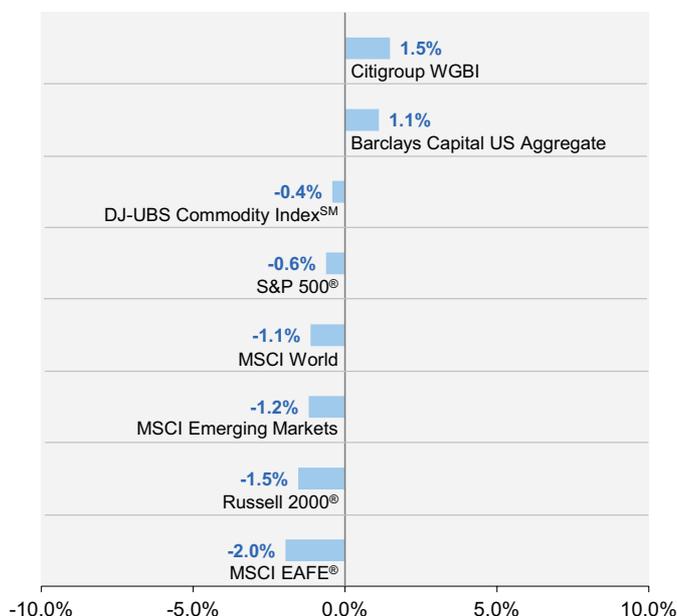


THE MONTH IN REVIEW

Equity volatility increased during April as both positive and negative news kept investors on their toes. Minutes from the Fed's March FOMC meeting showed fewer members favored a new round of quantitative easing despite concerns from Chairman Bernanke about the sustainability of labor markets. The Fed's sentiment came on the heels of a weak U.S. employment report, which showed a gain of 120,000 versus expectations of 203,000. A poor Spanish bond auction, the first since Spain released its new austerity budget, contributed to fresh concerns over peripheral Euro area nations. Lastly, growth in China hit a three-year low in the first quarter, as GDP rose 8.1% versus expectations of 8.3%. U.K. GDP contracted at an annualized rate of 0.8% in the first quarter of 2012, putting the U.K. economy back into a recession after two consecutive quarters of negative GDP growth. Also harming sentiment were the political repercussions of European austerity measures, as the Dutch government was forced into early elections and France's President Sarkozy will be challenged in a runoff election next month. Stocks tumbled and the U.S. dollar fell, while gold rose. Later in the month, sentiment firmed after solid first-quarter U.S. earnings, upbeat German business confidence surveys, and relatively successful bond auctions in Spain and France. Global equities recouped some of their losses but still closed down for the month. Weakness in European equities overshadowed relative strength in Hong Kong and Australia, while the U.S. and Canada finished with small losses. Global sovereign bonds rose on slower economic data and increased risk aversion. Commodity prices fell slightly, with the DJ-UBS Commodity IndexSM down 0.4%.

Market Performance – April 2012



**Mellon
Capital**

MONTH END MODEL OUTLOOK

Global Asset Allocation

- Our valuation methodology indicates that U.S. stocks remain attractive relative to U.S. corporate bonds and cash. From a valuation perspective, we believe low fixed income yields provide limited compensation for inflation risks.
- We continue to find that equities are attractive relative to bonds globally, based on our assessment of the global equity risk premium, and hold an overweight to equities and underweight to bonds. Signs of a stronger U.S. economy and the additional liquidity provided by the European Central Bank have helped reduce tail risks in our opinion.

Cross-Country Relative Value

- France and the Netherlands continue to exhibit attractive valuations in our models due to their stronger balance sheets and better earnings quality. Conversely, we are bearish on Swiss, Japanese, and Hong Kong equities, where valuations are unattractive to us relative to other countries in our equity universe.
- U.S. bonds offer the best value among developed bond markets according to our assessment of their term premium. Conversely, U.K. bonds appear unattractive due to mounting inflation pressure and a relatively low term premium.
- Among emerging market equities, our models find stocks in China relatively attractive despite recent downward revisions to future economic growth by Chinese officials, while stocks in Taiwan appear overvalued relative to weaker earnings forecasts and growth prospects.

Currency

- The Canadian dollar is the most attractive developed market currency in our opinion, as high short-term rates offer positive carry and the Bank of Canada is more hawkish than most other central banks.
- We find that the euro is unattractive, as short-term interest rates remain relatively low and Euro area growth is expected to lag.
- The Brazilian real continues to appear attractive among emerging market currencies, while the Israeli shekel appears relatively overvalued.

Global Fixed Income

- In Germany, we find the most value in the 3-year and 10-year portions of the yield curve, while the 5-year maturity bucket appears overvalued.

Commodities

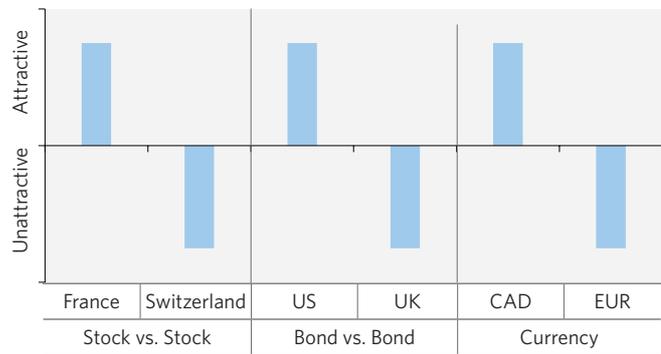
- On a relative basis, soybean meal appears attractive due to the large roll yield and strong price momentum signals, while lean hogs appear overvalued due to unfavorable investor positioning and negative price momentum.
- RBOB gasoline appears attractive on a long calendar spread basis, while we hold a bear spread in heating oil as we expect the near-term contract to underperform longer-dated contracts.

SIGNIFICANT RELATIVE OPPORTUNITIES: MONTH END OUTLOOK

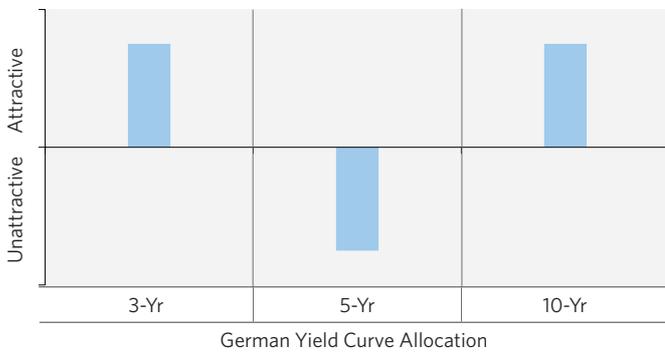
Global Asset Allocation



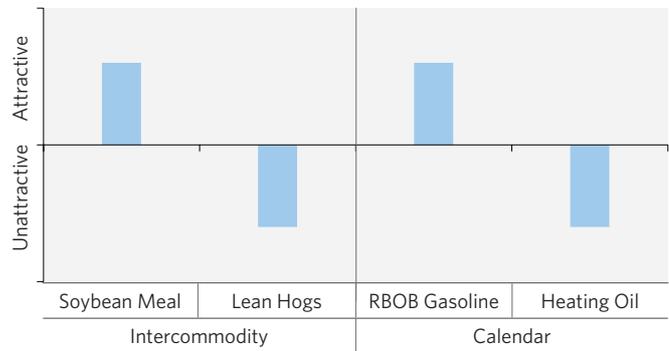
Cross-Country Relative Value



Global Fixed Income



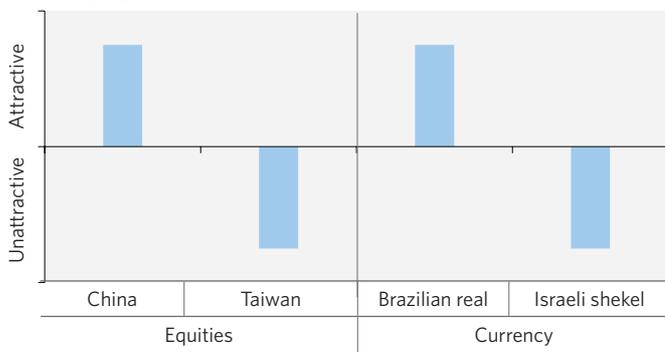
Commodities



The Intercommodity signal attempts to determine a commodity's attractiveness versus other commodities using proprietary models.

The Calendar signal measures the relative attractiveness of a commodity's near-term contract versus longer-term contracts using proprietary models.

Emerging Markets



CONTACTS

BUSINESS DEVELOPMENT

Sheryl Linck
 Managing Director
 412.234.9439
 sheryll@mcm.com

CLIENT SERVICE

David Dirks
 Managing Director
 617.248.4562
 david@mcm.com

CONSULTANT RELATIONS

Andy Pellegrino
 Managing Director
 412.234.1909
 andyp@mcm.com

ONLINE

www.mcm.com





ABOUT US

Mellon Capital – Global. Insightful. Engaged. Mellon Capital has provided global multi-asset solutions for nearly thirty years. Our precise understanding of world markets, coupled with our fundamentals-based and forward-looking analytical methods are the foundation for tailored client solutions. Our investment capabilities range from indexing to alternatives with the infrastructure and skill to transact in all liquid asset classes and securities.

This publication reflects the opinion of the authors as of the date noted and is subject to change without notice - it is provided as a general market overview and should not be considered investment advice or predictive of future market performance. The information in this publication has been developed internally and/or obtained from sources we believe to be reliable; however, Mellon Capital does not guarantee the accuracy or completeness of such information. This publication is provided for informational purposes only and is not provided as a sales or advertising communication nor does it constitute investment advice or a recommendation for any particular investment product or strategy for any particular investor. Economic forecasts and estimated data reflect subjective judgments and assumptions and unexpected events may occur. Therefore, there can be no assurance that developments will transpire as forecasted in this publication. Past performance is not an indication of future performance. Portfolio positions may vary significantly from those suggested by our models.

The indices referred to herein are used for comparative and informational purposes only and have been selected because they are generally considered to be representative of certain markets. Comparisons to indices as benchmarks have limitations because indices have volatility and other material characteristics that may differ from the portfolio, investment or hedge to which they are compared. The providers of the indices referred to herein are not affiliated with Mellon Capital, do not endorse, sponsor, sell or promote the investment strategies or products mentioned herein and they make no representation regarding the advisability of investing in the products and strategies described herein.

"Standard & Poor's®", "S&P®", "S&P 500® Index", "Standard & Poor's 500®", S&P Small Cap 600® Index, "S&P Mid Cap 400® Index", and "S&P MLP™ Index" are trademarks of McGraw-Hill, Inc., and have been licensed for use by BNY Mellon (together with its affiliates and subsidiaries).

Any funds or securities referred to herein are not sponsored, endorsed or promoted by MSCI, and MSCI bears no liability with respect to any such funds or securities or any index on which such funds or securities are based.

The Dow Jones-UBS Commodity Indexes are calculated, distributed and marketed by CME Group Index Services, LLC ("CME Indexes") pursuant to an agreement with UBS Securities, LLC and have been licensed for use. All content of the Dow Jones-UBS Commodity Indexes © CME Group Index Services, LLC and UBS Securities, LLC 2010. "Dow Jones®" is a registered trademark of Dow Jones Trademark Holdings LLC and has been licensed for use by CME Indexes. "UBS®" is a registered trademark of UBS AG.

Russell Investments is the owner of the trademarks and copyrights relating to the Russell 1000® Index, the Russell 2000® Index, the Russell 2500™ Index, the Russell 3000® Index, the Russell Midcap® Growth Index, and the Russell Midcap® Value Index.

Benchmark Definitions:

S&P 500® Index is a capitalization-weighted index of 500 commonly traded U.S. stocks designed to represent the broad domestic economy.

The MSCI EAFE® Index (US\$) is a market capitalization weighted benchmark designed to measure the performance of large and mid capitalization stocks of the developed stock markets of Europe, Australia, and the Far East.

The MSCI World Index is a market capitalization weighted benchmark designed to measure the performance of large and mid capitalization stocks of the developed stock markets of Europe, Australia, the Far East and North America.

The Barclays Capital U.S. Aggregate Index is a broad representation of the U.S. investment-grade fixed income market including Treasuries, government-related issues, securitized assets, and U.S. credit dollar-denominated issues with a minimum term to maturity of one year.

The Citigroup World Government Bond Index (WGBI) is market capitalization weighted index and tracks total returns of 23 developed country government bonds with having a minimum term to maturity of one year.

The MSCI Emerging Markets Index is a market capitalization index designed to measure the performance of large and mid capitalization stocks of emerging markets.

The Dow Jones-UBS Commodity Index (SM) is a production- and liquidity-weighted, U.S. dollar-denominated index comprised of liquid exchange-traded futures contracts for energy, industrial metals, precious metals, agriculture, and livestock commodities.

The Russell 2000® Index is a market capitalization benchmark designed to measure the performance of the small-cap segment of the U.S. equity universe.

➤ A BNY MELLON COMPANYSM

本情報提供資料は、BNY メロン・グループ（BNY メロンを最終親会社とするグループの総称です）の資産運用会社が提供する情報について、BNY メロン・アセット・マネジメント・ジャパン株式会社が審査の上、掲載したものです。当資料は情報の提供を目的としたもので、勧誘を目的としたものではありません。当資料は信頼できると思われる情報に基づき作成されていますが、その正確性、完全性を保証するものではありません。ここに示された意見などは、作成時点での見解であり、事前の連絡無しに変更される事もあります。

BNY メロン・アセット・マネジメント・ジャパン株式会社
BNY Mellon Asset Management Japan Limited

金融商品取引業者：関東財務局長（金商）第 406 号
〔加入協会〕 社団法人 投資信託協会
社団法人 日本証券投資顧問業協会