

# Press Release



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## **BNY Mellon Asset Management Launches Investment Strategy To Manage Inflation Risk**

### ***Global liquidity, low interest rates, global growth combine to raise concern***

BOSTON, February 3, 2010 — BNY Mellon Asset Management has launched the Real Asset Strategy, an institutional investment strategy designed for periods of rising inflation that aims to achieve long-term returns of five percent above the Consumer Price Index in the U.S.

“Massive amounts of global liquidity combined with record low interest rates and renewed signs of global growth are driving an increasing number of institutions to examine their exposure to the threat of inflation,” said Jeffrey B. Saef, director, multi-strategy investment solutions for BNY Mellon Asset Management

“Many endowments, foundations and pension plans have not positioned themselves adequately to protect their portfolios against inflation,” said Saef. “While the threat of inflation is not immediate, institutions need to position their portfolios before inflation becomes a factor, or they will pay too much for inflation-hedging assets that we expect will quickly rise in value.”

The Real Asset Strategy invests in inflation-sensitive equities, inflation-linked bonds and actively managed commodities. These types of investments historically have produced returns above the rate of inflation during past periods of rising inflation.

“Given our global multi-boutique structure, BNY Mellon Asset Management is well positioned to build a portfolio of diversified asset classes that are designed to correlate well with inflation while providing good diversification to traditional asset classes,” said Saef. The typical, strategic long-term weighting of assets in the Real Asset Strategy is:

- 25 percent in global inflation-protected securities – These include U.S. TIPs (Treasury Inflation-Protected Securities) as well as similar securities issued in other countries managed by Standish Mellon Asset Management Company LLC.
- 35 percent in a commodity alpha long-bias strategy –This is a risk-controlled commodities strategy with a volatility target of 10 percent that is managed by Mellon Capital Management.
- 30 percent in global equities of natural resources companies – These investments are managed by The Boston Company Asset Management LLC (TBCAM).

All information source BNY Mellon Asset Management as at December 31, 2009. This press release is qualified for issuance in the US only 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.

- Five percent in equities of companies in emerging markets – These investments also are managed by TBCAM.
- Five percent in global real estate securities - These investments are managed by Urdang Securities Management, Inc.,

“As part of the Real Asset Strategy, BNY Mellon Asset Management intends to periodically review, and adjust if warranted, the allocations among these asset classes within a controlled range to take advantage of dislocations and opportunities in the marketplace,” concluded Saef.

Currently, the Real Asset Strategy is available to certain qualified institutions who become clients of The Bank of New York Mellon. Also, the underlying asset classes are managed by employees of these BNY Mellon Asset Management firms acting in their dual capacities as officers of The Bank of New York Mellon.

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**Notes to Editors:**

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