

# Press Release



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## **Investors Need to Be Selective in Commodity Investments until Economy Recovers, According to The Boston Company Asset Management**

### ***Iron Ore, Potash Seen as Good Choices in Current Climate***

BOSTON, September 25, 2008 – Investors will need to be highly selective in their allocations to commodities until the global economy recovers, which is expected to occur by 2010, according to a forthcoming white paper from The Boston Company Asset Management (TBCAM), an investment boutique within BNY Mellon Asset Management.

“We would maintain a modest allocation to commodities at this time, and then aggressively increase our positions at the first sign of a recovery,” said Robin Wehbe, an equity research analyst at TBCAM. “We believe commodities are poised to hit new highs once a recovery begins to gather momentum.”

Until the recovery, TBCAM would look closely at select commodities that require particularly long lead times to add capacity or face challenging geological hurdles. As examples, the TBCAM white paper noted that iron ore used in the production of steel and potash, a fertilizer nutrient, require tremendous investments to make extraction economical. Ramping up production for these two commodities can take seven years or longer.

“Focusing investments on commodities with tight fundamentals and producers with low-cost positions is the right approach for these markets,” said Wehbe. “Companies with low-cost positions will enjoy an extended period of above-normal profitability and cash flow.”

The Boston Company Asset Management, a BNY Mellon Asset Management investment boutique, provides investment management services for corporate, public, mutual funds and Taft-Hartley retirement plans, endowments and foundations.

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