

BNY Mellon Fund Managers Ltd

CONSOLIDATED ASSESSMENT OF VALUE REPORT

To 31 March 2024

Newton Growth & Income Fund for Charities /
Newton Sustainable Growth & Income Fund for Charities / Newton SRI Fund for Charities /
BNY Mellon (Schroder Solutions) Global Equity Fund

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WHAT IS AN ASSESSMENT OF VALUE?

A report in which the board of BNY Mellon Fund Managers Ltd. aim to do exactly that – assess value. More explicitly, assess the value our funds have delivered to investors over the review period.

WHY?

The Financial Conduct Authority (FCA) – a governing body over UK financial services – requires all UK authorised fund managers to assess the value offered by each of their funds. A public report (this report in fact) must be produced and published annually.

HOW?

So, how can you assess value? This report sees our board scrutinise each fund by assessing them across the seven criteria set out by the FCA. These include performance, quality of service, cost and the fair treatment of our investors. We explain the seven criteria in more detail on [page 9](#). If it's found that a fund does not offer good value, corrective action should be taken.

A more detailed explanation of our process can be found on [page 10](#).



How to read this report

If you have **5** minutes – focus on the results of your specific fund. Turn to your fund page (listed below) where you can find performance stats, manager commentary and an overall rating summary.

[Newton Growth & Income Fund for Charities on page 20](#)

[Newton SRI Fund for Charities on page 21](#)

[Newton Sustainable Growth & Income Fund for Charities on page 22](#)

[BNY Mellon \(Schroder Solutions\) Global Equity Fund on page 23](#)

If you have **10** minutes – for more context you might want to refresh yourself on the 2023 results and the actions taken. You can find this on [page 8](#).

If you have **30** minutes – to understand our assessment methodology, find an in-depth explanation on this and the seven criteria we use to rate our funds in ‘our methodology’ and ‘our process’ sections on [pages 9 and 10](#).

If you have **60** minutes – alongside reading about our methodology, and your fund’s 2023 and 2024 results, this report can provide you with an in-depth analysis of our overall findings. On [pages 14-17](#) in ‘our analysis’ section, we provide insight into our findings across all seven criteria covering all four of the funds.





Carole Judd
Independent Chair of
BNY Mellon Fund
Managers Ltd Board
of Directors

Dear investors,

Welcome to our latest Assessment of Value (AoV) report, covering four of our specialised investment funds – the majority of which focus on charity investors – over the year ending 31 March 2024. These funds have varying financial year ends, so have been consolidated into one report.

2024 marks our fifth year with the Assessment of Value process, and we are proud of the steps we have taken to evolve our practices so far. The board and I continue to focus on a shared goal – a report that is clear, honest and ultimately valuable to you.

THE REVIEW PERIOD

The review period for this assessment runs to the end of March 2024, which saw **inflation** fall to its lowest level (4.7%) since February 2022.¹ This provided some respite following a technical **recession** in the second half of 2023. Despite this, the Bank of England held interest rates at 5.25% and borrowing has remained at a 16-year record high.²

1. Office for National Statistics, Consumer price inflation, UK: March 2024.
2. Bank of England, Bank Rate maintained at 5.25%: March 2024.

Geopolitically, the ongoing conflicts in the Middle East and Ukraine have added volatility to the global landscape. Alongside this, almost half of the world's population is set to participate in elections in 2024, so global tensions have been steadily rising, impacting investment markets.

In the next section of this report: “Market Backdrop: Turning a corner”, we explore the economic headlines our managers contended with during the review period. As a board, we took this market context into consideration when reviewing the funds.

FOCUS ON RESPONSIBLE INVESTMENT

In last year's report, we highlighted that **responsible investment** continues to be a key area of focus, particularly for our charity investors. This year, we maintained our commitment to being part of the solution. As such, we are pleased to report that the funds with responsible investment based objectives received five globes (the highest sustainability grade) from Morningstar.



In accordance with regulations to bolster the transparency on the steps we are taking to embed sustainability into our practices BNY Mellon Fund Managers Ltd. has published their report on Task Force on Climate Related Financial Disclosures (TCFD). For more information, our 2023 TCFD report is available to read [here](#). As a financial services organisation and as a board, this enables us to have an increased awareness of climate-related issues and how our actions and policies can be implemented as tools for change.

Individual TCFD fund sheets – which feature climate credentials such as greenhouse gas emissions and carbon metrics – are available to download for the below funds.

- [Newton Growth and Income Fund for Charities](#)
- [Newton Sustainable Growth and Income Fund for Charities](#)
- [Newton SRI Fund for Charities](#)

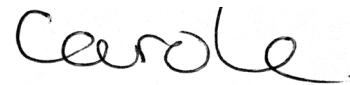
DEFINING AND DELIVERING VALUE

Last year, we asked each board member to define 'value'. This highlighted how subjective value can be. Value can of course be monetary – but it can also refer to how supported and informed you feel. As we continue to hone our process, we each endeavour to champion you – the investors in our funds – by producing a clear, honest and accessible report.

With that in mind, this year we have developed our online landing page to be easier to navigate, with the key information clearly signposted. We have also implemented individual fund pages for download, so that you have access to as much (or as little) information as you want.

We hope you find value in this report and the online changes we have made. We welcome any comments or feedback you may have so we can improve future reports (mailto: clientservices@bnymellon.com).

Yours faithfully,



Carole Judd

Independent Chair of BNY Mellon Fund Managers Ltd Board of Directors



Market Backdrop: turning a corner

The coronation of a new king, the rise of artificial intelligence (AI), falling inflation, geopolitical conflicts, persistently high interest rates, an ongoing cost of living crisis and a changing of the guard in politics. These were the top UK news stories punctuating the review period.

Following a dizzying high of 19.6% in March 2023, food price inflation fell to 3.9%¹ by the end of the review period.

The UK's national debt continued to grow and the economy entered a technical recession in the second half of 2023. Despite this, there was modest yet promising growth with GDP rebounding by 0.6% in the first quarter of 2024.²

By March 2024, inflation had fallen to its lowest level since February 2022, and interest rates were again held by the Bank of England at 5.25%.³ This was both good and bad news; the increased borrowing costs saw mortgage rates surge, yet bond **yields** became more attractive to **fixed income** investors.

The equities market proved resilient with energy and financial **stocks** generally performing well. Alongside this, technology stocks continued to dominate – with the desire for innovation, the implementation of AI and digital solutions continuing to drive demand.

Halving inflation was the only pledge met by the then Prime Minister Rishi Sunak out of his five 2023 pledges. Power began to slide away from the Conservative party ahead of the UK election, which we now know (outside of the review period) resulted in Labour winning the election and the Conservatives facing their worst party performance in their nearly 200-year history.⁴

This review period saw geopolitical tensions rise significantly. The war in Gaza continues to permeate globally. Alongside this, there has been the backdrop of a major global election year (2024) with almost half of the world's population due to vote in elections.

At the time of writing, a rematch between US president Joe Biden and former president Donald Trump is set for November, and trade tensions between the US and China continue to play a significant role in the election run-up. From a UK perspective, supply chain disruption may continue beyond this review period as a result.

Supply chain issues have proven a deeply embedded issue since the Covid-19 pandemic. These were reinforced by the ongoing Russia-Ukraine war which saw fuel and energy costs rise to a 15-year high in 2022.⁵ This review period saw more palatable fuel prices; however, they remain significantly higher than in previous years.

The November COP28 climate conference facilitated a new agreement to 'transition away from fossil fuels in energy systems' as part of the global efforts to reach net zero by 2050. There was also a pledge from oil companies, including Shell, BP and Saudi Aramco to lower their methane emissions.

¹ Consumer Price Index published by the Office for National Statistics (ONS).

² KPMG: UK Economy forecast – July 2024.

³ Bank of England Monetary Policy.

⁴ TIME Magazine: Labour Delivered a Decisive Victory in Britain. Now Comes the Hard Part.

⁵ GOV UK: Quarterly Energy Prices – September 2022.



Meet the Board



Carole Judd
board chair (independent)

Carole has over 35 years' experience in asset management and investment consulting.



Sarah Cox
executive director

Sarah has over 25 years in the financial services industry and is head of UK fund governance, operations and client services at BNY Investments EMEA and is chief executive officer for the board.



Marc Saluzzi
independent director

Marc, retired from PwC Luxembourg since 2015, and has more than 35 years of experience in the asset management industry across both the US and Luxembourg.



Caylie Stallard
executive director

Caylie, who has worked in financial services for over 16 years, is head of product development & management EMEA for BNY Investments.



Sandeep Sumal
group non-executive director

Sandeep is the director of governance at BNY Investments with over 20 years of experience in the financial services industry.



Last year – our 2023 ratings and actions

We examined five funds covering the 12 months to 31 March 2023. In analysing the funds, we followed the seven-factor criteria as outlined by the UK regulator, the Financial Conduct Authority (FCA).

Three funds were rated green by the board, showing good value for money. The BNY Mellon (Schroder Solutions) Global Equity Fund did not have sufficient history to qualify for assessment. One fund, the Newton Managed Targeted Return Fund was rated amber.

FCA assessment criteria	Performance	Quality of service	Comparable market rates	AFM Costs – general	Comparable services	Economies of scale	Classes of units/shares	Overall rating
Newton Growth & Income Fund for Charities	●	●	●	●	●	●	●	●
Newton Sustainable Growth & Income Fund for Charities	●	●	●	●	●	●	●	●
Newton SRI Fund for Charities	●	●	●	●	●	●	●	●
BNY Mellon (Schroder Solutions) Global Equity Fund	●	●	●	●	●	●	●	●
Newton Managed Targeted Return Fund	●	●	●	●	●	●	●	●
<div>KEY</div> <div><div>● Provided good value to investors over the assessment period</div><div>● Provided some value to investors over the assessment period</div><div>● Has provided poor value over the assessment period and requires further action or monitoring</div><div>● Insufficient track record or not applicable</div></div>								

Here is a synopsis of the remedial actions taken over the course of the year based on the 2023 ratings.

Fund name	Action taken
NEWTON MANAGED TARGETED RETURN FUND	A vote on whether or not to merge this fund did not gain sufficient support and the fund was closed 1 December, 2023.



2024 Methodology

In this Assessment of Value report, we examined four funds with accounting end dates up to and including 31 March 2024. A fifth fund covered in last year's report was closed during this review period.

Our assessment follows the seven-factor criteria outlined by the UK regulator, the Financial Conduct Authority (FCA). We used a variety of internal data to examine the individual funds within each of these areas. This included data provided by external, independent consultants.

Further details on the seven criteria:

	<i>FCA Definition</i>	<i>Our assessment</i>
Performance	The performance of the scheme*, after deduction of all payments out of scheme property** as set out in the prospectus. Performance should be considered over an appropriate timescale having regard to the scheme's investment objectives, policy and strategy.	Funds – and their individual share classes – may frame objectives over a specified time frames. For instance, one may have a stated goal over three years, another over 12 months. We assessed the performance of each share class against its stated objective.
Quality of Service	The range and quality of services provided to unitholders.	We assessed the quality of the service provided to holders of the fund. Our analysis considered services provided to the fund by third parties, as well as the services investors received from BNY.
Comparable Market Rates	In relation to each service, the market rate for any comparable service provided: a) by the Authorised Fund Manager (AFM); or b) to the AFM or on its behalf, including by a person to which any aspect of the scheme's management has been delegated.	We assessed the fees paid by the investors in the funds against similar competitor funds.
AFM (Authorised Fund Manager) Costs – General	In relation to each charge, the cost of providing the service to which the charge relates, and when money is paid directly to associates or external parties, the cost is the amount paid to that person.	We assessed the individual costs for services provided in the fund. These included the payment to the trustee and investment manager among others. We also considered the profitability of the funds.
Comparable Services	In relation to each separate charge, the AFM's charges and those of its associates for comparable services provided to clients, including for institutional mandates of a comparable size and having similar investment objectives and policies.	We assessed the costs of the share classes of the fund, when compared to a negotiated fee share class, or a broadly similar mandate only available to institutional investors.
Economies of Scale	Whether the AFM is able to achieve savings and benefits from economies of scale, relating to the direct and indirect costs of managing the scheme property and taking into account the value of the scheme property and whether it has grown or contracted in size as a result of the sale and redemption of units.	We assessed whether any savings achieved by the fund increasing in size were passed on to the underlying investors. If a fund decreased in size, we assessed whether the costs disproportionately increased.
Classes of Units/Shares	Whether it is appropriate for unitholders to hold units in classes subject to higher charges than those applying to other classes of the same scheme with substantially similar rights.	We examined whether the investors of the fund were in the appropriate share class. If there were many share classes for one fund, it was assessed whether all of the share classes were still fit for purpose and required.

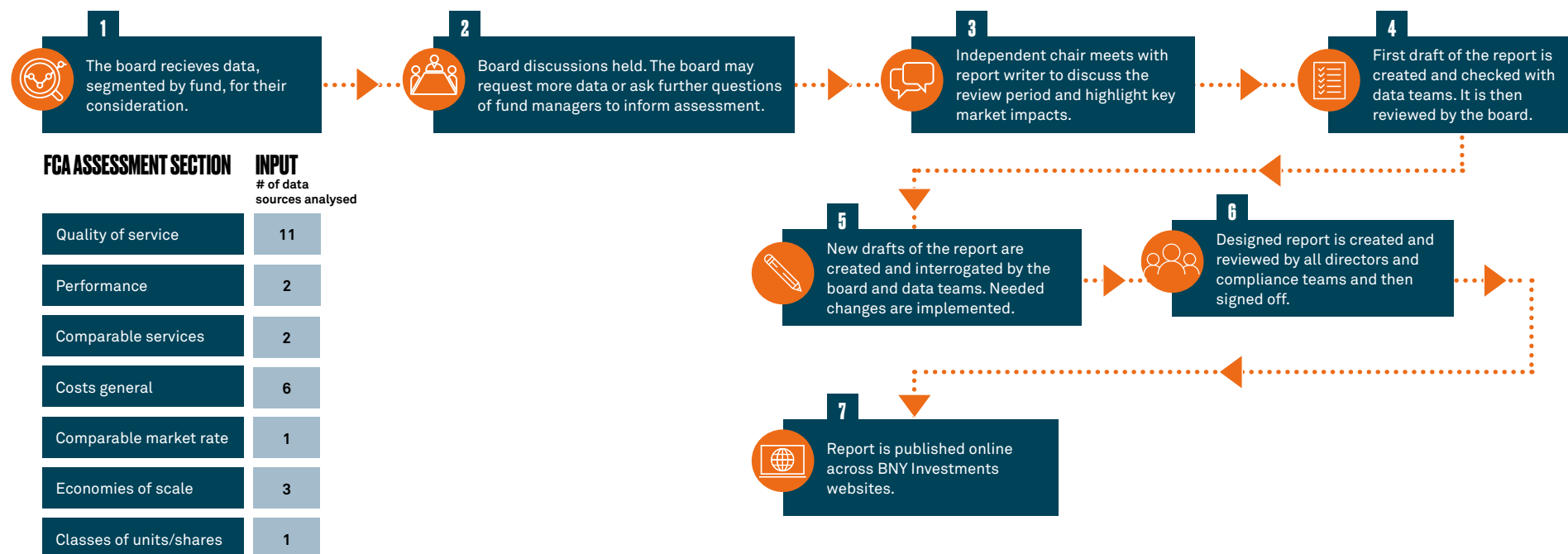
*Scheme is what we would call the Fund. **Scheme property is what we would call the underlying investments held by the Fund.



Our AoV review process

A complex review process using multiple sets of data, across seven criteria analysed on a fund by fund basis, the board of BNY Mellon Fund Managers Ltd has honed its methodology over the past year since the Assessment of Value was introduced. Here is a simplified flow chart outlining our process.

Step by step: Our process



Among the internal sources:

Client complaints log
Investment Management Oversight Committee summary
Prospectus for trustee fees
Transaction charges
Audit benchmarking
Financial reports for the funds
European MIFID Template (EMT) report
Client holding and fee database

Among the external sources and consultants we used were:

Performance: Lipper IM
FITZ Partners Board Reporting & Investment Advisory Fee Benchmarking Report
MJ Hudson Amaces CMS Fund Accounting Report & CMS Custody and Treasury Report
NatWest Trustee and Depository Services Fund Accounting Benchmarking Report, Custody Benchmarking Report, Custodian Oversight Pack & Quarterly Report



OUR 2024 RESULTS



Results

FCA Assessment Criteria – Fund Level	Year	Performance	Quality of service	Comparable market rates	AFM Costs – general	Comparable services	Economies of scale	Classes of units/shares	Overall rating
Newton Sustainable Growth and Income Fund for Charities	2021	●	●	●	●	●	●	●	●
	2022	●	●	●	●	●	●	●	●
	2023	●	●	●	●	●	●	●	●
	2024	●	●	●	●	●	●	●	●
Newton Growth and Income Fund for Charities	2021	●	●	●	●	●	●	●	●
	2022	●	●	●	●	●	●	●	●
	2023	●	●	●	●	●	●	●	●
	2024	●	●	●	●	●	●	●	●
Newton SRI Fund for Charities	2021	●	●	●	●	●	●	●	●
	2022	●	●	●	●	●	●	●	●
	2023	●	●	●	●	●	●	●	●
	2024	●	●	●	●	●	●	●	●
BNY Mellon (Schroder Solutions) Global Equity Fund	2021	●	●	●	●	●	●	●	●
	2022	●	●	●	●	●	●	●	●
	2023	●	●	●	●	●	●	●	●
	2024	●	●	●	●	●	●	●	●

KEY

● Provided good value to investors over the assessment period

● Provided some value to investors over the assessment period

● Has provided poor value over the assessment period and requires further action or monitoring

● Insufficient track record or not applicable

Please turn to [page 19](#) for results by share class.

BNY Mellon (Schroder Solutions) Global Equity Fund

● There was insufficient track record to rate this fund. Launched in 2020, one of its stated objectives is to achieve growth over the long term (at least seven years). As such, the fund cannot be fully assessed against this objective.



OUR ANALYSIS

What, how
and why



Our analysis



WHAT, HOW AND WHY

In this section we explain what we analysed, how we assessed and the conclusions we reached.

PERFORMANCE

We continue to hone our analysis – and tolerance – with respect to performance deviations. If a fund loses value year-after-year, yet beats the **index** is it adding value? The answer isn't one we feel can be tackled with a one-size-fits all approach.

We don't believe performance is simply about the absolute amount of money gained or lost over a small window of time. Instead, this assessment looks at whether the fund performed as expected. Did it meet its objective(s)? And if it didn't, why not? Was the **underperformance** persistent? Has its **active management** added value and to what extent?

Performance consistency, particularly in line with a fund's objectives, is a mainstay of our analysis. Failing to meet the fund's stated objective is given strict consideration, no matter the prevailing market environment, particularly when considering longer term numbers. In some cases, a fund may have fallen steeply, along with others in its peer group. However, we don't believe performing in line with others is a rationale for missing a stated objective – rather, perhaps most of the **sector** failed to add value.

For those funds aiming to achieve an income, we take its yield into consideration. Occasionally the objective or the way a fund is managed will change (typically following a

vote by shareholders). For such funds it is difficult to judge them based on their old objectives. We review these on a case-by-case basis. On the individual fund pages, we include a chart of the fund's performance on a net basis.

Actions on the board's checklist:

- ☒ Compared performance against stated investment objectives
 - For income funds prioritised yield versus the market and competitive peers.
 - Funds with capital growth objectives and **total returns** were prioritised.
- ☒ Examined performance on absolute basis and versus its benchmark or peers
 - On gross basis (before fees) and net (after fees).
 - Did active management provide notable benefits?
 - Was underperformance a function of manager style?
 - Performance consistency.
- ☒ Considered market style, backdrop. How influential were world events on performance?

FINDINGS

Three of the four funds reviewed were rated green on this metric.

The BNY Mellon (Schroder Solutions) Global Equity Fund does not have sufficient performance history to assess – for more information turn to page [24](#).

In the context of responsible investing, three of the four funds had third-party analyst reviews.

We were pleased to see that our funds with sustainability framework, Newton Sustainable Growth and Income Fund for Charities and the Newton SRI Fund for Charities, were awarded the top Morningstar sustainability rating of five globes.



Market backdrop – performance of major equity and bond indices over 12 months to 31 March 2024

Indices (Equities)	% Growth GBP
31/03/2023 To 31/03/2024	Value
MSCI AC Asia Pacific ex Japan NR	3.04
MSCI EM (Emerging Markets) NR	5.86
MSCI Europe ex UK NR	12.65
MSCI North America NR	26.25
MSCI United Kingdom NR	8.51
MSCI World NR	22.45

Indices (Bonds)	% Growth GBP
31/03/2023 To 31/03/2024	Value
ICE BofA Global Corporate TR	2.91
ICE BofA Global Government TR	-4.51
ICE BofA Global High Yield TR	8.73
JP Morgan EMBI Global Diversified TR	8.92
JP Morgan CEMBI Broad Diversified TR	6.85

Source: Lipper-IM.

QUALITY OF SERVICE

As the board governing these funds, we are ultimately responsible for the service provided to them and to investors within them. The majority of the services examined in this measurement – including marketing and communications – are shared resources. For instance, all these funds use the same third-party service providers such as: **fund accountants, transfer agents (TA), auditors, and custodians.**

Investment management is the main service that differs between the funds. In this assessment, the funds are managed by Newton.

Actions on the board's checklist:

- ☒ Collected and reviewed data on services shared by all funds.
- ☒ We considered a number of measures for each investment manager, including risk and compliance track records, results of internal audits, engagement and responsiveness.
- ☒ Where available, reviewed and considered third party research in order to gauge the opinion of external analysts and the perception of our funds in the wider investment community.

FINDINGS

We have rated all funds green with respect to quality of service.

Overall, we have a strong relationship with all our third-party service providers. While we believe there are always

areas that can be improved upon, we did not identify any major cause for concern over this review period.

COMPARABLE MARKET RATES

This category is an assessment of the total costs of the funds, when compared to similar funds available from our competitors.

Although value is derived from many different areas, one key area to value for money is making sure a similar product cannot be purchased considerably cheaper elsewhere.

For this review we engaged with a third-party data provider, which assessed the total costs of our funds as well as those of our competitors.

Actions on the board's checklist:

- ☒ Scrutinised the **ongoing charge figure (OCF)** of each fund in the BNY MIF range against competitor funds and their offerings.
- ☒ Calculated the actual fee paid by investors rather than the stated fee to take into account any discounts or rebates.

FINDINGS

We have rated all funds green with respect to comparable market rates. The share classes for these funds all represented value when considering their comparable market rates.



AFM (AUTHORISED FUND MANAGER) COSTS – GENERAL

This criterion covers everything that makes up the **annual management** charge on each fund.

Actions on the board's checklist:

- ☒ Assessed all component parts of the AMC, including transaction costs, admin and additional expenses (such as trustee fees).
- ☒ Used external and internal data to review fees paid to the managers of our funds. Are they in line with industry standards?
- ☒ Scrutinised the cost to investors against the relative profitability of each fund.

FINDINGS

All of the funds were marked green for this metric.

In general, and on the basis of our research, we were satisfied with the fees being paid to all parties involved in the funds.

Our analysis suggests the charges levied are appropriate for the costs involved. We are comfortable with the levels of profit for all of the funds in the review.

One of the four funds have a cost cap in place, meaning we cover the costs for those funds over a certain level. This has helped reduce the overall costs for the benefit of the investors.

COMPARABLE SERVICES

We have a duty to make sure our funds are fair, versus other similar products.

Over this review period we made a concerted effort to demonstrate investors in funds without a directly comparable bespoke, segregated mandate– are getting a fair deal.

Actions on the board's checklist:

- ☒ Checked if similar mandates our managers run are priced differently. Examined pricing on the X classes and equivalent segregated mandates.
- ☒ Compared the charge of our primary share class with other share classes available in each fund.
- ☒ Put into context the discount available for scale to ensure any differences are justifiable.

FINDINGS:

We rated all eligible funds green on this assessment.

ECONOMIES OF SCALE

At a superficial level, 'economies of scale' translates to – the larger a fund is, the more able it should be to spread costs, pass on the benefit or reinvest that saving on behalf of investors. There are many ways to achieve scale. As such there are a number of areas where levels of economies of scale can be generated.

When looking at each cost individually, some did not explicitly contribute to better economies of scale but neither did they hinder our ability to achieve it in other places.

Actions on the board's checklist:

- ☒ Examined the size of each fund relative to the costs charged to different clients across our funds.
- ☒ Investigated the cost-effectiveness of each fund.
- ☒ Considered whether bigger or smaller fund size resulted in any corresponding changes to fees paid.

FINDINGS:

We rated all the funds in this category as green. Our analysis did not reveal any uneven economies of scale. Where possible any savings were passed through to investors. For example, the costs for depository services fall as funds get larger.

Additionally, our practice of capping expenses on smaller funds benefits those investors.



CLASSES OF UNITS/SHARE

This criterion is all about examining the different ways investors can hold an individual fund. Some funds have several different classes – some for retail, some for institutional. The difference between them is often based on the amounts invested. For instance, an institutional investor may have large lump sums while a retail investor may be drip feeding smaller amounts. There are correspondingly different costs as a result.

Actions on the board's checklist:

- ☒ Reviewed all share classes across all funds and evaluate if they are needed.
- ☒ Compared the costs – Are there any discrepancies of note between share classes in the same fund? Have costs changed during the review period? If yes, why?

FINDINGS:

We determined that overall, all applicable funds were rated green on this metric.



Share Class Definitions

WHAT'S IN A SHARE CLASS?

Like most investment funds, ours have multiple share classes. This is because there are different types of investors – retail, intermediary and institutional and varying ways to invest.

For instance, you may invest in **accumulation** or income shares (this is normally seen in share class names as “Acc” or “Inc”). Typically, if you’re looking to grow your **capital** you may re-invest your income and as such you are likely to invest in accumulation shares. With income shares you’re looking to take a stream of income in the form of **dividends**.

Each fund in this report has different share classes. Here is what they mean and how we colloquially refer to them in the text of this report.

Share class	Minimum investment	Description
Sterling	£5,000	Available to charity investors who meet the minimum initial investment requirement.
Sterling 2	£20,000	
X	As Agreed	Available to charity investors who have a specific written agreement in place with the Manager or its authorised associates within The Bank of New York Mellon Corporation Group, and may be subject to minimum account maintenance or other qualifications established from time to time by the Manager or their associates.
R1 Accumulation	£1,000,000	Available to institutional investors who are eligible investors and who are trustees or other duly authorised representatives acting on behalf of a pension fund which is authorised or registered in the United Kingdom or elsewhere, or the nominee of such an investor.



2024 RESULTS TABLE BY SHARE CLASS

FCA assessment criteria		Performance	Quality of service	Comparable market rates	AFM Costs – general	Comparable services	Economies of scale	Classes of units/shares	Overall rating
Newton Growth & Income Fund for Charities	Sterling	●	●	●	●	●	●	●	●
	2	●	●	●	●	●	●	●	●
	X	●	●	●	●	●	●	●	●
Newton Sustainable Growth & Income Fund for Charities	Sterling	●	●	●	●	●	●	●	●
	2	●	●	●	●	●	●	●	●
	X	●	●	●	●	●	●	●	●
Newton SRI Fund for Charities	Sterling	●	●	●	●	●	●	●	●
	X	●	●	●	●	●	●	●	●
BNY Mellon (Schroder Solutions) Global Equity Fund	R1	●	●	●	●	●	●	●	●

KEY

● Provided good value to investors over the assessment period

● Provided some value to investors over the assessment period

● Has provided poor value over the assessment period and requires further action or monitoring

● Insufficient track record or not applicable



OUR FUNDS



Newton Growth & Income Fund for Charities

OBJECTIVE

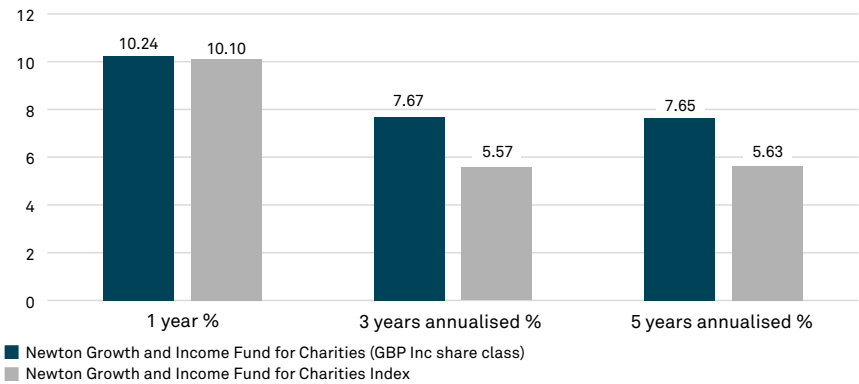
To generate **capital growth** and income growth over a period of 5-7 years by investing at least 70% of the fund's assets in a global **portfolio** of **equities** (company shares) and **fixed income** securities.

ASSETS UNDER MANAGEMENT (AUM)

£670.6m

(as at 31 March 2024)

Newton Growth & Income Fund for Charities
Net performance ending 31 March 2024



Past performance is not a guide to future performance.

Benchmark: Newton Growth & Income Fund for Charities Index.

Source for all performance: Lipper-IM as at 31 March 2024. Fund performance for the Sterling Accumulation share class calculated as total return, including reinvested income net of UK tax and charges, based on net asset value. All figures are in GBP terms.

The Fund will measure its performance against a composite index, comprising 50% FTSE All-Share TR Index, 25% FTSE World ex UK TR Index, 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index and 5% 7-Day Compounded **SONIA**, as a comparator benchmark (the “Benchmark”). The Fund will use the Benchmark as an appropriate comparator because it includes a broad representation of the asset classes, sectors and geographical areas in which the Fund predominantly invests. The Fund is actively managed, which means the Investment Manager has absolute discretion to invest outside the Benchmark subject to the investment objective and policies disclosed in the Prospectus. While the Fund's holdings may include constituents of the Benchmark, the selection of investments and their **weightings** in the portfolio are not influenced by the Benchmark. The investment strategy does not restrict the extent to which the Investment Manager may deviate from the Benchmark.

TO 31 MARCH 2024

We have rated this fund green overall and are satisfied it provides good value for money.

Overall ratings	
Performance	
Quality of Service	
Economies of scale	
Classes of units/shares	
Comparable services	
Costs	
Comparable market rates	

Manager's commentary on the period leading to 31 March 2024:

“

The Fund produced a positive return over the reporting period.

In an environment of high inflation leading to higher bond yields – a lower allocation to the **asset class** and less interest-rate sensitivity than the overall gilt index saw the Fund's positioning in bonds make a positive relative contribution to performance.

This slightly outweighed a small negative contribution from the Fund's equity positioning. **Stock selection** within the **financials** sector was the largest detractor. More positively, holdings in the technology sector performed well.

Tighter monetary policy and the ‘new normal’ financial conditions appear to have been absorbed by investors without significant disruption to global financial markets. Economic conditions also appear to have been more resilient than anticipated and soft-landing conditions appear in prospect, at least for now.”



Newton Sustainable Growth & Income Fund for Charities

OBJECTIVE

To generate **capital growth** and income over the long term (5 years or more).

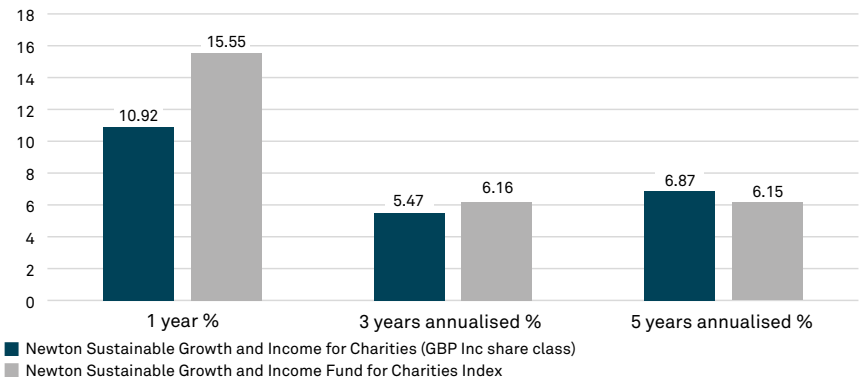
ASSETS UNDER MANAGEMENT (AUM)

£107.6m

(as at 31 March 2024)

Newton Sustainable Growth & Income Fund for Charities

Net performance ending 31 March 2024



Past performance is not a guide to future performance.

Benchmark: Newton Sustainable Growth & Income Fund for Charities Index.

Newton Sustainable Growth & Income Fund for Charities Source for all performance: Lipper-IM as at 31 March 2024. Fund performance for the Sterling Income share class calculated as total return, including reinvested income net of UK tax and charges, based on net asset value. All figures are in GBP terms.

The Fund will measure its performance against a composite index, comprising 75% MSCI AC World NR Index, 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index, 5% 7-Day Compounded SONIA, as a comparator benchmark (the “Benchmark”). The Fund will use the Benchmark as an appropriate comparator because it includes a broad representation of the asset classes, sectors and geographical areas in which the Fund predominantly invests. The Fund is actively managed, which means the Investment Manager has absolute discretion to invest outside the Benchmark subject to the investment objective and policies disclosed in the Prospectus. While the Fund’s holdings may include constituents of the Benchmark, the selection of investments and their weightings in the portfolio are not influenced by the Benchmark. The investment strategy does not restrict the extent to which the Investment Manager may deviate from the Benchmark.

TO 31 MARCH 2024

We have rated this fund green overall and are satisfied it provides good value for money. The fund is being managed within its responsible investing criteria, which can be seen by its 5-globe rating from Morningstar.

Overall ratings	
Performance	
Quality of Service	
Economies of scale	
Classes of units/shares	
Comparable services	
Costs	
Comparable market rates	

Manager’s commentary on the period leading to 31 March 2024:

“

Having enjoyed a strong start to the period, amid significant investor optimism and enthusiasm around artificial intelligence (AI), **equity** markets lost momentum. As a result, the Fund’s equity positioning within the financial and information technology sectors detracted from performance.

As investors considered whether US interest rates would have to stay ‘higher for longer’, there was a renewed rise in government **bond yields**. As such, positioning in bonds made a positive relative contribution to performance.

Against this wider backdrop, the Fund produced a positive return over the reporting period but underperformed its benchmark. However the fund has maintained its record of outperforming its benchmark in the longer term.”

MORNINGSTAR SUSTAINABILITY SCORES



Out of 7408 GBP Allocation 60-80% Equity Morningstar category funds as of 31/03/2024. Based on 94.6 % of AUM. Data is based on long positions only. The Morningstar Sustainability Rating™ measures how well the issuing companies or countries of the investments within the Fund’s portfolio are managing their financially material **environmental, social and governance (ESG)** risks relative to other funds within the same Morningstar Category. Ratings range from 1 globe (low) to 5 globes (high). Higher ratings indicate the Fund investments have lower ESG risk relative to peer funds. For full details of the rating methodology please refer to www.morningstar.com. © 2024 Morningstar. All rights reserved.



Newton SRI Fund for Charities

OBJECTIVE

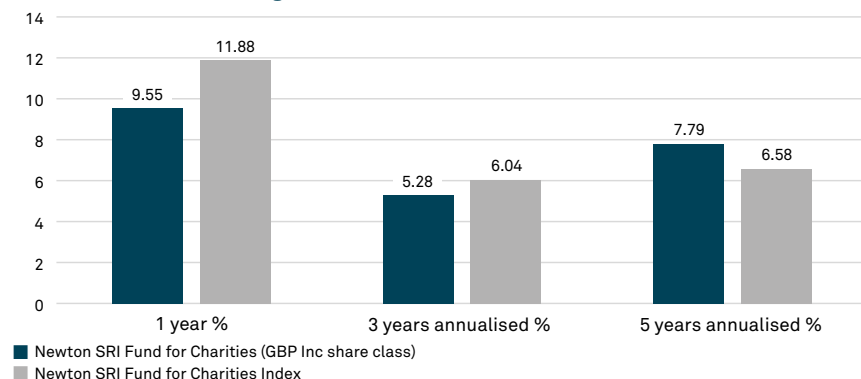
To achieve a balance between **capital growth** and income for charity investors, over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£109.0m

(as at 31 March 2024)

Newton SRI Fund for Charities Net performance ending 31 March 2024



Past performance is not a guide to future performance.

Benchmark: Newton SRI Fund for Charities Index.

Source for all performance: Lipper-IM as at 31 March 2024. Fund performance for the Sterling Income share class calculated as total return, including reinvested income net of UK tax and charges, based on net asset value. All figures are in GBP terms.

The Fund will measure its performance against a composite index, comprising 37.5% FTSE All-Share TR Index, 37.5% FTSE World ex UK TR Index, 20% FTSE Actuaries UK Conventional Gilts All Stocks Index and 5% 7-Day Compounded SONIA, as a comparator benchmark (the “Benchmark”). The Fund will use the Benchmark as an appropriate comparator because it includes a broad representation of the asset classes, sectors and geographical areas in which the Fund predominantly invests. The Fund is actively managed, which means the Investment Manager has absolute discretion to invest outside the Benchmark subject to the investment objective and policies disclosed in the Prospectus. While the Fund’s holdings may include constituents of the Benchmark, the selection of investments and their weightings in the portfolio are not influenced by the Benchmark. The investment strategy does not restrict the extent to which the Investment Manager may deviate from the Benchmark.

TO 31 MARCH 2024

We have rated this fund green overall and are satisfied it provides good value for money. The fund is being managed within its responsible investing criteria, which can be seen by its 5-globe rating from Morningstar.

Manager’s commentary on the period leading to 31 March 2024:



The Fund produced a positive return over the reporting period but underperformed its performance benchmark. Over the long term (five years) the fund has outperformed its benchmark.

The Fund’s positioning in bonds made a positive relative contribution as a lower allocation to the asset class and less interest-rate sensitivity than the overall gilt index were both positive for relative performance, in an environment of high inflation leading to higher bond yields.

However, this was outweighed by a negative contribution from the Fund’s equity positioning. Stock selection within the financials sector was the largest detractor. Hong Kong insurer AIA suffered from weakness in Asian financial markets. Despite sales growth recovering as borders reopened following Covid-19 disruption, negative investment variances, owing to weak Asian financial markets, prevented the stock from making headway.

More positively, holdings in the consumer sectors performed well. The holding in information and analytics company, RELX staged a recovery as investors were reassured that the company’s exposure to AI disruption was exaggerated.

MORNINGSTAR SUSTAINABILITY SCORES



Out of 7408 GBP Allocation 60-80% Equity Morningstar category funds as of 31/03/2024. Based on 98.6 % of AUM. Data is based on long positions only. The Morningstar Sustainability Rating™ measures how well the issuing companies or countries of the investments within the Fund’s portfolio are managing their financially material environmental, social and governance (ESG) risks relative to other funds within the same Morningstar Category. Ratings range from 1 globe (low) to 5 globes (high). Higher ratings indicate the Fund investments have lower ESG risk relative to peer funds. For full details of the rating methodology please refer to www.morningstar.com. © 2024 Morningstar. All rights reserved.

Overall ratings	
Performance	
Quality of Service	
Economies of scale	
Classes of units/shares	
Comparable services	
Costs	
Comparable market rates	



BNY Mellon (Schroder Solutions) Global Equity Fund

OBJECTIVE

To achieve **capital growth** over the long term (a period of at least 7 years).

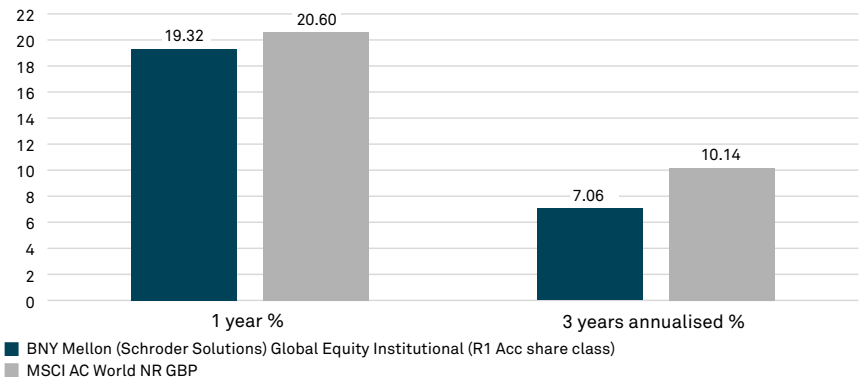
ASSETS UNDER MANAGEMENT (AUM)

£851.3m

(as at 31 March 2024)

BNY Mellon (Schroder Solutions) Global Equity Fund

Net performance ending 31 March 2024



Past performance is not a guide to future performance.

Benchmark: MSCI AC World NR GBP.

Institutional R1 (Accumulation) share class calculated as total return, including reinvested income net of UK tax and charges, based on net asset value. All figures are in GBP terms.

The MSCI All Country World Index is used as a comparator against which to measure the performance of the Fund (the “Benchmark”). The Fund is actively managed, which means the Investment Manager has absolute discretion to invest outside the Benchmark subject to the investment objective and policies disclosed in the Prospectus. While the Fund’s holdings may include constituents of the Benchmark, the selection of investments and their weightings in the portfolio are not influenced by the Benchmark. The investment strategy does not restrict the extent to which the Investment Manager may deviate from the Benchmark.

TO 31 MARCH 2024

The fund, launched on 27 January 2020, has an objective of growth over the long term (at least 7 years). As such, it does not have sufficient performance history to assess.

The fund is a single client solution and is being run with significant influence from the client. As it only has one share class it was not possible to rate the fund in the classes of units/shares criterion.

Although it is not possible to give an overall rating to the fund, we are comfortable with every element we could measure. We have no concerns about the fund going forward.

Manager’s commentary on the period leading to 31 March 2024:

“

Despite market consensus forecasting a recession, the review period started with a more positive view on economic growth. The Fund held a **diversified** portfolio with a slight regional preference to the US, in favour of large companies. The US economy proved resilient, despite persistent inflation and tight labour markets, in particular due to the enthusiasm around AI.

We maintained our preference for mega cap companies throughout the year. These companies continued to drive broad equity market performance. We reduced exposure to smaller UK companies which naturally have more domestic exposure. The portfolio also continued to evolve its responsible investing credentials, incorporating company implied temperature rises into the portfolio construction process.

”

Overall ratings	N/A
Performance	N/A
Quality of Service	
Economies of scale	
Classes of units/shares	N/A
Comparable services	
Costs	
Comparable market rates	



GLOSSARY



Glossary

Accumulation

Increasing the position size in one asset, increasing the number of assets owned/positions, or an overall increase in buying activity in an asset.

Active management

A process whereby an investment professional actively makes buy, hold and sell decisions and aims to outperform the overall market.

Annual management charge (AMC)

An ongoing fee paid to the management company for managing an investment, usually charged as a percentage of the investment.

Asset class

A grouping of investments that exhibit similar characteristics and are subject to the same laws and regulations.

Auditor

Authorised to review and verify the accuracy of financial records and ensure that companies comply with tax laws.

Benchmark

A baseline for comparison against which a fund can be measured.

Bond(s)

A loan of money by an investor to a company or government for a stated period of time in exchange for a fixed interest rate payment and the repayment of the initial amount at its conclusion.

Capital

Resources or money used or available for use in the production of more wealth.

Capital growth

When the current value of an investment is greater than the initial amount invested.

Custodian

Holds customers' securities for safekeeping to minimise the risk of their theft or loss.

Diversified

Investing in a variety of companies or financial instruments, which typically perform differently from one another.

Dividend(s)

A sum paid regularly by a company to its investors as a reward for holding their shares.

Environmental, Social and Governance (ESG)

Elements or factors of responsible investment consisting of a set of standards through which a company's operations can be screened prior to investing.

Equity/Equities

Shares issued by a company, representing an ownership interest.

Financials

A sector made up of companies that provide financial services.

Fixed income

Broadly refers to those types of investment security that pay investors fixed interest or dividend payments until their maturity date.

Fund accountant

Responsible for the day-to-day accounting for one or more assigned funds. It is their responsibility to prepare timely and accurate net asset values (NAV), yields, distributions, and other fund accounting output for review.

Gilt(s)

Fixed income security issued by the UK government.

Government bonds

A loan of money by an investor to a government for a stated period of time in exchange for a (generally) fixed rate of interest and the repayment of the initial amount at its conclusion.

Index/Indices

A portfolio of investments representing a particular market or a portion of it. For example: The FTSE 100 is an index of the shares of the 100 largest companies on the London Stock Exchange.

Inflation/Inflationary

The rate of increase in the cost of living. Inflation is usually quoted as an annual percentage, comparing the average price this month with the same month a year earlier.

Ongoing charge figure (OCF)

The amount an investor will pay for the service provided by a fund. The OCF is made up of the manager's fees along with other costs, such as administration. It's meant to be used as a standardised method to compare the costs of funds.

Portfolio

A collection of investments.

Recession(ary)

A significant decline in economic activity spread across the economy, lasting more than a few months; some countries define it as negative economic growth for two consecutive quarters.

Relative return

The return an asset achieves over a period of time compared to a benchmark.

Responsible investment/investing

An approach to investment that explicitly acknowledges the relevance to the investor of environmental, social and governance (ESG) factors, and of the long-term health and stability of the market as a whole.

Sector(s)

An area of the economy in which businesses share the same or related business activity, product, or service.

Share class

A designation applied to a specified type of security such as common stock or mutual fund unit.

SONIA (Sterling Overnight Index Average)

An index based on actual transactions and which reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.



Stock

Also known as equity, is a security that represents the ownership of a fraction of the issuing corporation.

Stock Selection

The process of determining which financial securities are included in a specific portfolio.

Total return(s)

The term for the gain or loss derived from an investment over a particular period. Total return includes income (in the form of interest or dividend payments) and capital gains.

Transfer agent

Also known as the registrar, they are the trusts or institutions that register and maintain detailed records of the transactions of investors.

Trustee

A trustee is a person or firm that holds and administers property or assets for the benefit of a third party.

Valuation

A quantitative process of determining the fair value of an asset, investment, or firm.

Weighting(s)

The exposure to a company, sector or market in a fund, usually expressed as a percentage – i.e the Fund had a 20% weighting to US companies.

Yield

Income received from investments, either expressed as a percentage of the investment's current market value, or dividends received by the holder.



IMPORTANT INFORMATION

This is not a financial promotion.

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Telephone calls may be recorded for monitoring and training purposes.

