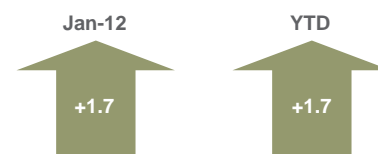


### Asset and Liability Returns

	Jan-12	Year to Date
Assets (Moderate Risk)*	+3.4%	+3.4%
Liabilities (Typical Plan)*	+1.1%	+1.1%

### Funding Ratio Tracker



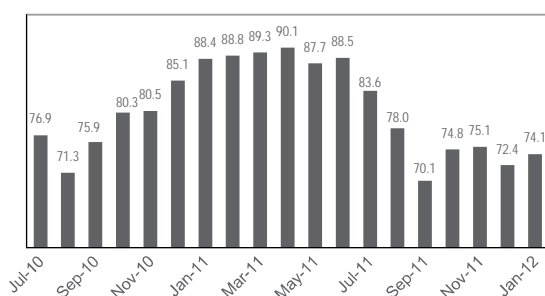
Funding Ratio is the ratio of asset values to liabilities. Year-to-date, the Funding Ratio has risen 1.7 percentage points.\*

### Market Summary

- US equity markets started 2012 on a positive note, returning 5.0%
- International developed markets also rebounded 5.3%
- The Treasury discount rate for the Typical pension liability index rose 1 basis point to 2.80%
- Aa Corporate spreads tightened 7 basis points, and as a result the Aa Corporate discount rate fell 6 basis points to 4.30%
- Asset return for the Moderate Risk portfolio was 3.4% in January, the Typical Liability return was 1.1%
- Assets outperformed liabilities in January, leading to a 1.7 percentage point increase in funded status for the Typical Pension Plan

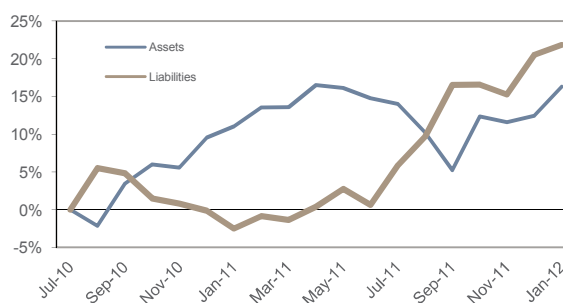
### Funded Status Changes

Plan Funding Ratio Changes



Source: BNY Mellon Asset Management, Standard & Poor's

Cumulative Returns



Source: BNY Mellon Asset Management, Russell, MSCI, Barclays Capital

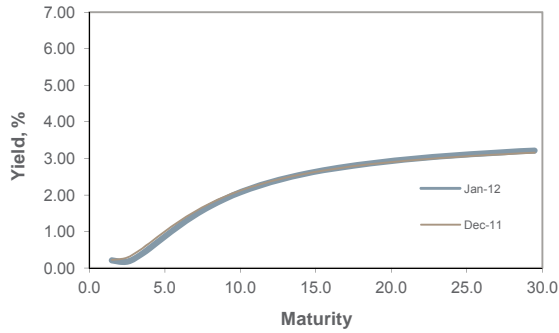
\* The asset and liability returns are for a hypothetical Moderate Risk portfolio (see Notes below) compared to the return of BNY Mellon's "Typical" Pension Liability Index, using Reported Value discounting. The Funding Ratio is the ratio of market value of assets to Reported Value of liabilities, and begins the year at a level consistent with BNY Mellon Asset Management research. The Funding Ratio Tracker not only takes into account asset and liability returns, but also the Plan Funding Ratio.

Notes

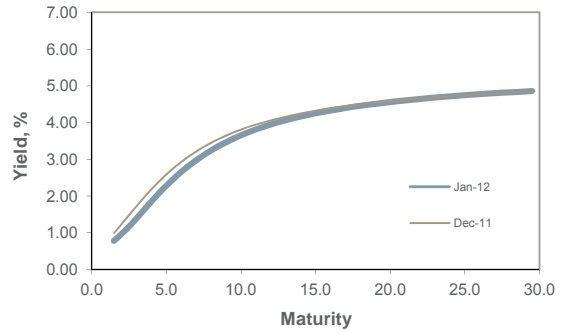
- (1) Reported Value of Liabilities: projected benefit payments discounted at Aa Corporate term structure
  - (2) Moderate Risk Portfolio: 50% Russell 3000, 10% MSCI EAFE, 40% Barclays Capital Aggregate Bonds
- See attached disclosures

Term Structures

Market Basis (Treasury)

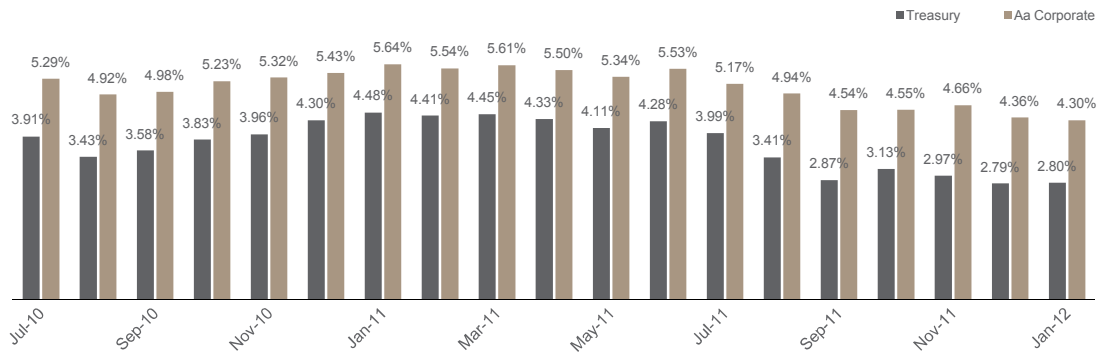


Reporting Basis (Corporate)



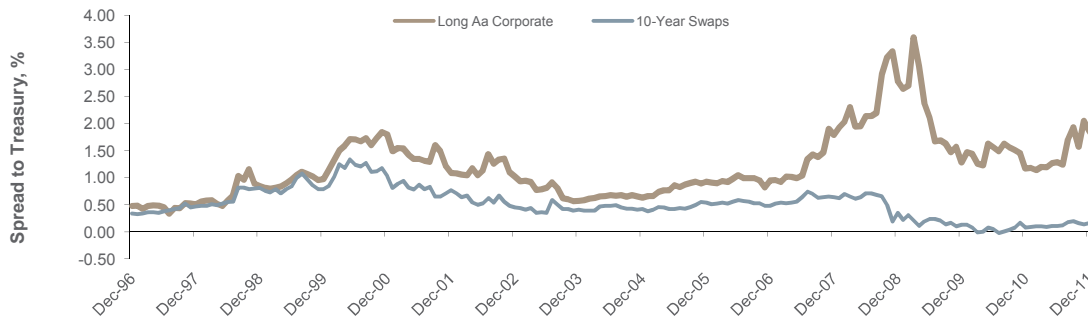
Source: BNY Mellon Asset Management, Barclays Capital

Liability Average Discount Rates



Source: BNY Mellon Asset Management

Historical Yield Spreads to Treasury



Source: Barclays Capital

# BNY Mellon Pension Summary

## January 2012



	This Month	Three Months	Year To Date	One Year	annualized		
					Three Years	Five Years	Ten Years
<b>Liability Returns (%)</b>							
<b>Reporting Basis (Duration) <sup>(1)</sup></b>							
Retired Plan (7.9 years)	+1.3	+3.2	+1.3	+14.1	+11.3	+8.1	+6.9
Mature Plan (9.8 years)	+1.2	+3.7	+1.2	+17.8	+12.9	+8.7	+7.5
Typical Plan (13.3 years)	+1.1	+4.5	+1.1	+24.9	+16.1	+9.8	+8.7
Young Plan (16.9 years)	+0.9	+5.3	+0.9	+33.0	+19.4	+10.9	+9.9
<b>Market Value Basis (Duration) <sup>(2)</sup></b>							
Retired Plan (8.8 years)	+0.3	+3.4	+0.3	+17.2	+6.1	+7.8	+6.3
Mature Plan (11.2 years)	+0.1	+4.4	+0.1	+22.7	+7.2	+8.8	+7.1
Typical Plan (15.2 years)	-0.2	+5.9	-0.2	+32.8	+9.2	+10.5	+8.5
Young Plan (19.2 years)	-0.5	+7.5	-0.5	+44.0	+11.0	+12.2	+9.9

### Asset Returns (%)

Russell 3000	+5.0	+5.6	+5.0	+3.9	+20.2	+0.6	+4.2
MSCI-EAFE®	+5.3	-0.7	+5.3	-9.6	+13.4	-3.9	+5.8
Barclays Aggregate	+0.9	+1.9	+0.9	+8.7	+7.4	+6.7	+5.8
Barclays Long Credit Aa	+2.4	+4.5	+2.4	+23.6	+14.8	+9.5	+8.5
Barclays Long Treasury	-0.0	+5.9	-0.0	+32.7	+10.6	+11.2	+8.8

### Benchmark Portfolios (%)

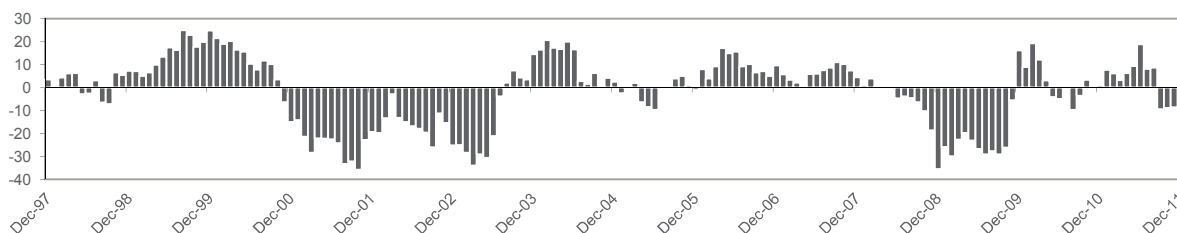
Low Risk <sup>(3)</sup>	+3.2	+4.8	+3.2	+17.9	+16.9	+7.2	+7.6
Moderate Risk <sup>(4)</sup>	+3.4	+3.5	+3.4	+4.7	+14.8	+3.1	+5.4
Aggressive <sup>(5)</sup>	+4.3	+3.9	+4.3	+2.9	+16.9	+1.5	+5.0
Long Duration Bonds <sup>(6)</sup>	+2.4	+4.5	+2.4	+23.6	+14.8	+9.5	+8.5

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

Low Risk	+2.1	+0.3	+2.1	-7.0	+0.9	-2.6	-1.1
Moderate Risk	+2.3	-1.0	+2.3	-20.2	-1.3	-6.8	-3.3
Aggressive	+3.2	-0.6	+3.2	-22.0	+0.9	-8.3	-3.7
Long Duration Bonds	+1.3	-0.1	+1.3	-1.3	-1.3	-0.3	-0.2

### Asset vs. Liability Returns

Asset Returns minus Liability Returns (BNY Mellon "Typical" Pension Liability Index - Reporting Basis)  
12-month rolling returns (%)



■ 50% Russell 3000, 10% EAFE, 40% BC Agg

Source: BNY Mellon Asset Management

### 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% Barclays Capital Long Credit Aa Bonds
- (4) Moderate Risk Portfolio: 50% Russell 3000, 10% MSCI EAFE, 40% Barclays Capital Aggregate Bonds
- (5) Aggressive Portfolio: 65% Russell 3000, 15% MSCI EAFE, 20% Barclays Capital Aggregate Bonds
- (6) Long Duration Bonds: 100% Barclays Capital 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 Barclays Capital U.S. Aggregate Index is an unmanaged index broadly representative of the taxable U.S. bond market.

The Barclays Capital 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 Barclays Capital U.S. Treasury Long Index is an unmanaged index representing public obligations of the U.S. Treasury with a remaining maturity of one year or more.

The Barclays Capital U.S. Bellwether Swap 10 Year Index is an unmanaged index representing 10-year par swaps.