

# REASONS WHY:

## BNY MELLON **MULTI-ASSET MODERATE FUND**

This document is designed to support financial advisers when recommending the BNY Mellon Multi-Asset Moderate Fund to a client. It may be useful for helping your client understand more about what they will be investing in and how their investment will be managed. The full fund literature including the prospectus and KIID can also be found at [www.bnymellonim.com](http://www.bnymellonim.com)

### Why Multi-Asset?

Multi-asset funds are a well-established, convenient way for investors to save for and during retirement. They combine a mix of assets, including equities, bonds and cash, with investments spread across a range of countries and business sectors. This wide diversification helps reduce risk as investors are not “putting all their eggs in one basket”.

### Why invest in the BNY Mellon Multi-Asset Moderate Fund?

Investing with a “moderate” risk appetite means lessening volatility to your investment journey while benefitting from opportunities for capital growth. With the BNY Mellon Multi-Asset Moderate Fund you can maintain a “moderate” level of risk and benefit from the growth potential offered by a diversified portfolio of shares, bonds, cash and alternatives assets such as property and renewable energy.

The Fund offers a controlled approach to investing, which requires bonds, traditionally considered a safer asset than shares, to comprise a minimum of 30% of the Fund’s portfolio. Additionally, during periods of market uncertainty, the managers have the flexibility to increase the Fund’s bond holdings.

Invested globally and flexibly, with the managers able to change the percentage of assets in the Fund to suit market conditions and to take advantage of opportunities.

### What does the Fund invest in?

The Fund invests globally in a mix of shares of individual companies, government and corporate bonds, alternative assets and cash.

### BNY MELLON MULTI-ASSET MODERATE FUND FEATURES AT-A-GLANCE:

- **Balancing risk and growth**  
Seeks to maintain a “moderate” level of risk while aiming for long-term capital growth and income.
- **Active, direct investment**  
Seeking to deliver attractive performance by investing in individual shares and bonds, rather than passively tracking a market index.
- **Global diversification**  
Investing globally in a mix of individual shares and bonds, along with cash and alternative assets such as property and renewable energy.
- **Experienced team**  
Managed by an expert team from Newton Investment Management with a long track record of investing in different market conditions.

**How does a ‘moderate’ approach benefit investment return?**

The BNY Mellon Multi-Asset Moderate Fund has the flexibility to invest in a diverse range of global assets without sector or country constraints, allowing the flexibility to increase or decrease the equity portion of the portfolio between 20-60%. A minimum of 30% is expected to be allocated to bonds with the adaptability to increase this allocation when required to reduce volatility. With the remaining made up of cash and alternative assets dependent on the investment team’s view of the prospective portfolio risk and return.

With a ‘moderate’ approach diversification is an important means of managing volatility and generating returns, true diversification means not having too much of an investor’s wealth exposed to a single risk factor.

Lastly, the Fund follows a clearly defined philosophy and process, which combines Newton’s global investment themes with rigorous fundamental analysis incorporating ESG (environmental, social and governance) factors to create a disciplined and repeatable approach.

**WHY NEWTON?**

Newton Investment Management is a multi-award winning, global investment manager owned by BNY Mellon. It has deep experience of multi-asset investing, having managed such portfolios since 1978.

Newton has 36 multi-asset portfolio managers who between them manage £11.5bn in multi-asset strategies, out of the firm’s total of £83.9bn assets under management. Newton is also an established sustainable investor, managing £3.6bn in sustainable assets.

As at 31 December 2023.



**WHO IS BNY MELLON INVESTMENT MANAGEMENT?**

BNY Mellon Investment Management is a leading investment manager with US\$2 trillion of assets under management (as at 31 December 2023). It is the investment arm of BNY Mellon, one of the world’s largest financial services groups.

BNY Mellon owns a range of specialist investment brands, including Newton Investment Management, which offer investment solutions across all the major asset classes. BNY Mellon’s organisational model enables each of its specialist brands to maintain their own investment philosophy, process and culture, while benefitting from the operational infrastructure and stability of a much larger organisation.

**BNY Mellon Multi-Asset Moderate Fund**

**OBJECTIVE**

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

**BENCHMARK**

The Fund will measure its performance against the UK Investment Association’s Mixed Investment 20-60% Shares NR Sector average, as a comparator benchmark (the “Benchmark”). The Fund will use the Benchmark as an appropriate comparator because it includes a broad representation of funds with levels of equity and bond exposure similar to those of the Fund. The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments, subject to the investment objective and policies as disclosed in the Prospectus.

Due to the Fund’s recent launch, past performance data will not be available until the Fund has been running for a complete 12-month period.

## KEY RISKS ASSOCIATED WITH THIS FUND

- **Objective/Performance Risk:** There is no guarantee that the Fund will achieve its objectives.
  - **Currency Risk:** This Fund invests in international markets which means it is exposed to changes in currency rates which could affect the value of the Fund.
  - **Derivatives Risk:** Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of your investment to fluctuate. When using derivatives, the Fund can lose significantly more than the amount it has invested in derivatives.
  - **Changes in Interest Rates & Inflation Risk:** Investments in bonds/money market securities are affected by interest rates and inflation trends which may negatively affect the value of the Fund.
  - **Credit Ratings and Unrated Securities Risk:** Bonds with a low credit rating or unrated bonds have a greater risk of default. These investments may negatively affect the value of the Fund.
  - **Credit Risk:** The issuer of a security held by the Fund may not pay income or repay capital to the Fund when due.
  - **Emerging Markets Risk:** Emerging Markets have additional risks due to less-developed market practices.
  - **Shanghai-Hong Kong Stock Connect and/or the Shenzhen- Hong Kong Stock Connect ("Stock Connect") Risk:** The Fund may invest in China A shares through Stock Connect programmes. These may be subject to regulatory changes and quota limitations. An operational constraint such as a suspension in trading could negatively affect the Fund's ability to achieve its investment objective.
  - **China Interbank Bond Market and Bond Connect Risk:** The Fund may invest in China interbank bond market through connection between the related Mainland and Hong Kong financial infrastructure institutions. These may be subject to regulatory changes, settlement risk and quota limitations. An operational constraint such as a suspension in trading could negatively affect the Fund's ability to achieve its investment objective.
  - **Volcker Rule Risk:** The Bank of New York Mellon Corporation or one of its affiliates ("BNYM") has invested in the Fund. As a result of restrictions under the "Volcker Rule," which has been adopted by U.S. Regulators, BNYM must reduce its shareholding percentage so that it constitutes less than 25% of the Fund within, generally, three years of the Fund's establishment (which starts when the Fund's manager begins making investments for the Fund). Risks may include: BNYM may initially own a proportionately larger percentage of the Fund, and any mandatory reductions may increase Fund portfolio turnover rates, resulting in increased costs, expenses and taxes. Details of BNYM's investment in the Fund are available upon request.
  - **CoCo's Risk:** Contingent Convertible Securities (CoCo's) convert from debt to equity when the issuer's capital drops below a pre-defined level. This may result in the security converting into equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.
  - **Counterparty Risk:** The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the Fund to financial loss.
- A complete description of risk factors is set out in the Prospectus in the section entitled "Risk Factors".

## GLOSSARY

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

**ASSET(S)** In this context, investments held in a portfolio, for example stocks, bonds, property and cash.

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

**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.

**CONTINGENT CONVERTIBLE BOND(S) (COCO'S)** A type of fixed income instrument that is convertible into equity (company shares) if a pre-specified trigger event occurs.

**CORPORATE BONDS** A loan made to a company for a fixed period by an investor, for which they receive a defined return.

**DERIVATIVES** Financial contracts, set between two or more parties, that derive their value from an underlying asset, group of assets, or benchmark.

**DIVERSIFIED/DIVERSIFICATION/DIVERSIFIERS** Investing in a variety of companies or financial instruments, which typically perform differently from one another.

**EQUITY/EQUITIES** Shares issued by a company, representing an ownership interest.

**EMERGING MARKET(S)** Countries in the process of becoming developed economies.

**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.

**FUNDAMENTALS (COMPANY)** A basic principle, rule, law, or the like, that serves as the groundwork of a system. A company's fundamentals are factors such as its business model, earnings, balance sheet and debt.

**FUNDAMENTALS (ECONOMIC)** A basic principle, rule, law, or the like, that serves as the groundwork of a system. Economic fundamentals are factors such as inflation, employment, economic growth.

**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.

**MULTI-ASSET** An investment containing more than one asset class, such as cash, equity or bond.

**PASSIVE** An investment strategy, which tries to replicate the behaviour of a specified index.

**PORTFOLIO** A collection of investments.

**RETURN(S)/RETURNED** The gain or loss from an investment over a stated period of time - expressed in either percentage or cash terms.

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

**VOLATILE/VOLATILITY** Large and/or frequent moves up or down in the price or value of an investment or market.

**The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed.**

### IMPORTANT INFORMATION

**For professional clients only. This is a financial promotion.**

**For a full list of risks applicable to this fund, please refer to the Prospectus or other offering documents. Please refer to the prospectus and the KIID before making any investment decisions. Go to [www.bnymellonim.com](http://www.bnymellonim.com).**

Any views and opinions are those of the investment manager, unless otherwise noted and is not investment advice. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and its subsidiaries. Assets under management (AUM) relates to the combined assets managed by the Newton Investment Management group. From 1 September 2021, Newton group of companies includes Newton Investment Management Limited (NIM) and Newton Investment Management North America LLC (NIMNA). The Fund is a sub-fund of BNY Mellon Investment Funds, an open-ended investment company with variable capital (ICVC) with limited liability between sub-funds. Incorporated in England and Wales: registered number IC27. The Authorised Corporate Director (ACD) is BNY Mellon Fund Managers Limited (BNY MFM), incorporated in England and Wales: No. 1998251. Registered address: BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Authorised and regulated by the Financial Conduct Authority. **Issued in the UK** by BNY Mellon Investment Management EMEA Limited, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Authorised and regulated by the Financial Conduct Authority. Document ID: 1665184 EXP: 17 May 2024. T11904 09/23.