

Press Release



Contact: Joseph F. Ailinger Jr.
617-722-7571
joe.ailinger@bnymellon.com

Volatile Markets Drive Fourth Quarter U.S. Master Trust Universe Returns into the Red, According to BNY Mellon Asset Servicing

*Endowments the top performing plan type for the quarter
2007 year-end performance remains positive for fifth straight year*

BOSTON, February 11, 2008 – The median plan for the 583 corporate, foundation, endowment, public, Taft-Hartley and healthcare funds that make up the BNY Mellon U.S. Master Trust Universe posted a combined -0.55% return for the fourth quarter of 2007, the first negative quarterly return since the second quarter of 2006. Despite the volatility, year-end performance for the median plan was 8.28%, marking the fifth consecutive year of positive returns.

The BNY Mellon U.S. Master Trust Universe represents a combined market value of \$1.8 trillion, with an average plan size of \$3.0 billion.

“In contrast to the third quarter of 2007, the majority of plans posted negative returns in the fourth quarter, with the best performing plan posting nearly a 4.2% gain and the least returning -4.2%,” said Greg Stewart, first vice president and regional product manager of BNY Mellon Asset Servicing. “For the full year, though, all plan members were in the black, albeit with a dispersion of 21.8 percentage points between the lowest and highest performers.”

Highlights:

- Of the plans in the universe 65% posted negative results with only 54% matching or outperforming the universe’s composite benchmark (Russell 3000® Index* 50%, Lehman Brothers® Aggregate 40%, MSCI® All Country World Index ex US 10%), which returned -0.62% for the quarter.
- U.S. Fixed Income led all asset classes for the quarter with a median return of 2.65%, lagging the Lehman Brothers® Aggregate return of 3.00%. Non-U.S. Fixed Income generated a median result of 1.99%, versus the Citigroup® Non-US Dollar World Government Bond Index return of 3.91%. U.S. Equities returned -3.30%, compared to the Russell 3000® Index return of -3.34%. Non-U.S. Equities -0.80% result underperformed the MSCI® All Country World Index ex US return of -0.62%.
- Endowments were the top performing plan-type for the fourth quarter with a 0.06% median return, followed by healthcare, foundations, Taft-Hartley, corporate and public plans.

“Endowments and healthcare plans were able to post positive returns for the quarter, and for the year-end period ending December 31, 2007, endowments remain the strongest performing segment with the median plan posting a return of 12.10%, over 350 basis points ahead of foundations, the next best performing segment,” said Stewart. “Endowments’ lower allocation to the U.S. equity market is one of the reasons for the relative performance, along with their higher allocation to alternatives. Over the extended periods, underweighting fixed income and greater allocations to international equity and alternatives have helped endowments outperform other plan types.”

The average asset allocation in the U.S. Master Trust Universe for the fourth quarter was: U.S. Equity 35%, U.S. Fixed Income 25%, Non-U.S. Equity 19%, Non-U.S. Fixed Income 1%, Alternative Investments 8%, Real Estate 3%, Cash 1%, and Other (Private Equity, Oil, Gas, etc.) 8%.

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 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 \$20 trillion in assets under custody and administration, more than \$1.1 trillion in assets under management and services \$11 trillion in outstanding debt. Additional information is available at bnymellon.com.

BNY Mellon Trust Universe Median Plan Returns

Period Ending December 31, 2007

Universe	Number of Participants	4Q 2007	One-Year	Five-Years	Ten-Years
Master Trust Total Fund	583	-0.55	8.28	12.87	7.80
Corporate Plans	257	-0.68	8.04	12.79	7.73
Foundations	86	-0.42	8.59	13.14	8.44
Endowments	94	0.06	12.10	14.75	8.65
Public Plans	65	-0.78	8.29	13.42	8.06
Taft-Hartley Plans	35	-0.54	6.78	10.20	7.21
Healthcare Plans	23	0.01	7.34	9.47	6.52
Universe Benchmark: Russell 3000® Index 50%, Lehman Brothers® Aggregate 40%, MSCI® All Country World Index ex US, 10%)		-0.62	6.79	10.85	6.78

*Russell Investment Group is the owner of the trademarks, service marks, and copyrights related to its indexes.
