

BNY Mellon Pension Asset / Liability Summary

November 2008

Market Summary

- US stocks continued to bleed, despite an encouraging rally at month end
- Long US Treasury bond yields dropped 100 basis points, falling below 4%
- Long high grade corporate yields were 70 bp lower, but spreads widened more than 25 bp vs. Treasuries
- International markets were somewhat better than US, despite a 1% rise in the dollar
- Asset returns of moderate risk pension portfolios were down -3.2%; typical pension liability values were +10.2% higher
- Funding ratios for typical pension plans declined more than 10 percentage points in November

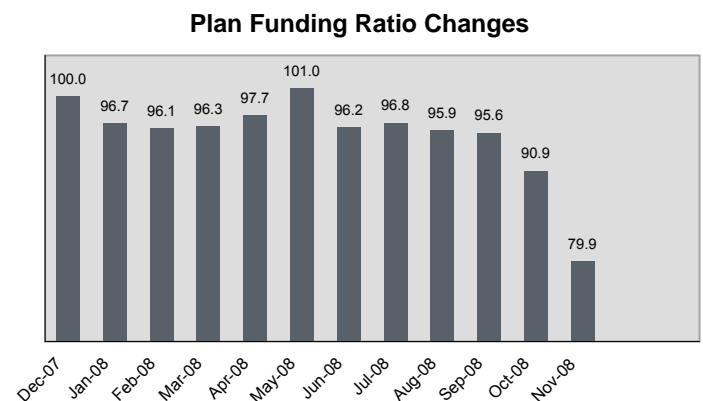
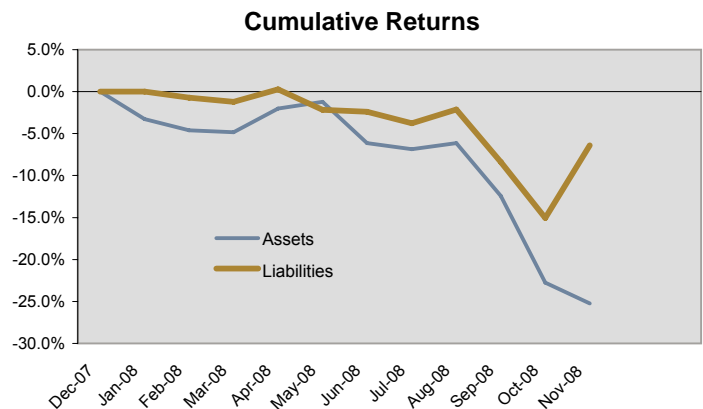
Asset and Liability Returns (%)

	This Month	Year To Date	One Year
Liability Returns: BNY Mellon "Typical" Liability Index			
Reporting Basis (1)	+10.2	-6.4	-6.9
Market Value Basis (2)	+14.9	+16.3	+15.8

Asset Returns (%)			
Russell 3000	-7.9	-38.5	-38.9
MSCI-EAFE®	-5.4	-46.6	-47.8
LB Aggregate Bonds	+3.3	+1.5	+1.7
LB Long Credit Aa	+8.5	-3.5	-2.8
LB Long Treasury	+12.3	+13.5	+13.1

Benchmark Portfolio (%)			
Moderate Risk (3)	-3.2	-25.2	-25.5

Benchmark Portfolio Return vs. Liabilities (%) (BNY Mellon "Typical" Pension Liability Index, Reporting Basis)			
Moderate Risk (3)	-13.4	-18.8	-18.6



The graphs show the cumulative return of a moderate risk portfolio (see Notes below) compared to the return of BNY Mellon's "Typical" Pension Liability Index, using Reported Value discounting. The Funding Ratio is the ratio of market value of assets to reported value of liabilities, and is assumed to begin the period at 100% funded.

Notes

- (1) Reported Value of Liabilities: projected payments discounted at Aa Corporate term structure
 - (2) Market Value of Liabilities: projected payments discounted at US Treasury term structure
 - (3) Moderate Risk Portfolio: 50% Russell 3000, 10% MSCI EAFE, 40% Lehman Aggregate Bonds
- See attached disclosures

BNY Mellon Pension Asset / Liability Detail November 2008

	This Month	Three Months	Year To Date	One Year	annualized		
					Three Years	Five Years	Ten Years
BNY Mellon Pension Liability Index Returns (%)							
Reporting Basis (1)							
Retired Plan	+6.8	-2.3	-2.6	-2.8	+2.2	+2.8	+4.9
Mature Plan	+7.9	-3.0	-3.9	-4.2	+1.4	+2.7	+4.9
Typical Plan	+10.2	-4.4	-6.4	-6.9	+0.0	+2.5	+4.9
Young Plan	+12.7	-6.0	-9.1	-9.9	-1.6	+2.2	+4.9
Market Value Basis (2)							
Retired Plan	+8.7	+7.9	+11.8	+11.6	+8.3	+6.6	+6.1
Mature Plan	+10.9	+9.6	+13.4	+13.1	+8.9	+7.5	+6.5
Typical Plan	+14.9	+12.5	+16.3	+15.8	+9.9	+9.0	+7.2
Young Plan	+19.1	+15.6	+19.2	+18.6	+10.9	+10.7	+7.9

Asset Returns (%)

Russell 3000	-7.9	-31.4	-38.5	-38.9	-9.2	-1.4	-0.4
MSCI-EAFE®	-5.4	-35.4	-46.6	-47.8	-7.7	+2.0	+0.6
LB Aggregate	+3.3	-0.5	+1.5	+1.7	+4.6	+4.1	+5.3
LB Long Credit Aa	+8.5	-2.5	-3.5	-2.8	+1.4	+3.5	+5.5
LB Long Treasury	+12.3	+9.1	+13.5	+13.1	+9.1	+8.1	+7.1

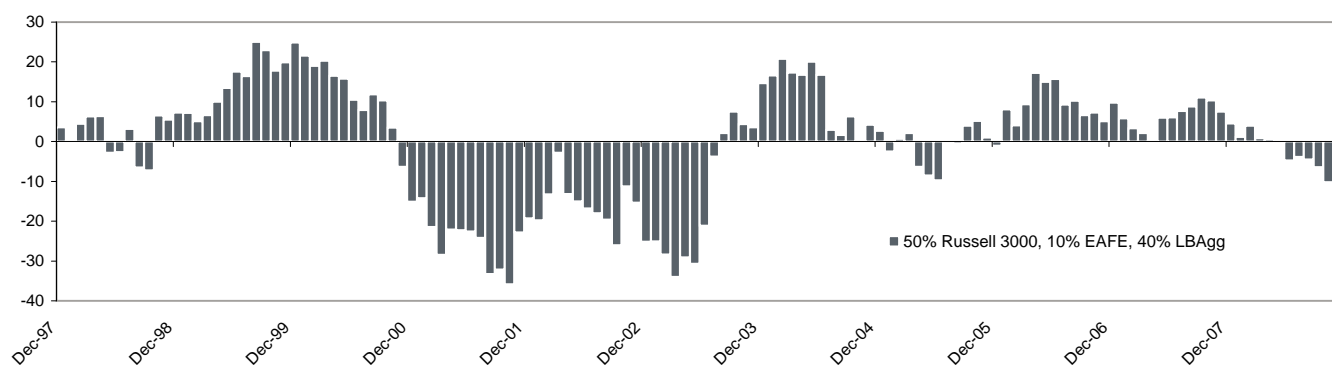
Benchmark Portfolios (%)

Low Risk (3)	+3.6	-11.8	-15.1	-14.8	-1.6	+2.3	+4.1
Moderate Risk (4)	-3.2	-20.3	-25.2	-25.5	-3.4	+1.4	+2.3
Aggressive (5)	-5.3	-26.4	-33.0	-33.4	-6.1	+0.4	+1.1
Long Duration Bonds (6)	+8.5	-2.5	-3.5	-2.8	+1.4	+3.5	+5.5

Benchmark Excess Return vs. Liabilities (BNY Mellon "Typical" Pension Liability Index)

Low Risk	-6.6	-7.4	-8.7	-7.9	-1.6	-0.2	-0.9
Moderate Risk	-13.4	-16.0	-18.8	-18.6	-3.4	-1.1	-2.6
Aggressive	-15.5	-22.0	-26.6	-26.5	-6.1	-2.1	-3.8
Long Duration Bonds	-1.7	+1.9	+2.9	+4.1	+1.4	+1.0	+0.6

Asset vs. Liability Returns



Notes

- (1) Reported Value of Liabilities : projected payments discounted at Aa Corporate term structure
- (2) Market Value of Liabilities : projected payments discounted at US Treasury term structure
- (3) Low Risk Portfolio : 30% Russell 3000, 70% LB Long Credit Aa Bonds
- (4) Moderate Risk Portfolio : 50% Russell 3000, 10% MSCI EAFE, 40% Lehman Aggregate Bonds
- (5) Aggressive Portfolio : 65% Russell 3000, 15% MSCI EAFE, 20% LB Aggregate Bonds
- (6) Long Duration Bonds : 100% LB Long Credit Aa Bonds

Disclosures

This does not constitute investment advice. You should keep in mind that no allocation plan can always ensure a profit or protect against a loss.

Liability Index Disclosure:

The BNY Mellon Pension Liability Indexes are calculated using the present values of hypothetical *Retired*, *Mature*, *Typical*, and *Young* benefit liability cash flow schedules, as calculated by BNY Mellon research. These cash flows are discounted according to a proprietary term structure model applied to every forward payment date. Pricing for the term structure model is developed from BNY Mellon internal research. Returns for each of the BNY Mellon Pension Liability Indexes are calculated from monthly changes in the present values of each index.

Index valuations and return calculations are performed using two sets of data. The *Reporting Basis* discounting uses high-grade corporate bond yields to fit a proprietary BNY Mellon term structure model. This method is intended to provide a reasonable approximation of the methodologies generally used for accounting and funding purposes. The *Market Value Basis* discounting uses US Treasury bond yields to fit a proprietary BNY Mellon term structure model. This method is intended to provide a reasonable approximation of the cost to purchase annuities for the liabilities.

Asset Returns Disclosure:

Returns for each of the hypothetical portfolios described in the text are calculated as the unmanaged weighted average of the applicable indexes, with monthly reset to the target asset mix.

Index Disclosure:

The Russell 3000 Index is an unmanaged capitalization-weighted index that is broadly representative of U.S. equity markets.

The MSCI Europe, Australasia, Far East (EAFE) Index is an unmanaged market-value-weighted index of more than 1,000 securities issued by foreign companies.

The Lehman Brothers U.S. Aggregate Index is an unmanaged index broadly representative of the taxable U.S. bond market.

The Lehman Brothers U.S. Long Credit Aa Index is an unmanaged index representing public obligations of U.S. corporate and specified foreign debentures and secured notes with a remaining maturity of 10 years or more.

The Lehman Brothers U.S. Long Treasury Index is an unmanaged index representing public obligations of the U.S. Treasury with a remaining maturity of 10 years or more.

The Lehman Brothers 25 Year Zero Coupon Bellwether Swap Index is an unmanaged index representing the return of a zero coupon swap of 25 years maturity.