

Contact: Mike Dunn
+1 212-922-7859
mike.g.dunn@bnymellon.com

Sarah Deutscher
+44 20 7163 2744
sarah.deutscher@bnymellon.com

Standish Mellon Asset Management Sees \$1 Billion Inflow to Long Corporate Bonds As U.S. Pension Plans Seek to Avoid Big Jump in Liabilities

BOSTON, May 26, 2009 – Standish Mellon Asset Management Company LLC, the fixed income specialist for BNY Mellon Asset Management, said that U.S. corporate pension plans appear to be increasing their allotment to long-term investment-grade corporate bonds to protect themselves against the looming threat of soaring liabilities. Since the beginning of 2009, pension plans have added more than \$1 billion for Standish to invest in these bonds.

Standish expects the yields on long-term investment-grade corporate bonds to fall back to more typical levels, which will push up pension plan liabilities substantially. The value of plan liabilities moves inversely with long-term investment-grade corporate bond yields.

“We are in a rough patch for pension plans,” said Kent J. Wosepka, chief investment officer of active fixed income for Standish. “However, this period has some major differences from previous episodes of market volatility. For example, during the 2001 recession, equity prices fell, which decreased the value of pension plan assets. At the same time their liabilities rose due to movements in the bond markets.”

This time around pension plans have suffered from a 40 percent plunge in equity markets, Wosepka pointed out. However, he added, “The significant increase in corporate bond yields actually reduced the current value of plan liabilities, helping to mitigate the pain to overall plan funding levels. The risk for pension plans is that corporate bond yields could fall back toward more normal levels, which could send liabilities soaring. If equity markets do not continue their rally, pensions could face severe funding issues.”

“One way to cushion the impact of falling yields would be to invest plan assets in long-term investment-grade corporate bonds, which is what we are seeing from a number of pension clients,” said Andrew Catalan, senior portfolio manager and director of investment grade strategies at Standish. “These bonds move in tandem with plan liabilities. Investing in long-term investment-grade corporate bonds can provide protection against rising liabilities due to a declining discount rate. In addition, the yield on many investment-grade corporate bonds exceeds eight percent, making them attractive in their own right.”

-ends-

All information source BNY Mellon Asset Management as at 31 March 2009 except where noted. The views represented in this document are those of Standish Mellon Asset Management and do not necessarily represent the views of the BNY Mellon Asset Management umbrella organization. This press release is qualified for issuance in the US and is for information purposes only. It does not constitute an offer or solicitation of securities or investment services or an endorsement thereof in any jurisdiction or in any circumstance in which such offer or solicitation is unlawful or not authorized. This press release is issued by BNY Mellon Asset Management to members of the financial press and media and the information contained herein should not be construed as investment advice. Past performance is not a guide to future performance.

A Bank of New York Mellon CompanySM

Notes to Editors:

Standish Mellon Asset Management Company LLC, with \$60 billion of assets under management, (as of April 1, 2009), provides investment management services across a broad spectrum of fixed income asset classes. These include corporate credit (investment-grade and high-yield), emerging markets debt (dollar-denominated and local currency), core / core plus and opportunistic (U.S. and global) strategies. The firm also includes assets managed by Standish personnel acting as dual officers of The Dreyfus Corporation and The Bank of New York Mellon, each a subsidiary of The Bank of New York Mellon Corporation.

BNY Mellon Asset Management is the umbrella organization for The Bank of New York Mellon Corporation's affiliated investment management firms and global distribution 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 \$19.5 trillion in assets under custody and administration, \$881 billion in assets under management, services more than \$11 trillion in outstanding debt and processes global payments averaging \$1.8 trillion per day. Additional information is available at www.bnymellon.com.

All information source BNY Mellon Asset Management as at 31 March 2009 except where noted. The views represented in this document are those of Standish Mellon Asset Management and do not necessarily represent the views of the BNY Mellon Asset Management umbrella organization. This press release is qualified for issuance in the US and is for information purposes only. It does not constitute an offer or solicitation of securities or investment services or an endorsement thereof in any jurisdiction or in any circumstance in which such offer or solicitation is unlawful or not authorized. This press release is issued by BNY Mellon Asset Management to members of the financial press and media and the information contained herein should not be construed as investment advice. Past performance is not a guide to future performance.