

Press Release



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Mellon Capital Management Corporation Celebrates 25th Anniversary; Launches Strategy that Invests in Wide Range of Asset Classes

SAN FRANCISCO, September 2 , 2008 -- Mellon Capital Management Corporation, a quantitative investment boutique within BNY Mellon Asset Management, announced the launch of its newest strategy as it celebrates its 25th anniversary. Its newest strategy, Advanced Beta, invests in a broad range of global asset classes in an effort to enhance performance regardless of the economic environment. The strategy takes long positions in global equities, global fixed income, global inflation-linked securities, commodities and global real estate investment trusts (REITs).

“We have been helping our clients implement novel, successful strategies to meet changing investment environments over the last 25 years,” said Charlie Jacklin, chief executive officer of Mellon Capital. “With investors’ growing concerns about inflation, we believe this is a good time to introduce Advanced Beta, which is designed to provide downside protection and deliver more consistent performance across inflation cycles.”

“The addition of commodities and real estate is designed to provide some resiliency when there are market shocks,” said Michael Ho, chief investment officer of Mellon Capital. Ho notes stocks and bonds tend to perform poorly when inflation is trending higher, while commodities may provide protection. Between 1973 and 2007, there were 16 years during which inflation increased. During these periods the Goldman Sachs Commodity Index (GSCI) was up on average 26 percent in real terms while U.S. stocks and bonds had negative returns.

“While Advanced Beta is primarily a passive strategy, it is designed to include intelligent rebalancing to reduce exposure to equities when we perceive they are over valued,” Ho said. “Also, we can decrease leverage in global bonds when we perceive there is insufficient compensation for that risk. Mellon Capital’s models indicate that this ‘next-generation’ approach offered by Advanced Beta may provide a welcome alternative from a traditional mix of 60 percent equities and 40 percent fixed income.”

Founded in 1983 by innovators in the investment management field, Mellon Capital specializes in global and U.S. quantitative investment strategies. As of June 30, 2008, the firm had \$204.2 billion in assets under management, including assets managed by dual officers and \$26 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 global asset managers with more than US\$1 trillion in assets under management.

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 \$23 trillion in assets under custody and administration, more than \$1.1 trillion in assets under management and services \$12 trillion in outstanding debt. Additional information is available at bnymellon.com.
