

Press Release



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Stock Market Decline Leads to Erosion in Funded Status of Typical U.S. Pension Plan, According to BNY Mellon Asset Management

Worst Monthly Stock Market Performance in Five Years

PITTSBURGH, February 6, 2008 – The funded status of the typical U.S. pension plan declined 3.3 percentage points on a “reporting basis” in January, entirely due to a drop in the global equity markets, according to BNY Mellon Asset Management. The “reporting basis” is designed to track the new funding rules adopted by the U.S. Treasury Department and financial reporting guidelines implemented in 2007 by the Financial Accounting Standards Board (FASB).

“The fear of slowing economies and rising inflation produced the worst monthly stock market drop in five years, causing the value of the assets held in pension plans to decline,” said Peter Austin, executive director of BNY Mellon Asset Management. “However, long-maturity U.S. Treasury bond yields were only six basis points lower, which held the liabilities of these plans essentially flat.”

BNY Mellon Asset Management is one of the world’s largest global asset managers with more than US\$1 trillion in assets under management. The multi-boutique asset management model encompasses the investment skills of world class specialist asset managers who are amongst the most advanced and highly regarded names in money management. With investment expertise that spans the asset class spectrum, BNY Mellon Asset Management offers a comprehensive suite of beta-achieving and alpha-generating investment strategies to meet the unique needs of institutional investors.

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