

Press Release



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Mellon Capital's LDI Strategy Attracts Assets from Pension Plans Allocating Away from Equities, Traditional Core Fixed Income

Assets for Strategy Top \$1 Billion at BNY Mellon Investment Boutique

SAN FRANCISCO, August 10, 2010 –The High Quality Long Corporate Strategy managed by Mellon Capital Management Corporation, part of BNY Mellon Asset Management, has been attracting increasing assets from corporate pension plans seeking to reduce volatility by reallocating assets away from equities and traditional core fixed income.

Assets under management for the strategy, launched in January 2009, now exceed \$1 billion.

Lowell J. Bennett, managing director and fixed income strategist for Mellon Capital, said, "This strategy is particularly attractive now because of the big swings we have been seeing both in the bond and stock markets, which have driven down the funding status for the typical US corporate plan to approximately 74 percent, according to the latest statistics from BNY Mellon Pension Services."

Bennett added, "Our investment portfolio for this strategy normally includes the types of securities that are used to establish the discount rate for pension liabilities, making this a better liability match than many other long-duration vehicles. This helps plans hedge against market volatility."

The High Quality Long Corporate Strategy is designed to gain market exposure to high-quality corporate bonds rated single A and higher and a maturity of at least 20 years. It is designed to exclude the riskiest 20 percent of issuers and aims to have no more than a two percent exposure to any one issuer.

"We believe this approach creates an opportunity for a higher-quality, more-diversified portfolio than market-weighted benchmarks," said Lowell. "That higher quality focus is important because the plan liabilities are firm commitments and avoiding downgrades and defaults preserves plan value."

Notes to Editors:

Founded in 1983 by innovators in the investment management field, **Mellon Capital Management Corporation** applies a disciplined and analytical approach to global investment management strategies. As of June 30, 2010, the firm had \$170.6 billion in assets under management, including assets managed by dual officers of Mellon Capital Management Corporation, The Bank of New York Mellon and The Dreyfus Corporation, and \$9.1 billion in overlay strategies. Additional information about Mellon Capital is available at www.mcm.com. It is part of BNY Mellon Asset Management, one of the world's largest asset managers.

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