools and reports that this strategic alliance is designed to address."

BNY Mellon Asset Servicing Thought Leadership Series

As BNY Mellon Asset Servicing continues to demonstrate industry leadership and expertise on core and developing issues within the performance and analytics space, we are pleased to share with you our *Equity Style Analysis – Beyond Performance Measurement* case study.

We understand that you are under more pressure than ever to generate additional value in your investment

portfolios. It is imperative that you have the ability to easily compile and interpret investment analysis, beyond simple performance measurement, and use this data to support your manager evaluation decisions.

This case study shows how various characteristic data can be compared in the context of universe peer groups and provides insight into the structure and performance of individual manager portfolios. Further, by incorporating peer and index comparisons over time, this visual representation of data illustrates a compelling case for including fundamental analysis in investment manager comparisons.

The information presented in this case study was created using Charts, our reporting capability that allows you to produce and customize high-end graphical reports that present complex data relationships as well as display portfolio performance, risk statistics and characteristic data against universe peer groups and benchmarks.

We hope that you find this case study informative and that you can use our analysis in your investment processes. If you have any questions or would like additional information on Charts, please contact your Investment Analytics Consultant.

[Click here](#) to view the case study.

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Report of the Quarter**Report of the Quarter****Fixed Income Profile**

The Fixed Income Profile provides you with access to industry leading fundamental and quantitative statistics that will help you identify the structure and critical style characteristics of your fixed income portfolio or composite of portfolios.

This report takes a bottom-up approach to analyzing the key characteristics of a fixed income portfolio. The profile's side-by-side format allows you to compare and contrast your portfolio's returns, credit quality, interest rate risk, and derivative exposure; providing excellent assistance in analyzing performance and risk in up and down periods.

Key Features Include:

- Single country or world portfolio comparison for details on portfolio composition, performance summary, sector, maturity and credit quality breakdowns.
- Clear display of duration contributions within the credit quality, sector, and maturity breakout sections.
- Total portfolio leverage ratios for identifying the creation of exposure greater in magnitude than the capital posted to an investment.
- Comprehensive credit coverage including credit default swap exposure and credit protection.
- Coverage of asset types including interest rate swaps, credit default swaps, swaptions, fixed income futures, convertibles, preferreds, cash equivalents, asset-backed securities, CMOs, GICs, floaters, high yield, emerging market debt etc.

Within this [sample report](#), Manager A has invested approximately four times its total market value in credit default swaps, interest rate swaps, and fixed income futures. In addition, Manager A has attempted to reduce credit exposure by purchasing protection via 50+ credit default swaps. This is in contrast to Manager B who is enhancing yield by selling credit protection. In the event that all of the issues Manager B has sold protection on were to default, the asset owner would be responsible for paying out approximately 4.85% of their total market value to the credit protection buyer. This report also highlights that 13% of Manager B's exposure and approximately half of its duration is concentrated in a single fixed income futures contract.

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

As of June 30, 20XX

Composite

UNITED STATES DOLLAR		Manager A	Manager B	Manager C	Manager D
Composition and Performance Summary					
Portfolio Composition	Total Portfolio Size	342.12M	230.07M	355.40M	137.24M
\$/%	Equity	0.00 0.00%	0.00 0.00%	0.00 0.00%	17.47 12.73%
	Fixed Income	288.96 84.46%	170.00 73.89%	360.60 101.46%	132.86 96.81%
	Convertibles	1.18 0.34%	0.00 0.00%	0.00 0.00%	0.00 0.00%
	Real Estate	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
	Alternatives	0.00 0.00%	0.00 0.00%	0.00 0.00%	0.00 0.00%
	Cash & Equivalents	50.70 14.82%	60.07 26.11%	-5.20 -1.46%	-13.18 -9.60%
	Other	1.29 0.38%	-0.01 0.00%	0.00 0.00%	0.09 0.07%
Total Performance Returns	Monthly	2.10	1.94	-0.38	1.29
Total Fund Gross of Fees	Quarterly	9.83	6.88	4.73	7.70
	Six Month	8.28	7.26	0.97	9.70
	Fiscal YTD	---	-16.48	7.29	-9.52
	YTD	8.28	7.26	0.97	9.70
Characteristics Summary					
Leverage	Gross Leverage Ratio	4.72	2.44	1.01	1.32
	Net Leverage Ratio	4.11	2.33	1.01	0.99
Credit Quality	Moody's Rating	AA2	BAA1	AA2	BA1
	S&P Rating	AA	A+	AA	BB+
	Fitch Rating	AA	A	AA	BB+
	DBRS Rating	-	-	-	-
	Average Agency Rating	AA2	A2	AA2	BA1
Interest Rate Sensitivity	Duration	4.50	2.88	5.79	7.25
	Modified Duration	5.28	2.69	5.61	6.54
	Opt. Adj. Duration	4.20	1.29	5.43	3.96
	Duration to Worst	4.65	3.34	5.95	6.69
	Spread Duration	4.87	2.69	5.82	6.31
	Opt. Adj. Spread	4.09	6.81	0.16	7.30
	Opt. Adj. Convexity	0.05	-0.08	0.46	0.19
Yield and Other	Num of Fixed Income Holdings	1844	287	61	143
	Average Coupon	4.36%	6.91%	5.71%	7.32%
	Weighted Average Life	6.48	10.08	7.51	12.80
	Current Yield	4.39%	9.18%	5.69%	7.59%
	Yield to Maturity	7.17%	11.76%	5.32%	11.22%
	Effective Yield to Maturity	5.76%	10.84%	5.24%	9.58%
	Yield to Worst	7.11%	11.67%	5.32%	10.71%
Fixed Income Profile Number					

As of June 30, 20XX

Composite

UNITED STATES DOLLAR		Manager A			Manager B			Manager C			Manager D		
Sector Breakdown - Barclays Global Scheme													
Count, % MV,	Treasuries & Sovereign	31	8.66%	0.62	1	0.13%	0.00	38	78.23%	4.59	96	72.54%	3.14
Opt Adj Duration	Government Related	---	---	---	---	---	---	---	---	---	---	---	---
	Agencies	135	2.47%	0.05	---	---	---	1	1.12%	0.07	3	1.74%	0.07
	Local Authorities	4	1.33%	0.17	---	---	---	1	3.47%	0.09	---	---	---
	Supranational	---	---	---	---	---	---	5	6.01%	0.26	---	---	---
	Other Muni & Quasi Security	98	1.39%	0.12	2	0.04%	0.00	---	---	---	---	---	---
	Corporates	---	---	---	---	---	---	---	---	---	---	---	---
	Financial	98	26.78%	0.89	40	12.77%	0.02	3	4.48%	0.22	16	6.85%	0.11
	Industrials	62	8.82%	0.39	29	9.44%	0.09	---	---	---	13	6.64%	0.16
	Utility	7	0.64%	0.02	3	0.72%	0.03	---	---	---	1	0.26%	0.01
	Securitized	---	---	---	---	---	---	---	---	---	---	---	---
	MBS Passthrough	417	18.37%	0.58	3	4.98%	0.14	---	---	---	---	---	---
	ABS	77	2.66%	0.02	57	15.83%	0.01	---	---	---	---	---	---
	CMBS	35	2.51%	0.12	3	1.39%	-0.01	---	---	---	---	---	---
	Covered	1	0.01%	0.00	---	---	---	---	---	---	---	---	---
	CMO	642	9.08%	0.06	89	22.53%	-0.01	---	---	---	---	---	---
	Interest Rate Swaps/Swaptions	13	4.29%	0.22	---	---	---	---	---	---	---	---	---
	Credit Default Swap	55	-20.82%	0.03	20	4.85%	---	---	---	---	---	---	---
	Fixed Income Futures	2	115%	0.28	1	13.16%	0.57	---	---	---	---	---	---
	Cash	48	14.34%	0.00	7	27.18%	0.02	7	1.97%	0.00	---	---	---
	Other	119	-13.64%	0.63	32	-13.02%	0.43	6	4.72%	0.20	14	11.97%	0.47
	Total			4.20			1.29			5.43			3.96
Quality Rating Breakdown - Average Quality													
Ratings													
Credit Exposure%,	US Treasuries	3.60%	---	0.11	---	---	---	4.57%	---	0.54	---	---	---
CDS Protection%,	Agency	21.55%	---	0.65	5.07%	---	0.14	---	---	---	---	---	---
Opt Adj Duration	Aaa	16.81%	---	0.76	17.76%	---	0.08	53.93%	---	2.77	---	---	---
	Aa1-Aa3	11.54%	4.59%	0.56	9.53%	---	0.01	5.87%	---	0.40	0.34%	---	0.02
	A1-A3	15.77%	0.69%	0.62	10.12%	---	0.06	25.78%	---	1.28	3.12%	---	0.13
	Baa1-Baa3	10.77%	5.28%	0.42	17.17%	---	0.04	6.19%	---	0.29	35.37%	---	1.65
	Ba1-Ba3	1.47%	0.48%	0.02	5.35%	---	-0.01	---	---	---	33.03%	---	1.45
	B1-B3	1.21%	---	0.03	3.21%	---	0.03	---	---	---	9.75%	---	0.21
	Caa1-Caa3	1.63%	---	0.01	4.27%	---	0.02	---	---	---	0.41%	---	0.01
	Ca	---	---	---	0.05%	---	0.00	---	---	---	---	---	---
	C	0.02%	---	0.00	0.33%	---	0.00	---	---	---	---	---	---
	Less than C	---	---	---	0.06%	---	0.00	---	---	---	---	---	---
	Other	15.95%	13.37%	1.02	33.16%	---	0.92	5.28%	---	0.15	16.03%	---	0.49
	Total	100.32%	24.41%	4.20	106.08%	---	1.29	101.62%	---	5.43	98.05%	---	3.96
	Credit Default Swap Exposure	3.59%	24.41%		4.85%	---		---	---		---	---	
Fixed Income Profile Number													

As of June 30, 20XX

Composite

UNITED STATES DOLLAR		Manager A			Manager B			Manager C			Manager D		
Maturity Breakdown													
Count, % MV,	Less than 1 Year/Cash Equivalents	334	23.90%	1.02	44	34.64%	0.95	7	1.94%	0.00	5	3.20%	0.00
Opt Adj Duration	1 - 3 Years	404	9.40%	0.11	114	31.00%	0.18	5	8.38%	0.19	9	3.98%	0.02
	3 - 5 Years	477	25.43%	0.55	82	25.34%	0.14	11	20.70%	0.81	25	11.39%	0.28
	5 - 7 Years	233	5.93%	0.13	18	4.53%	0.01	13	25.38%	1.19	14	6.81%	0.21
	7 - 10 Years	129	20.98%	1.07	18	3.08%	0.10	18	33.45%	2.33	30	26.02%	0.93
	10 - 15 Years	42	1.79%	0.12	2	0.24%	0.00	4	3.60%	0.33	13	8.90%	0.37
	15 - 20 Years	43	4.40%	0.42	---	---	---	2	5.07%	0.52	13	9.21%	0.51
	20 Yrs and over	116	9.84%	0.64	9	1.17%	-0.07	1	1.48%	0.25	24	21.28%	1.22
	Other	66	-1.67%	0.14	---	---	-0.02	---	---	-0.19	10	9.21%	0.42
	Total			4.20			1.29			5.43			3.96
Fixed Income Profile Number													