Assessment of Value

BNY Mellon Investment Funds

October 2021

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

Dear investors,

Welcome to our latest Assessment of Value (AoV) report, covering 40 funds in the UK-domiciled BNY Mellon Investment Funds' (BNY MIF) range.

While the AoV process is iterative and ongoing, this report covers its review and activity over the 12 months ending 30 June 2021. It also highlights actions and efforts, we have taken, and plan to take, to further improve the value of our funds to you.

The timeframe this report covers has seen some periods of uncertainty but also growth. The start of the review period was towards the end of the UK's *first* lockdown. At the time it was hard to imagine there would be two more lockdowns to come, and the Covid-19 situation would worsen.

However, by the end of the 12-month review period, vaccines had been approved and administered and the UK was re-opening, anticipating a summer of freedom. As a result, the latter period of this review resulted in gains in most major **equity** markets while **corporate bonds** also fared well. Economies grew as lockdowns ended but worries over **inflation** also rose.

Through these uncertain times, we – the board overseeing your investments – have remained focused on ensuring our funds continue to provide value to you as investors.

One area of increased focus is responsible investment. Awareness of, and interest in, environmental social and governance (**ESG**) factors has increased significantly and become a critical aspect of investment management. BNY Mellon Investment Management (BNY Mellon IM) is committed to this movement, as are the investment managers behind the funds in the BNY MIF range.

As of the end of June the range contained six funds, with combined assets of £900m, featuring explicit responsible investment mandates. As part of an ongoing pipeline of additions in this area, BNY Mellon IM recently launched one of the UK's first **sustainable** strategic **bond** funds. Across the 81% of the BNY MIF range rated by Morningstar, 98% are rated 'High' or 'Above Average' with regards to integrated ESG principles.

(See page 6 for more on the collective ESG expertise and credentials of those managing your funds).

SINCE LAST YEAR

Following our first value assessment in 2020, we have worked to address key areas in select funds identified as requiring improvement. (*Please refer to page 7 for further detail*). Actions we have undertaken include reducing fees on specific share classes and in the case of one fund, changing its mandate altogether.

We also noted in last year's assessment we wanted to prevent charges from creeping up unexpectedly if we could help it. We wanted a process which would trigger when a cap on a fund's expenses would become necessary. We have done just that. A monitoring system has now been implemented across the BNY MIF fund range so that any significant increase in a fund's ongoing charges is reviewed and a cap on such charges implemented, if appropriate.

Just after this review period for our funds ended (30 June 2021), the UK's Financial Conduct Authority (FCA) issued its own report regarding the assessment of value initiative. In it, the regulator was critical about how the investment management industry has addressed shortfalls in value and more importantly, how many fund boards did not go far enough.

We believe we have approached our assessments with appropriate rigour and integrity. Still, in the writing of this year's report we have paid close attention to the regulator's notes and sought to adapt our criteria to take these into account.

There are a few areas, such as economies of scale and profitability, where we intend to go even further within our analysis. As a board we are now reviewing available data and will look to decide a more detailed methodology to implement within these areas for our 2022 report.

As was the case last year, our latest assessment of value process is not just a cursory examination of the criteria the UK regulator outlined for analysis. We also assessed a wide range of factors within these areas, which we consider to be of importance.

2021 RESULTS

Our analysis was conducted using multiple individual data points for each fund, supplemented by our own evaluation of the funds' objectives and achievements. Where we could, data and expertise from a range of independent consultants were used to augment our own.

In most cases, the analysis shows we are delivering value to our clients. Ultimately, we believe value is a combination of investment performance, product goals and design, transparency, competitive fees and quality of service. There are areas where we can do better. In such cases, we have highlighted where further action may be required. We will seek to address these in the coming months.

We hope the publication of this report enhances transparency for our clients. On behalf of the board, I hope you find it both accessible and helpful. We also welcome any comments or feedback you may have so we can improve future reports (email: **clientservices@bnymellon.com**).

Carole

Yours faithfully,

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

Foreword – stability in uncertain times

The 12 months to 30 June 2021 were an extraordinary time, both within and outside the investment industry. A full year of the Covid-19 pandemic saw global lockdowns and rapid vaccination plans dominate news headlines, while low interest rates and economic stimuli remained in place. As we entered the final month of this review, many expected an improvement in the economic fortunes of industries associated with travel. And yet, as we write this year's report, we note staff and managers at BNY Mellon IM are largely still working from home.

It has also been a time of industry change. Interest from investors in **sustainability** – particularly funds focusing on Responsible Investment, including **ESG** integration as well as stewardship and engagement – rose considerably. Understanding of how ESG factors can affect the long-term performance of issuers (companies and governments) and the ways they can lead to greater risks and opportunities, grew. Undeniably, Responsible Investment has become an increasingly important consideration in investment decisions.

The period also saw further regulatory change. Many investment managers have been looking for new ways to measure performance against cash. This is because worldwide use of the London Interbank Offering Rate (**Libor**) as a cash **benchmark** started to wane following regulators' decision it should be discontinued.

In February 2021 it was announced management of some of the BNY Mellon Investment Funds (BNY MIF) range was going to move. This was a result of a realignment of Mellon Investments Corporation (Mellon), one of BNY Mellon's eight underlying investment firms. As Mellon became more focused on its index business, its **equity** and **multi-asset** capability transitioned to Newton Investment Management North America LLC on 1 September 2021.

The investment manager of the following funds moved from Mellon to Newton Investment Management North America LLC as of 1 September 2021:

- BNY Mellon Global Infrastructure Income Fund
- BNY Mellon US Equity Income Fund
- BNY Mellon US Opportunities Fund

For us, the board overseeing the funds in which you are invested, considerable time was spent monitoring the impact of all these different influential events. This included addressing issues identified in our 2020 Assessment of Value (AoV) report.

Ensuring continuity throughout this time of change has been of prime importance. Amid all we have seen over the period, communication and transparency have been vital. Among the projects and initiatives underway, aimed at helping investors in our funds, are:

- Clients can read thoughtful articles on the latest trends and events affecting investment markets and asset classes on BNY Mellon IM's website: www.bnymellonim.com as well as in its regular publications such as the bi-annual retail investor-focused magazine, *Money Matters*.
- BNY Mellon IM established a Covid-19 web-based communications hub in February 2020, running for six of the most turbulent months, with respect to stock markets. This featured a multi-media, news-styled response to market movements and the economic repercussions of Covid-19.

- BNY Mellon IM's annual client survey[1] (conducted at the beginning of the period covered by this report) showed satisfaction levels of 89%. Other data from the survey highlighted:
  - Satisfaction levels were better than those in 2019 and 2018.
  - Strong scores were given for reliability, good and clear communication, good customer service and good investment performance.
  - Efficient problem resolution and our range of products and services were ranked lower versus some competitors; fair and transparent charges were ranked higher compared to select peers.
- A new business-wide client experience initiative – aimed at improving service for BNY Mellon IM clients – started in 2020 and implementation began in early 2021. This project encompasses multiple areas of focus:
  - Data – improving timeliness and quality of reporting; increasing accessibility of information for clients.
  - Tools and services – aimed at better enabling investment analysis.
  - Increasing access to portfolio managers and their insights.
- Increased fund notifications on BNY Mellon IM's UK websites (consumer, intermediary and institutional). With so many regulatory and other outside influences, quick – and regular – information is important.
  - Social media also plays a role – and was essential over the past year in communicating some of the challenges affecting investments.

As we continue our journey through these extraordinary times, our partners in investment management – BNY Mellon IM, Newton Investment Management (Newton), Insight Investment (Insight), Mellon and Walter Scott & Partners (Walter Scott) – continue to work hard to improve client service and communications. Our combined efforts are designed to help guide and enhance our processes and oversight as we aim to deliver excellent, timely service while bringing a strong measure of stability in uncertain times.

[1] Involving 250 quantitative interviews and 8 qualitative interviews conducted over the phone during lockdown.

Meet the Board

Anne-Marie McConnon
executive director

Anne-Marie is global chief marketing and client experience officer for BNY Mellon Investment Management.

Marc Saluzzi
independent director

Marc, retired from PwC Luxembourg since 2015, has extensive experience in asset management across both the US and Luxembourg.

Greg Brisk
executive director

Greg is head of governance at BNY Mellon Investment Management and as such is responsible for fund oversight.

Gerald Rehn
executive director

Gerald oversees BNY Mellon Investment Management's international product and operations functions.

Carole Judd
board chair (independent)

Carole has over 30 years' experience in asset management and investment consulting.

Sarah Cox
executive director

Sarah is head of fund operations and governance at BNY Mellon Investment Management EMEA. Sarah was appointed to the board on 21 September 2021.

What constitutes value?

“

As we aim to provide a more tailored and personalised service, the ability to be reactive to clients' needs is going to be crucially important. To do that we need to have the right people, processes, tools and technology in place.

Anne-Marie McConnon

“

We believe successful products are those that provide the most value to clients through having clear investment objectives and produce strong, net of fees, performance against them.

Gerald Rehn

“

To ensure that at all times the costs charged by a fund group are proportionate to the benefits obtained by the investor. That means investor value cannot be considered or analysed in isolation from the level of services provided and the complexity of products.

Greg Brisk

“

Given the digital age we live in, we can engage with our customers in so many different ways. The challenge is making those communications accessible, timely, and jargon-free.

Carole Judd

“

Value is not only providing profitable returns for our investors but to also provide a superior level of customer service, to make it easy for customers to deal with us.

Sarah Cox

“

When a manager is unclear, or has not defined their performance objectives well enough, it can create confusion for investors. So, to us providing good value for money is being very clear in terms of performance objective, defining it as best we can, ensuring all the features of the product are baked into that target and ultimately performing to those objectives.

Marc Saluzzi

Our 2020 ratings and actions

Last year, in our first Assessment of Value report for the BNY Mellon Investment Funds' range, we examined 40 funds covering the 12 months to 30 June 2020.

In analysing the funds we followed the seven-factor criteria as outlined by the UK regulator, the Financial Conduct Authority (FCA). Out of the 33 funds in the BNY MIF range with a sufficient track record for rating at the time, 26 were rated green by the board – showing value for money. Seven were rated amber, showing some value. None were given an overall red rating.

Here we summarise our 2020 findings with regards to those we rated amber last year. We also outline the action we have taken since our last report.

Fund Name	Issues Identified in 2020	Action Taken
BNY Mellon Corporate Bond Fund	Both the retail and institutional share classes were deemed expensive and by a large enough margin to warrant a red score in this category.	Costs have been reduced by between 0.1% and 0.3% across the varying share classes. Expenses were capped and the fund name and mandate were changed. Now called the Responsible Horizons UK Corporate Bond Fund, the fund features a new benchmark and objective.
	An amber score was given for failing to meet its performance objective.	Ahead of last year's review, changes were already underway. The manager was changed and performance had improved markedly.
BNY Mellon Emerging Income Fund	The fund generated income but did not meet its **capital growth** objective. The amber rating also related to longer term **underperformance**.	The performance of the fund was monitored and has improved significantly.
BNY Mellon Equity Income Fund	The fund generated income but lagged its performance **benchmark**.	The management team was strengthened and performance monitored. Short-term performance has improved.
BNY Mellon Global Absolute Return Fund	Total costs were seen as high across all share classes.	The annual management charge was reduced by 0.1%, thereby lowering the costs on all share classes.
	The fund failed to meet one of its three performance objectives.	Performance rebounded. However, at the end of the 2021 review, it again struggled to meet all of its objectives.

Fund Name	Issues Identified in 2020	Action Taken
BNY Mellon Global Dynamic Bond Fund (This fund received an overall green rating)	Performance lagged in the latter part of the 2020 review period, causing it to miss one its targets, achieving a return of cash (based on **Libor**) +2%.	Although the fund missed its performance target, it was clearly due to the volatile March 2020 period. It has since rebounded and the fund is meeting all its targets.
	Costs on the retail share class were deemed high relative to similar funds.	Where relevant we have been moving clients in the legacy sterling retail share class to the cheaper B share class. This project is due to be completed in January 2022. Following its conclusion we will again review the retail costs on this fund to see if any further action is necessary.
BNY Mellon Global Multi-Strategy Fund	The retail share class costs were identified as unduly high.	We reduced the annual management charge by 0.1% across all share classes.
BNY Mellon Inflation-Linked Corporate Bond Fund	We determined that while institutional share class charges were in line with its peers, the costs for retail investors were disproportionately high.	We reviewed the retail costs but have waited to see the necessity for further action following the conclusion on our ongoing share class migration. The project, which will be completed in January 2022, involves moving clients in the legacy sterling share class to the cheaper B share class, where relevant.
BNY Mellon Real Return Fund	The fund failed to meet one of its performance objectives, its rolling five-year cash plus 4% target.	The fund has shown marked improvement in performance and is now meeting all its objectives.
	Costs on the retail share class were deemed high relative to similar funds.	We reviewed the retail costs but have waited to see the necessity of further action following the conclusion of our ongoing share class migration. This project, which will be completed in January 2022, involves moving clients in the legacy sterling share class to the cheaper B share class, where relevant.

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Our 2021 results

Assessment of Value 2021

For the BNY Mellon Investment Funds range (BNY MIF) June 2020 to June 2021

How we judge our funds

34 out of 40 funds in the BNY MIF range had a sufficient track record for rating

Green - Funds that are adding value

76%

(**94.5%** based on assets under management)

All funds were rated green for **Economies of Scale** and **Quality of Service**

Amber - Adding value but some elements need to improve.

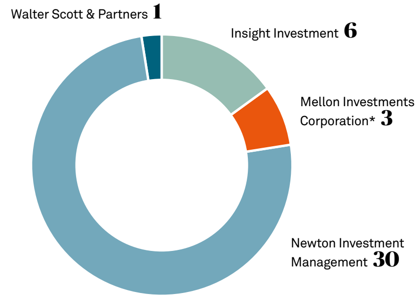
24%

(**5.5%** were amber based on assets under management)

8 out of 34 scored amber for **Performance** reasons

8 out of 34 scored amber for **Comparable Costs** (one rating was half green/half amber).

BNY MIF breakdown by investment firm



*As at 30 June 2021. From 1 September 2021 these funds are managed by Newton

Our 4 main categories

Assessment categories
We used a summarised version of the FCA's 7 criteria:

FCA criteria	Summarised version
PERFORMANCE	PERFORMANCE
QUALITY OF SERVICE	QUALITY OF SERVICE
ECONOMIES OF SCALE	FAIR TREATMENT OF INVESTORS
CLASSES OF UNITS/SHARES	
COMPARABLE SERVICES	COST
COSTS	
COMPARABLE MARKET RATES	

Data is based on the performance of the W share class as long as at least 75% of assets were in that share class

Assets under management:

Rise across the range of **4%**

Increase of **£1.13bn**

£26.6bn 06/2021

£25.5bn 06/2020

Communication with clients:

(over the 12 months)

Calls received increased 21%
(in the period 30 June 2020- 30 June 2021)

Letters received rose 46%
(in the period 30 June 2020- 30 June 2021)

Website fund notifications posted
– For consumers the no. of posts rose **133%**
– For intermediaries there was a **250%** increase

LinkedIn social posts from UK sales
338 posts January–June 2020
457 posts January–June 2021

Complaints were higher, mostly a result of Covid-related issues

Client satisfaction:

In the Q4 2020 client survey, satisfaction levels were high at **89%**

88% of clients surveyed rated communication highly

Actions taken from last year:

- Expenses caps put in place
- 1 fund mandate changed
- Annual charges cut for 3 funds
- **6,300 clients**, involving **£113m assets**, moved from legacy sterling share class to our cheaper B retail share class
  – A further **£16m** were to be converted in October 2021

Performance: compared to last year's report - **4 funds upgraded** from amber to green; **5 downgraded** from green to amber.

Impact of 2021 review:

7 - funds to be monitored for performance
5 - fee reductions to be considered
4 - objectives to be reviewed
2 - introduction of a new cheaper share class
1 - fund was closed

This report:

Spans **4 months of in-depth analysis**

Covers **12 months**

Utilises **16 Different sources of information**

Across **40 funds**

With **324 share classes**

2021 Methodology

In this year's Assessment of Value report, we cover the 40 funds in the BNY Mellon Investment Funds' (BNY MIF) range. Of these, six are relatively new funds and were not given a rating due to insufficient track record in all assessment areas.

We review BNY MIF throughout the year but for this annual report we conducted more formal analysis, following the seven-factor criteria outlined by the UK regulator, the Financial Conduct Authority (FCA). We used a variety of data in each of these areas, including external, independent consultants. This includes a London-based fund research house specialising in the calculations of fund fees and expenses and a specialist provider of **asset servicing**, cost and quality of services.

To make this analysis easier to disseminate, in this report we have grouped the FCA's criteria into four overarching areas: cost, performance, quality of service and fair treatment of investors.

See adjoining table for a breakdown and definition of the FCA's categories and how we group them.

Financial Conduct Authority's Assessment categories	Our consolidated classification
PERFORMANCE The net-of-fees return provided to investors in the fund, this is to be measured over the appropriate timescale and against the fund's objective, as stated in the prospectus.	PERFORMANCE
QUALITY OF SERVICE The range and the quality of service provided to holders of the fund. This is to take into account services provided to the fund by third parties, along with the services investors receive.	QUALITY OF SERVICE
ECONOMIES OF SCALE An assessment of whether savings were able to be achieved due to greater fund size and whether these savings were passed on to investors.	FAIR TREATMENT OF INVESTORS
CLASSES OF UNITS/SHARES An assessment of whether all the investors within a fund are in the appropriate investment class, and whether they could be in a cheaper class for their investor type and investment amount.	FAIR TREATMENT OF INVESTORS
COMPARABLE SERVICES This is an internal comparison, similar to comparable market rates but based on comparable services offered by the firm.	COST
COSTS A breakdown of all costs borne by the fund and an identification of whether that charge was fair or not. Costs will not only relate to annual charges but also other costs charged by the fund, relative to the cost base.	COST
COMPARABLE MARKET RATES A comparison between the charges of the fund and those levied by similar funds in the market. Comparability is determined by the size, investment objectives and policies of the fund.	COST

We used a matrix of many different data points to arrive at our conclusions. This data covered different share classes and varying time frames, according to what was being measured. For the 2021 report, **all performance-related data covers the varied time periods stated in each of the fund's individual objectives, as outlined in the prospectus. All had an end date of 30 June 2021. Non-performance-related data was assessed for the year ending 30 June 2021**.

Performance was judged using the primary share class, W, for 30 of the funds in BNY MIF. Four funds in the range do not have this share class, so we used the most applicable share class for each fund's majority investor base. In addition, not all W share classes represent the majority of shareholders by assets under management (AUM). As such, for the remaining six cases we used the retail B share class.

The depth of any cost discrepancy between the share classes and the extent of any departure from performance objectives, and for how long, were also considerations for the final scores.

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, institutional and **platforms** – and varying ways to invest. By the latter we mean accumulation or income. 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. If you invest via the income shares, you will receive the income in the form of **dividends**.

In this report you will see us refer to various share classes. Here is what they mean and how we colloquially refer to them in the text of this report. All are in sterling.

Class (income and accumulation)	Typical investor and description	Our reference in this report
A Shares: sterling shares	**Retail investors (with or without an adviser)** Legacy direct share class. Commissions paid to advisers are included in the price.	**Bundled or legacy retail**
B Shares	**Retail investors (with or without an adviser)** No commissions paid to advisers are included in the price.	**Contemporary retail**
W Shares	**Institutional investors and Retail investors via platforms** Introduced post RDR (**Retail Distribution Review**). Has high minimum investment threshold but no advisory commissions. By **platforms** we mean fund centres often used by financial advisers buying on behalf of their clients.	**Platform**
Institutional	**Institutional investors** Share class designed for **institutional investors** with high minimum threshold.	**Institutional**

Results

Out of the 34 funds in the BNY MIF range with sufficient track record for rating, 26 (76%) were rated green by the board – showing value for money. **Eight – 24% of the eligible range – were rated amber**, showing some value. There were none the board felt offered no value and so there were no overall red ratings.

For more details on the eight amber-rated funds in the BNY MIF range – and our intended actions to address any shortcomings – please click on the names below.

- BNY Mellon Continental European Fund
- BNY Mellon Equity Income Fund
- BNY Mellon Global Absolute Return Fund
- BNY Mellon Global High Yield Bond Fund
- BNY Mellon Global Multi-Strategy Fund
- BNY Mellon Global Opportunities Fund
- BNY Mellon Long Corporate Bond Fund
- BNY Mellon US Opportunities Fund

Across the range, there were eight funds for which we found the costs to be too high (one fund had a split rating), up from six in last year's assessment. However, this year there were none we felt were so excessive they warranted a red rating.

In one, the BNY Mellon Inflation-Linked Corporate Bond Fund, we found the retail cost comparison somewhat distorted in that the peer group is just one other like-for-like fund. As such, we split the rating, awarding an amber rating for retail costs and green for all others.

We had eight funds rated amber for performance reasons this year. Two of these were amber rated last year as well. Four funds rated amber on performance in 2020 are now green.

This year there were also six funds in the BNY MIF range with an insufficient performance track record for full analysis. As we could not assess all metrics, we rated what criteria we could and left the overall rating as undecided (marked as grey on the following summary table).

FCA assessment criteria	Performance	Quality of service	Economies of scale	Classes of units/shares	Comparable services	Costs general	Comparable market rates	Overall rating
BNY Mellon Assessment Criteria	**Performance**	**Quality of service**	**Fair treatment of investors**		**Cost**			
BNY Mellon 50/50 Global Equity Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
BNY Mellon Asian Income Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
BNY Mellon Continental European Fund	🟡 ↓	🟢	🟢	🟢	🟢	🟢	🟢	🟡 ↓
BNY Mellon Emerging Income Fund	🟢 ↑	🟢	🟢	🟢	🟢	🟢	🟢	🟢 ↑
BNY Mellon Equity Income Booster Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟡 ↓	🟢
BNY Mellon Equity Income Fund	🟡 =	🟢	🟢	🟢	🟢	🟢	🟡 ↓	🟡 =
BNY Mellon Global Absolute Return Fund	🟡 =	🟢	🟢	🟢	🟢	🟢	🟢 ↑	🟡 =
BNY Mellon Global Dynamic Bond Fund	🟢 ↑	🟢	🟢	🟢	🟢	🟢	🟢 ↑	🟢
BNY Mellon Global Dynamic Bond Income Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
BNY Mellon Global Emerging Markets Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
BNY Mellon Global Equity Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
BNY Mellon Global High Yield Bond Fund	🟡 ↓	🟢	🟢	🟢	🟢	🟢	🟢	🟡 ↓
BNY Mellon Global Income Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
BNY Mellon Global Infrastructure Income Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
BNY Mellon Global Multi-Strategy Fund	🟡 ↓	🟢	🟢	🟢	🟢	🟢	🟢 ↑	🟡 =
BNY Mellon Global Opportunities Fund	🟡 ↓	🟢	🟢	🟢	🟢	🟢	🟢	🟡 ↓
BNY Mellon Index Linked Gilt Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟡 ↓	🟢
BNY Mellon Inflation-Linked Corporate Bond Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟢/🟡 ↑	🟢 ↑
BNY Mellon International Bond Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟢	🟢
BNY Mellon Long Corporate Bond Fund	🟡 ↓	🟢	🟢	🟢	🟢	🟢	🟡 ↓	🟡 ↓
BNY Mellon Long Gilt Fund	🟢	🟢	🟢	🟢	🟢	🟢	🟡 ↓	🟢

FCA assessment criteria	Performance	Quality of service	Economies of scale	Classes of units/shares	Comparable services	Costs general	Comparable market rates	Overall rating
BNY Mellon Assessment Criteria	**Performance**	**Quality of service**	**Fair treatment of investors**		**Cost**			
BNY Mellon Long-Term Global Equity Fund	Green	Green	Green	Green	Green	Green	Green	Green
BNY Mellon Multi-Asset Balanced Fund	Green	Green	Green	Green	Green	Green	Green	Green
BNY Mellon Multi-Asset Diversified Return Fund	Green	Green	Green	Green	Green	Green	Green	Green
BNY Mellon Multi-Asset Global Balanced Fund	Green	Green	Green	Green	Green	Green	Green	Green
BNY Mellon Multi-Asset Growth Fund	Green	Green	Green	Green	Green	Green	Green	Green
BNY Mellon Multi-Asset Income Fund	Green	Green	Green	Green	Green	Green	Green	Green
BNY Mellon Oriental Fund	Green	Green	Green	Green	Green	Green	Amber ↓	Green
BNY Mellon Real Return Fund	Green ↑	Green	Green	Green	Green	Green	Green ↑	Green ↑
BNY Mellon Sustainable Global Dynamic Bond Fund	Grey	Green	Green	Green	Green	Green	Green	Grey
BNY Mellon Sustainable Global Equity Fund	Grey	Green	Green	Green	Green	Green	Green	Grey
BNY Mellon Sustainable Global Equity Income Fund	Grey	Green	Green	Green	Green	Green	Green	Grey
BNY Mellon Sustainable Real Return Fund	Grey	Green	Green	Green	Green	Green	Green	Grey
BNY Mellon Sustainable Sterling Bond Fund	Grey	Green	Green	Green	Green	Green	Green	Grey
BNY Mellon UK Equity Fund	Green	Green	Green	Green	Green	Green	Green	Green
BNY Mellon UK Income Fund	Green	Green	Green	Green	Green	Green	Green	Green
BNY Mellon UK Opportunities Fund	Green	Green	Green	Green	Green	Green	Green	Green
BNY Mellon US Equity Income Fund	Grey	Green	Green	Green	Green	Green	Green	Grey
BNY Mellon US Opportunities Fund	Amber ↓	Green	Green	Green	Green	Green	Amber ↓	Amber ↓
Responsible Horizons UK Corporate Bond Fund	Green ↑	Green	Green	Green	Green	Green	Green ↑	Green ↑

KEY

- Green: Provided good value to investors over the assessment period
- Amber: Provided value but merits further action or monitoring to meet our value criteria
- Red: Has not provided good value
- Grey: Insufficient track record
- ↑↓ Upgrade/downgrade from 2020 assessment

Our analysis

How, what and why

Our analysis

In this section we explain what we analysed, how this was done, and the conclusions we reached. For further detail on any individual fund, and, where applicable, the steps we planned to redress any problems identified, please go to the individual fund pages, which are in alphabetical order or click on the individual fund names in the main table on pages 15 and 16.

PERFORMANCE

There were eight funds rated amber for performance; a further six had insufficient track records for analysis.

We do not believe performance is simply just about the absolute amount of money gained or lost. Instead, this assessment looks at whether the fund performed as expected. Did it meet its objective(s)? And if it didn't, why not?

For instance, if a fund seeks to achieve **capital growth** over a specified period, we looked deeper to see what happened over that period and why. We used data from external consultants to provide independent peer analysis to help with this relative assessment.

With respect to income funds (those with an objective to invest for income) we examined their **yield** versus the market as well as their peers.

In some cases an income fund uses a broad index as a performance **benchmark**. In BNY MIF we have chosen such indices as benchmarks to provide investors with a meaningful and widely recognised performance measure. However, such indices often includes feature companies that do not pay **dividends** (like some technology companies).

This means at times income funds, which invest for yield, may underperform on a relative, capital growth basis to that index. Given their bias to dividend-paying companies, an income fund's yield will likely also look higher relative to a broad index.

In cases where a fund has multiple objectives and was found to have partially met these, an amber rating was given. Red is given to a fund which has failed most or all of its objectives.

- Where a fund's objective is capital growth, **total return** performance was assessed.
- Where a fund's objective is income, yield was assessed.
- If the objective was both income and capital growth, yield was used to judge income and price return for capital growth.

Other aspects of our performance analysis included:

1. Did the fund meet its stated objective?
2. Did the fund **outperform** its index?
3. If it did not outperform, did active management provide other benefits? Such as:
   a. Higher yield
   b. Lower **drawdown**
   c. Lower **volatility**
   d. Superior **risk-adjusted returns**
4. Are there **passive** equivalents?

We looked at relative returns on both a gross basis (before fees), and net (after fees). Which measurement weighed more heavily in our assessment depended on a fund's stated objective – whether it aimed to beat its target on a gross or net basis.

However, on the individual fund pages you will see we include a chart of the fund's performance on a net basis only. This is for consistency and is in keeping with industry standards.

Market backdrop 30 June 2020 – 30 June 2021

Performance of major equity markets in £ terms	
MSCI WORLD INDEX	24.40%
MSCI NORTH AMERICA INDEX	27.10%
MSCI EMERGING MARKETS INDEX	26.00%
MSCI ASIA PACIFIC EX JAPAN INDEX	24.60%
MSCI EUROPE EX UK INDEX	21.80%
MSCI UK INDEX	17.40%

Performance of major bond markets in US$ terms	
GLOBAL HIGH YIELD BONDS (ICE BOFA US DOLLAR GLOBAL HIGH YIELD INDEX)	14.90%
EMERGING MARKETS CORPORATE DEBT (JP MORGAN CEMBI BROAD DIVERSIFIED INDEX)	8.70%
EMERGING MARKETS DEBT – DIVERSIFIED AND DENOMINATED IN US DOLLARS (JP MORGAN EMBI GLOBAL DIVERSIFIED INDEX)	7.50%
GLOBAL CORPORATE BONDS (ICE BOFA GLOBAL CORPORATE INDEX)	5.60%
GLOBAL GOVERNMENT BONDS (ICE BOFA GLOBAL GOVERNMENT INDEX)	-0.10%

Source: Lipper.

PERFORMANCE FINDINGS

Although most funds met their performance objectives, **eight were found to have only met some of their stated targets**. Two of these funds were also amber-rated for performance reasons in our 2020 report – BNY Mellon Global Absolute Return Fund and BNY Mellon Equity Income Fund.

No fund was given a red rating in this category. In looking at the returns, the board did take into account the hill some funds had to climb at the start of this review period. In March 2020, Covid-19 triggered what has been called the worst stock market crash in a generation. At 16 days, it was also the fastest-ever fall into a bear market (when prices fall by 20% or more) for the US S&P 500 index.[1] However, by late summer 2020, unprecedented **stimulus measures** by governments and central banks as well as vaccine breakthroughs sent stocks roaring back to record highs.[2]

Managers of funds found to be failing on some of their performance objectives were asked for an explanation. The board also sought insight into any plans the manager had to get the fund back on track in meeting all of its performance objectives. Going forward, the board will continue to monitor these funds closely to see if any notable shortfalls experienced have been rectified.

The eight funds with amber scores for performance were:

(Click on the fund name for more details as to this assessment.)

- BNY Mellon Continental European Fund
- BNY Mellon Equity Income Fund
- BNY Mellon Global Absolute Return Fund
- BNY Mellon Global High Yield Bond Fund
- BNY Mellon Global Multi-Strategy Fund
- BNY Mellon Global Opportunities Fund
- BNY Mellon Long Corporate Bond Fund
- BNY Mellon US Opportunities Fund

QUALITY OF SERVICE

As the board governing these funds, we are ultimately responsible for the service provided to the funds and to investors within them.

The majority of the services examined in this measurement are shared resources. For instance, all the funds use the same third-party service providers such as: **fund accountant**, **transfer agent**, **auditor** and **custodian**. Distribution is also shared, via BNY Mellon IM, along with services such as marketing and communications. This means assessments in this category are quite uniform.

Investment management is the main service that differs between the funds. In BNY MIF, funds are managed by either Newton, Insight or Walter Scott. During the timeframe covered by this report, three of the funds in BNY MIF were also managed by Mellon. As of 1 September 2021, the **equity** and **multi-asset** capabilities of Mellon transitioned to Newton Investment Management North America LLC. (See page 4 for the affected funds in BNY MIF).

We looked at data that applied to all funds as well as those that gave us a more individual servicing picture. Data from around a dozen different sources helped us to arrive at our conclusions in this category.

Among those examined were:

- Errors and issues logs from across the different service providers.
- Client complaints log.
- Investment breach reports.
- Communications data, including website and social media traffic and engagement.
- BNY Mellon IM's client survey.
- Use of BNY Mellon IM's online investment and valuation portal, Investorzone.

Some data sets are best examined alongside corresponding information. For instance, while we may take measures to improve our communication – if it doesn't translate into higher usage, then it would indicate we are either not communicating well or not in a manner that engages.

As such, we looked at the number of fund notifications made over the past year alongside website traffic; we examined complaints received in conjunction with client feedback to discern the cause.

We did note the past 12 months saw increased challenges resulting from Covid-19. In the period covered by our 2020 BNY MIF AoV report, the ramifications of the global pandemic had only just started. That report, ending June 2020, covered just four months of impact from Covid-19. This year's report saw a full 12 months in a world transformed by the pandemic, which involved new ways of working and multiple lockdowns.

[1] Investopedia May 2020; LPL Research & Factset 12 March 2020.
[2] The Guardian.com. *I've never seen anything like it – 2020 smashes records in global markets*. 30 December 2021.

QUALITY OF SERVICE FINDINGS

We rated all funds green on the quality of service metric. There were a few areas for concern raised in some of the reports and information reviewed. However, we viewed these in the context of the short-term impact borne from the pandemic and believe they are not systemic. We will continue to monitor these areas.

While we maintained uninterrupted service levels throughout this period and are proud of the work done, there was a slowdown in certain processes. There were also two material pricing errors.

Some of this was a direct result of increased traffic at the contact centre and a less efficient process in obtaining and authenticating information in a working from home environment. This was not just a result of the Covid-19 situation and market concerns but a rise in the number of events and actions requiring shareholder notifications and communications.

Among the topics covered by our communication over the past year were:

- **Libor** – notification of a change being made to the **benchmark** of select funds.
- Mellon transfer – the transition of the **equity** and **multi-asset** investment management capabilities at Mellon to Newton Investment Management North America LLC.
- Restrictions from the US government on investment in certain Chinese companies.
- Income distributions affected by Covid-19.
- Fund closures and proposed name or mandate changes.
- A new CEO at BNY Mellon Investment Management.
- Fund manager changes at Newton – new additions and legacy managers leaving.

As such, we were not surprised to see calls to us increased 21% and in-bound letters by 46% over the year.

With so much news and interest, we were gratified to see an increase in immediate and more accessible client communications. On BNY Mellon IM's consumer website there was a 133% increase in the number of notifications made and a corresponding 134% uptick in the number of page views from 30 June 2020 to 30 June 2021. On the UK intermediary website there was a 250% increase in online notifications and a 316% rise in the number of views. The Mellon project (transitioning the equity and multi-asset capability to Newton), had its own dedicated area on the website. It alone saw some 1,600 visits by UK financial advisers or professional investors.

Use of social media sites, such as LinkedIn, also increased to communicate more directly with investors. In the first half of 2021 BNY Mellon IM's UK sales team made 457 posts on the topics listed above as well as also insights on market trends from fund managers. This compares to 338 posts over the same period a year earlier.

There was also an increase in complaints over the time period. Of the 198 complaints, 109 were refuted and 89 were upheld; 94% of which were dealt with within an eight-week timeframe. This compares to 122 complaints reported in last year's review, in which 73 were refuted and 43 were upheld. We have investigated the increase and have determined the root cause was the challenging environment resulting from the pandemic and not symptomatic of a deteriorating service.

Correspondingly we note such was the thirst for greater and more timely information over the past year, there was a large increase in the number of users of BNY Mellon IM's online dealing and valuations platform. The number of people using the platform went up by around 1,000 over the year.

With respect to our service providers, overall, we have a strong relationship. While we believe there are always areas that can be improved upon, such as response times, we did not identify any major issues or cause for concern. Analysis shows our **custody** services, relative to peers, were average. Our custody is currently ranked fourth out of eight competitors. Yet this was a tight group with the top ranking firm achieving a score of 98.83% while we scored 98.08%. Our fund accountants rank our service joint fourth out of six competitors. However, in our view this ranking doesn't equate to a bad service given our score was 99.5 out of 100.

Overall, according to our **depositary**, when it comes to custody and accounting: "BNY Mellon continues to perform well against its benchmark and peers." They note the strong relationship with BNY Mellon enables any service failings to be addressed quickly, to ensure there is no impact to the funds they oversee.

FAIR TREATMENT OF INVESTORS

This category includes the FCA's economies of scale criteria. It also includes analysis on whether investors are in the most appropriate, or lowest fee, share class available to them.

Economies of scale are the cost advantages that can be gained when efficiencies are created. Often this comes down to size – meaning a company can achieve greater savings when costs can be spread out across a larger base.

But costs can be both fixed and variable. Which means just because a fund grew in terms of assets under management (AUM), doesn't mean costs can fall proportionately.

Ultimately, we believe we need to make sure all components are considered and add up to be a competitive proposition for the benefit of the fund and its investors. As such, this year we expanded the scope of documents and areas to be examined under the FCA's economies of scale criteria. Beyond leveraging the size of an individual fund to lower costs, we considered:

- Accessibility of new funds (which at launch can be very small and costly).
- Components that make up each fund's **ongoing charges fee (OCF)**:
  - For example, trustee costs, which are tiered and therefore typically reduce as a fund grows in size.
- Annual Management Charges (AMC) versus segregated mandates (which are out-of-scope for this report but as accounts run for one individual, they can be large and therefore serve as a good internal comparison metric).

  (Please go to the Costs section of this report for more).
- Fund liquidity – meaning how easy it is for the manager to buy and sell holdings in the fund. (Certain asset classes or regions are inherently more expensive than others).
- Transaction costs.

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.

In examining the appropriateness of our share classes, we do note there are many legacy share classes. Across BNY MIF, most funds feature a **platform** share class (W), an institutional share class with a high minimum investment level, a commission-free retail share class (B) and legacy A shares (called Sterling Accumulation or Sterling Income shares), which include commission to advisers.

In our B shares, the cost of many additional expenses – excluding custody – is set at 8p for every £100 invested (or 0.08%). In our legacy sterling share classes, these costs are 10p (0.1%) for every £100 invested.

FAIR TREATMENT FINDINGS

We rated all funds in this category as green. We have investigated and believe opportunities for investors to benefit from economies of scale have been passed on over the past year covered by this report.

THE COMPLEXITY OF SCALE

Economies of scale in the asset management industry is quite complex. Simplistically the larger a fund is, the better able it should be to spread its costs, thereby lowering charges to its investors. Yet there are more moving parts than this suggests. The relationship between size, cost and efficiency isn't linear.

This is why our assessment in this area involved a matrix of analysis, at the firm level and specific to each fund.

Scale: Achieving scale can result from inflows from new investors, top-ups from existing investors and/or market appreciation (the assets are valued more highly as the market rises).

These drivers impact underlying costs in different ways, which in turn affects the ability to pass on any savings, if at all. For example, securing new investors may result in significant incremental servicing costs whereas market appreciation would not. However, the latter may also be a temporary phenomenon and one affected by market fluctuations.

Fund type: Depending on where and in what they are invested, funds can incur varying fees. For instance, a fund invested in a highly **liquid** market and asset class such as large UK companies (**equities**), may have fewer expenses than one invested in say, **emerging market bonds**. This variability makes it difficult to implement any standardisation when it comes to the application of fees.

Business costs: To maintain a fund's appeal and performance, more may need to be spent in areas like service or management resources. For example, an investment team may need to be strengthened in order to manage a growing fund without compromising its returns.

This wouldn't necessarily be the same case for every fund. Again, some funds, depending in what they are invested, may be able to better manage a rising AUM than other investment strategies.

Performance: Undeniably, the better a fund performs, the more attention it can get, which in turn can lead to a larger fund size. True, greater AUM can lead to more profits or for savings to be passed onto its investors (or a combination of the two). But such a situation also means existing investors have benefited from greater returns. Therefore, arguably the larger AUM has already resulted in value – a higher return for the same price.

We believe as long as we are offering good performance at a competitive price, additional profits from larger AUMs shouldn't automatically translate into even lower prices.

In this year's report we found the collective buying power of our funds has successfully been used to negotiate competitive pricing. For example, the management fees charged by our investment firms (Newton, Insight and Walter Scott) are based on what we think the optimal size of a fund will be. This means investors can gain access to new funds without first having to wait until they grow to a size where their costs become more affordable. In other words we negotiate an appropriate AMC for a fund based on its eventual size, thereby allowing lower costs from inception.

When it comes to launching new products, there is another economies of scale advantage wrought by the size of BNY Mellon IM. Often new funds have to reach a certain size before they are deemed "viable" from a cost perspective. This can make investing at launch somewhat less attractive for early investors. However, at times new launches in BNY MIF have been started with "seed" money (an initial investment) from BNY Mellon, to make it viable more quickly.

Smaller funds can still see higher fees as not all can spread out costs as effectively as a large fund could. To mitigate this, we subsidise expenses above a certain threshold. This is something not every fund provider can offer but we see it as another way in which we can pass on economies of scale for investors' benefit.

We noted in last year's assessment we wanted a way to forewarn when such a step might be necessary to avoid unduly high charges. We have since implemented a system whereby if a fund sees an increase in its on-going charges, a review as to why will be triggered so we can more quickly address the issue and ensure investors do not suffer from diseconomies of scale.

This year's **OCF** data confirms that when a smaller fund has increased in size, the fee has fallen. Over the 2021 assessment period, we note there were six funds where the AUM increased by more than 30% and the OCF did drop. On the other hand, two funds shrank over the 12 months to end of June 2021. In one instance we determined intervention was not required as diseconomies weren't evident. The other is undergoing further review and action (please go to the BNY Mellon Inflation-Linked Corporate Fund page for more details).

Overall, we still believe there is more work that can be done in terms of better defining and quantifying economies of scale benefits. As such, over the course of the next year we intend to create a more transparent methodology to assess where further opportunities may lie. Going forward we want to examine economies of scale more holistically, encompassing a broader set of factors, including fund profitability.

With respect to whether investors are in the appropriate share class or should be in a less costly one, we have worked to complete a project moving clients from a legacy sterling share class into our retail B class, which is cheaper. We review actual charges incurred on an annual basis to ensure fees remain appropriate. As part of this we were able to support the reduction from 10p to 8p between these share classes.

Phase one of the project was completed last year. By 4 July 2020, £339m – held across 21,858 shareholdings – was moved to the lower fee-paying B share class. This resulted in a reduced annual fee for more than 15,000 clients. A further 6,300 clients with combined AUM £113m were converted to the cheaper share class in October 2020.

Phase two of the project is ongoing. Recently we wrote to identified agents who have a retail investor in one of our legacy sterling share classes, asking whether they are still servicing those clients. We expect a further £16m AUM will be converted in October 2021 as a result of this step.

COSTS

Three of the FCA's assessment of value criteria focus on costs.

- Comparable services – an internal comparison that looks at whether service costs are competitive across our funds.
- Costs general – all costs borne by a fund; everything that goes into the OCF. This includes an analysis of whether those costs are fair or not.
- Comparable market rates – a comparison between the charges of the fund and those levied by similar funds – meaning comparable in size, investment objectives and policies.

While we have analysed each cost criteria separately, we have amalgamated these into a single unified rating where possible. As such, if a fund receives an amber rating on just one cost component, we consider it amber on costs overall.

Much like other categories, there are many ways to assess costs. We used some 13 different metrics to analyse charges incurred by the funds and those passed on to investors. These included **depository** and **custody** expenses, fund accounting details, internal finance data, transaction charges (both against our own funds and competitors), consultant/industry reports on peer charges and other expenses.

We tried to avoid a generic approach and took each fund on its own unique merits. And while a relatively high fee can be a drag on returns, as the FCA notes, costs shouldn't be examined in isolation. Fees and expenses need to be looked at versus those competitors doing the same thing as well as in relation to the outcome. As such, if the performance of an apparently expensive fund was not adequate to justify the cost incurred, we were more circumspect in its rating.

We also examined how the fees charged differ for retail investors, who typically invest a small amount, versus those for institutional investors who tend to invest in large sums, thereby commanding a lower fee. The board examined additional share classes on these funds – particularly the widely-held W (**platform**) and institutional share class. These normally feature lower ongoing charges owing to the larger minimum investment thresholds they feature.

If, based on these assessments, a fund was flagged as deserving of an amber or red rating, we dug a bit deeper. We looked at the reasons why there might be added expenses – was it because the fund was too small? Or was it because it had comparatively higher expenses, such as those incurred through buying and selling holdings (transaction costs), due to the markets in which it trades? For example, a UK Equity fund is likely to have lower transaction charges than an Asian Equity fund as typically it is cheaper to trade domestically and in sterling.

Using this information as well as composition of the investor base for each fund undergoing additional review, in some instances we awarded split ratings – one representing retail and one, institutional.

COSTS' FINDINGS

Across the eligible fund range, **we assessed 8 funds to be deserving of an amber rating for cost**. One is a half rating, split amber/green for assessment on its retail share class versus institutional.

(Click on the fund names for details of their individual assessment and intended corrective actions.)

- BNY Mellon Index Linked Gilt Fund
- BNY Mellon Inflation-Linked Corporate Bond Fund (split rating)
- BNY Mellon Equity Income Booster Fund
- BNY Mellon Equity Income Fund
- BNY Mellon Long Corporate Bond Fund
- BNY Mellon Long Gilt Fund
- BNY Mellon Oriental Fund
- BNY Mellon US Opportunities Fund

Last year six funds were not awarded a green rating in this category. Although last year we had some (partial) red ratings and this year we have none, we still have cost-related amber ratings despite a reduction in annual charges on several funds. Some of these are due to the way the board assessed three specific institutional products. Typically, investors in these funds negotiate a lower rate than the headline charge. However, we assessed that headline rate to be expensive versus peers, especially for smaller investors unable to wield the same negotiation power.

In the breakdown of fees, we found those paid to the funds' managers are lower than the industry average across the entire range. There were a few funds that were comparatively on the high side but which were still below industry average. We will maintain a watching brief on those.

With regards to internal finance metrics, we note just one of the funds was considered unviable from a cost perspective. Our concerns over the viability of the BNY Mellon Long Corporate Bond Fund were anticipatory rather than reactionary. The fund was closed in September 2021 after redemptions rendered its size untenable from a cost perspective and we believed remaining investors may become unduly penalised.

Across the range, transaction costs (the fees incurred for buying and selling holdings) were found to be cheaper than the industry average for 32 of the 40 funds in BNY MIF. Eight funds were deemed to be more expensive than average, although three were only marginally so.

We conducted further analysis on the five most expensive. We determined the transaction costs on three of these funds were not accurately represented as they were launched in 2018. Typically, a fund needs to accumulate three years' worth of transaction costs before an annualised number can be reported. And until that milestone is reached, a conservative estimate is used thereby distorting the actual trading costs incurred.

The remaining two of the five were down to unique circumstances. One is a result of what it is invested in (it is a **multi-asset** strategy) while the other had a significant change in its construction, resulting in more buying and selling than is typical. Arguably the increased transactions of both over this period were additive to their value given their respective improved performance.

Our funds

BNY Mellon 50/50 Global Equity Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

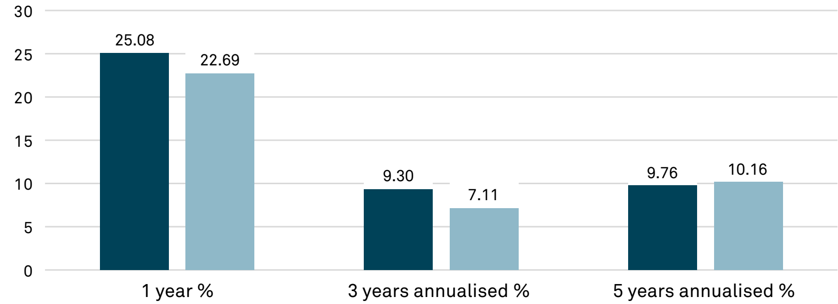
The Fund aims to achieve **capital growth** and income over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£117.3m

(as of 30 June 2021)

BNY Mellon 50/50 Global Equity Fund
Net performance ending 30 June 2021



BNY Mellon 50/50 Global Equity Fund Newton Institutional Shares 1 (Accumulation)

50% FTSE All-Share TR Index / 16.67% FTSE World North America TR Index / 16.67% FTSE Europe ex UK TR Index / 16.67% FTSE Asia Pacific TR Index

Following analysis across all areas of assessment, we have concluded this fund is demonstrating value overall.

Over this assessment period, the fund was ahead of its **benchmark** before fees (gross) but just behind on a net basis. Although **outperformance** was small in scale, we gave consideration to the fact this fund is being measured versus a benchmark comprising a blend of four different indices.

While the resulting five-year return is close to that of the benchmark, the fund is actively managed. An investor looking to **passively** track four indices separately would incur higher charges, which was an element of our conclusion to rate the fund green.

Manager's commentary on the 12 months to 30 June 2021

The fund produced a positive return and was ahead of the benchmark. Stock selection was a positive factor in the fund's return for the period. It was particularly strong in Japan and North America, and in the technology, **industrials** and **consumer staples** sectors. This more than offset negative selection in Europe ex UK, **emerging markets** and in the **consumer discretionary** sector.

"We believe the outlook for financial markets will be determined by the path of the pandemic, the interplay between **fiscal** and **monetary policy** and the effect of these factors on growth and **inflation**. Geopolitics, regulation, globalisation and the impact on supply chains will remain important trends and being alive to changing dynamics in these areas will undoubtedly prove important, in our view.

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Newton Institutional Shares 1 (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

The Fund will measure its performance against a composite index, comprising 50% FTSE All-Share TR Index,16.67%. FTSE World North America TR Index,16.67% FTSE Europe ex UK TR Index and 16.67% FTSE Asia Pacific TR Index, 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 investment 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.

BNY Mellon Asian Income Fund

Overall rating

Costs

Fair treatment of investor

Performance

Quality of Service

OBJECTIVE

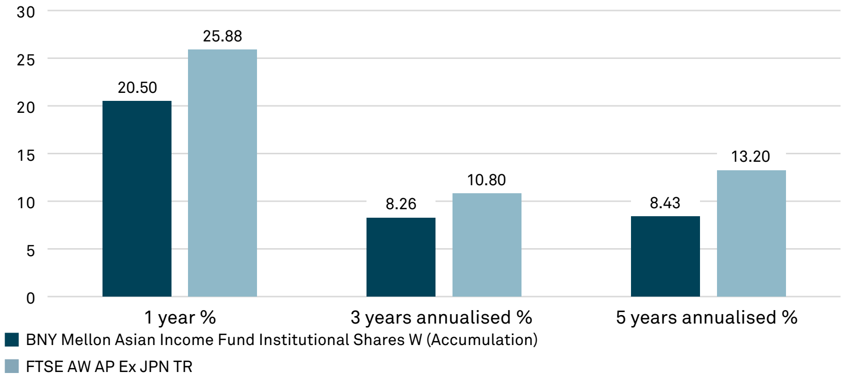
The Fund aims to achieve income together with **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£1.0bn

(as of 30 June 2021)

BNY Mellon Asian Income Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the W Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Asian Income Fund to BNY Mellon Asian Income Fund.

The Fund will measure its performance against the FTSE Asia Pacific ex-Japan TR Index as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because the Investment Manager utilises it when measuring the Fund's income yield.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall.

We note there are times when this fund will lag its **benchmark** index, as it has done over the most recent 12-month period. However, as an income fund, this is often due to its focus on **dividend**-paying companies. According to the manager, the current period of **underperformance** was characterised by a swathe of dividend cuts as a result of Covid-19 lockdowns, which disrupted many businesses.

The fund's primary focus is to generate income and its **yield** has been consistently higher than its benchmark, the FTSE All World Asia Pacific ex Japan total return index. As of the end of the review period the fund's yield was just under 3% versus a yield of 1.98% in the index.

Manager's commentary on the 12 months to 30 June 2021

"The fund produced a positive return but was behind the benchmark over the review period. Both stock selection, and regional and **sector** allocation, detracted from the returns **relative** to the benchmark.

"Stock selection was notably weak in China and Australia. By sector, strong selection in technology was offset by weaker returns in **financials** and **industrials**. Among other activities, with air traffic negatively affected by the travel restrictions and widespread grounding of flights brought on by Covid-19, we sold some of the fund's regional airline holdings.

"With the eventual unwinding of extreme **monetary stimulus** measures from central banks, in our view elevated **equity** market valuation levels and the uncertain outlook for earnings in a fragile global economy, we believe the arguments for income investing remain strong."

BNY Mellon Continental European Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

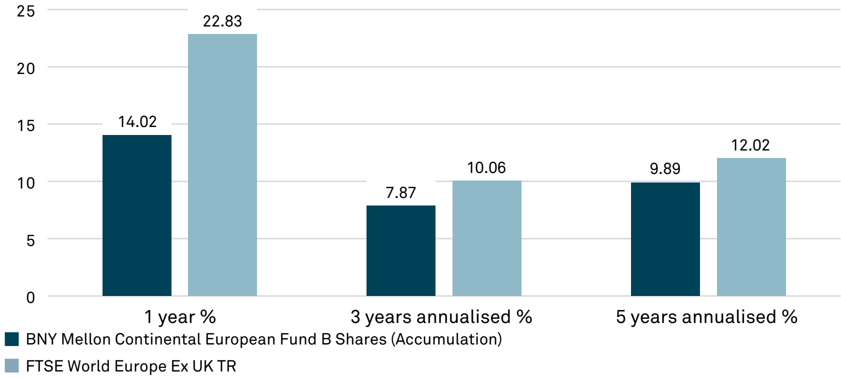
The Fund aims to achieve **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£144.2m

(as of 30 June 2021)

BNY Mellon Continental European Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the B Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Continental European Fund to the BNY Mellon Continental European Fund.

The Fund will measure its performance against the FTSE World Europe ex UK TR Index 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 class, sectors and geographical areas in which the Fund predominantly invests.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Although the BNY Mellon Continental European Fund achieved its stated target of capital growth, recent **underperformance** was significant. This was sufficient to warrant an amber rating for performance and overall. Last year the fund was rated green on all metrics.

Versus its **benchmark**, the FTSE World Europe ex-UK **Total Return** Index, the fund underperformed by some 8% over the 12 months to end of June 2021.

While **active management** has brought some visible benefits in reducing the fund's **risk levels**, the board felt these have arguably not been proportionate to the scale of underperformance.

What's next?

Ahead of this year's assessment review, a decision was taken to change the mandate and make-up of the fund. We have proposed the fund adopt a more explicit **sustainable** investment objective. A vote on this change will take place before the end of 2021 and is subject to shareholder approval.

Under our proposals the fund would also be more concentrated – reducing its holdings in companies by around 20%. Its name would also change to the BNY Mellon Sustainable European Opportunities Fund.

No matter the outcome of the shareholder vote on the mandate change, we will continue to monitor performance carefully and stand ready to take action if and where necessary.

Manager's commentary on the 12 months to 30 June 2021

"The period of strongly rebounding markets following the significant market dip in the spring of 2020 was the most difficult for the fund. Given the preponderance in continental Europe of 'value', **old-economy** and **cyclically-tilted** sectors, where the portfolio was sharply **underweight**, a degree of underperformance did not come entirely as a surprise (although was no less disappointing for it).

"Sectors such as **financials**, where Newton has held a long-term negative view – not least in Europe – performed strongly over this period on market expectations of rising **inflation** as a result of simultaneous **fiscal** and **monetary stimulus**.

"We continue to manage the BNY Mellon Continental European Fund very much in line with Newton's thematic and fundamental views. We believe our thematic approach and fundamental stock-selection approach will serve us well over the longer term."

BNY Mellon Emerging Income Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

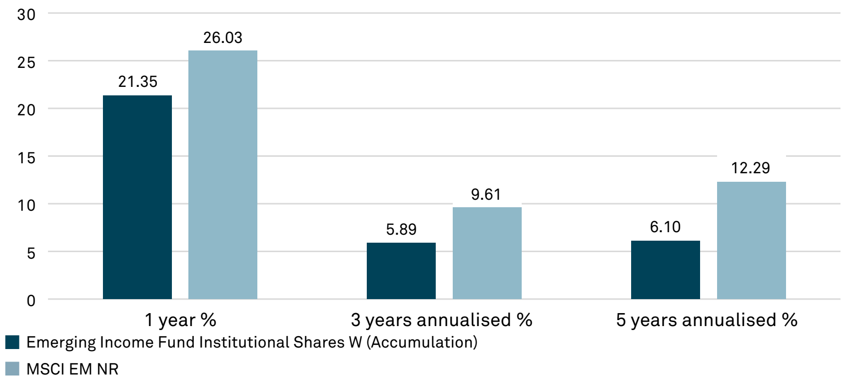
OBJECTIVE

The Fund aims to achieve income together with **capital growth** over the long term (5 years or more). As at 26 May 2016, the Performance **Benchmark** of the Fund was changed from FTSE Emerging Index to MSCI Emerging Index (NR).

ASSETS UNDER MANAGEMENT (AUM)

£80.7m
(as of 30 June 2021)

BNY Mellon Emerging Income Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Emerging Income Fund to the BNY Mellon Emerging Income Fund.

The Fund will measure its performance against the MSCI Emerging Markets NR Index as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because the Investment Manager utilises it when measuring the Fund's income yield.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Following analysis across all areas of assessment, we have concluded this fund is demonstrating value overall.

We do note there are times when this fund will lag its benchmark index, as it did over the 12-month period covered by this report.

However, as an income fund, this is often due to its focus on **dividend**-paying companies. The fund's primary focus is to generate income and its **yield** (c3.2%) was higher than the MSCI Emerging Market (NR) index yield of 1.94%. Income generation versus peers has also been good.

According to the manager, the current period of **underperformance** was characterised by a swathe of dividend cuts as a result of Covid-19 lockdowns, which disrupted many businesses.

During the review period this fund also had a change in its investment team. Zoe Kan, Nick Pope and Ilga Haubelt now manage the fund.

Manager's commentary on the 12 months to 30 June 2021

"The fund produced a positive return but was behind the benchmark, the MSCI Emerging Markets NR Index, net of fees. Both **sector** allocation and stock selection detracted from returns. Selection was weakest in the **financials**, communications services and energy sectors, offsetting the impact of more positive selection in information technology and utilities.

"The **overweight** positions in **consumer staples** and utilities detracted from returns over the 12 months, outweighing the positive impact of an **underweight** position in communications services and an overweight in information technology."

BNY Mellon Equity Income Booster Fund

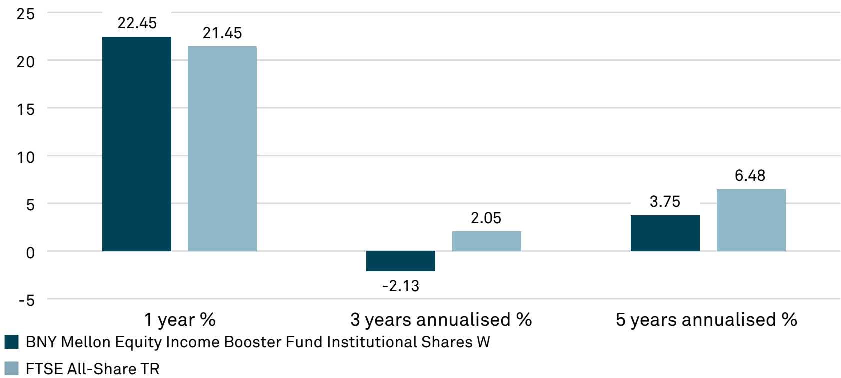
OBJECTIVE

The Fund aims to provide income together with the potential for **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£71.0m
(as of 30 June 2021)

BNY Mellon Equity Income Booster Fund
Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

As of 9 February 2013, the Insight Investment UK Equity Income Booster Fund and the Insight Investment Monthly Income Fund were merged into the Insight Equity Income Booster Fund. All performance data shown for periods prior to this date is that of the Insight UK Equity Income Booster Fund.

Effective 10 June 2019, the Fund name changed from Insight Equity Income Booster Fund to BNY Mellon Equity Income Booster Fund.

The Fund will measure its performance against the FTSE All-Share TR Index as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because it is representative of the UK equity market.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Our final assessment of the BNY Mellon Equity Income Booster is that it is demonstrating overall value to investors. Returns over the review period were strong and higher than its **benchmark**, the FTSE All-Share index. Its **yield** of 5.63% was also double that of the index.

However, we did score the fund amber on costs. We note costs to retail investors in both the W and B share classes of this fund were more expensive than competitor funds of a similar nature. Just over 70% of shareholders in the fund are invested in the W share class.

What's next?

We will be looking more closely at the constituent parts of the fund's **ongoing charges** to see how costs can be reduced. This could be amending the investment style to reduce additional costs, capping the additional costs (in which we would cover an excess above a threshold), or reducing the annual management charge.

Manager's commentary on the 12 months to 30 June 2021

Risk assets performed well for the fund during this period as Covid-19 vaccinations were rolled out, enabling economies to reopen. They also benefited from sizeable **fiscal** and **monetary policy stimuli** maintained by national governments and central banks. In the wider market, political transparency improved with President Joe Biden taking office in the US and a Brexit trade deal finally being agreed between the UK and European Union.

"Over the review period, stock selection and, to a lesser degree, asset allocation positively contributed to returns. Overall, the largest positive contributors were **industrials**, **financials** and **consumer staples**; the main detractors were healthcare, utilities and **basic materials**. The fund's cash position was also detrimental to performance.

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

BNY Mellon Equity Income Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

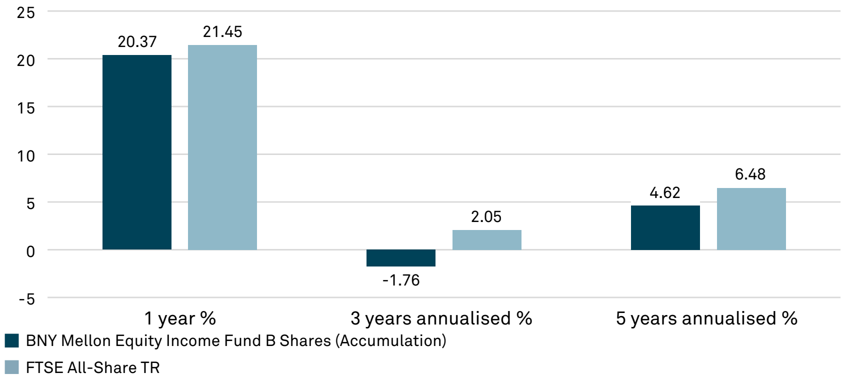
The Fund aims to provide income together with long term **capital growth** (5 years or more). The fund targets a **dividend** yield in excess of the **yield** of the FTSE All-Share Index on an annual basis as at the fund's financial year end. There is no guarantee that the fund will achieve its objective over this, or any other, period.

ASSETS UNDER MANAGEMENT (AUM)

£143.2m

(as of 30 June 2021)

BNY Mellon Equity Income Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the B Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Insight Equity Income Booster Fund to BNY Mellon Equity Income Booster Fund.

Performance data covering periods prior to share class launch include synthetic returns calculated using the fund's primary share class, adjusted to reflect the annual management charge of the Institutional Shares W (Income) share class. The data assumes that all other charges are consistent. Synthetic results do not represent actual investment returns nor costs and are not a reliable indicator of future performance. Performance data covering the period since share class launch is a record of actual returns achieved. The Fund will measure its performance against the FTSE All-Share TR Index as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because it is representative of the UK equity market.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Amber-rated for the second year, the BNY Mellon Equity Income Fund saw considerable improvement over the past year. However, this was not sufficient to enable a green rating for performance in the 2021 assessment. Combined with an amber rating for costs, the fund is rated amber overall.

Over 12 months to end of June, the fund met its aim of generating a yield greater than the FTSE All-Share index at just over 3% versus 2.8%. However, the five-year capital growth return – also one of its objectives – remained weak due to historic performance.

On the cost side, the fund's share classes are slightly more expensive relative to comparable peers. This is due to higher expenses, such as transaction costs, over the review period.

What's next?

Resource has been added to the investment team and the fund saw significant improvement over the year to 30 June 2021, marginally underperforming its **benchmark** on a **total return** basis, net of fees.

Still, its long-term **underperformance** means the board is keeping this fund on an active watchlist. We intend to increase understanding of the fund's objective, clarifying in its documentation the fund's more dominant yield preference. As an income fund, the manager can prioritise investment in income-producing companies, sometimes at the expense of those that might achieve higher capital growth.

We are also examining options to reduce costs. This could involve subsidising additional costs or reducing the annual management charge.

Manager's commentary on the 12 months to 30 June 2021

Last year was a particularly difficult year for **equity** income funds. Considering the prevailing uncertainty and lack of visibility on dividends, it was pleasing the fund met its yield target.

"While the fund achieved strong capital growth, it did slightly lag that of the index as a result of being more exposed to larger dividend-paying companies.

"As economies emerge from the impact of the pandemic, we would expect to find the stock market focuses on the clear winners and losers emerging from the disruption. Over the medium term this should favour our investment approach, while still allowing the fund to generate a yield above that of the FTSE All-Share Index.

BNY Mellon Global Absolute Return Fund

OBJECTIVE

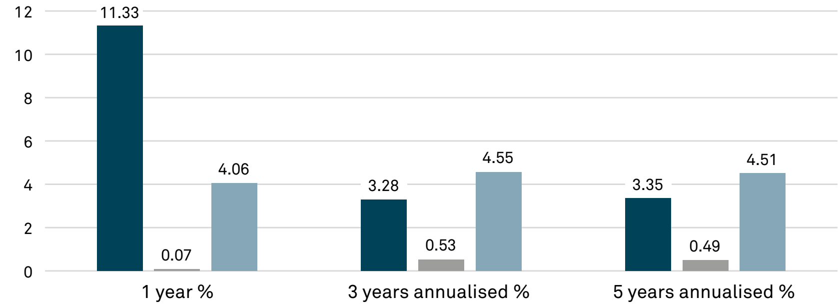
The Fund seeks to deliver positive returns on an annual basis. The Fund aims to deliver cash 3 month GBP **Libor** before fees on an annual basis and cash 3 month GBP Libor +4% p.a. before fees on a rolling annualised five year basis (meaning a period of five years, no matter which day you start on). However, a positive return is not guaranteed and a **capital loss** may occur.

ASSETS UNDER MANAGEMENT (AUM)

£682.3m

(as of 30 June 2021)

BNY Mellon Global Absolute Return Fund Net performance ending 30 June 2021



BNY Mellon Global Absolute Return Fund Institutional Shares W (Accumulation)
ICE LIBOR 3 Month GBP
ICE LIBOR 3 Month GBP + 4%

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Insight Global Absolute Return Fund to BNY Mellon Global Absolute Return Fund.

The Fund will measure its performance before fees against 3 month GBP LIBOR on an annual basis (the “”12 month Benchmark””) and 3 month GBP LIBOR +4% per annum on a rolling annualised five year basis (the “”5 year Benchmark””) as target benchmarks.

LIBOR is the average interbank interest rate at which a large number of banks on the London money market are prepared to lend one another unsecured funds denominated in British pounds sterling. The Fund will use the 12 month Benchmark as a target for the Fund’s performance to match or exceed over a rolling 12 month period as it is representative of cash; and the 5 year Benchmark as a target for its performance to match or exceed over a rolling annualised 5 year basis as it is consistent with the risk taken in 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.

Having met two of its three performance objectives, the BNY Mellon Global **Absolute Return** Fund was amber-rated for performance and overall.

The fund suffered during the pandemic-related downturn at the start of this assessment period but managed to recover and meet its goal of providing positive returns on an annual basis over the 12-months ending 30 June 2021. It also achieved its target of delivering cash (3-month GBP Libor), before fees, on an annual basis. However, it did miss its target of achieving a cash (three-month GBP Libor) plus 4% return each year, before fees, on a rolling (continuous) annualised five-year basis.

As such, while the fund met two of its three targets, consistently missing its cash + 4% performance goal means it remains amber overall.

We did note, the fund’s largest investor, an institutional manager holding a majority stake, appears broadly satisfied with its profile and recent performance. Over the course of the past year, that investor has added to their position in the BNY Mellon Global Absolute Return Fund.

This is the second year in a row this fund has been rated amber. Last year it was also for cost reasons. Over the course of the past year, we reduced the price across all share classes, leading to the fund being rated green for costs.

What’s next?

With lower fees already introduced, the focus remains on improving performance. On this point the board intends to examine the fund’s five-year investment objective given the consistent inability to meet this in recent years and clarify a more specific outperformance target.

Overall rating

- Costs
- Fair treatment of investor
- Performance
- Quality of Service

Manager’s commentary on the 12 months to 30 June 2021

“Last year will go down in the record books as one of the most challenging both in terms of the economic devastation wrought by the Covid-19 crisis and the market gyrations that this, and the **policy stimulus** unleashed to contain it, combined to produce.

“The fund navigated that environment, contained losses, and subsequently it has recovered strongly. Having captured opportunities from a more constructive economic backdrop, the fund is comfortably above its **benchmark** (cash) and close to its **outperformance** objective. We are confident the strategy remains robust.”

BNY Mellon Global Dynamic Bond Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

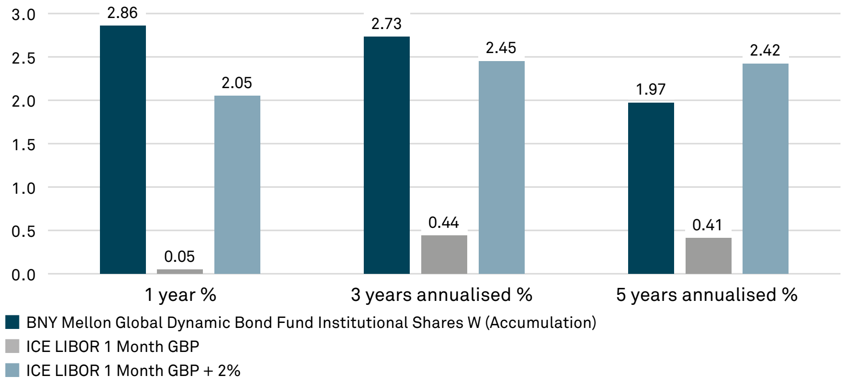
The objective of the Fund is to maximise the **total return**, comprising income and **capital growth**. The Fund is managed to seek a minimum return of cash (1 month GBP Libor)+2%per annum over five years before fees. In doing so, it aims to achieve a positive return on a rolling three year basis (meaning a period of three years, no matter which day you start on). However, a positive return is not guaranteed and a **capital loss** may occur.

ASSETS UNDER MANAGEMENT (AUM)

£2.2bn

(as of 30 June 2021)

BNY Mellon Global Dynamic Bond Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Global Dynamic Bond Fund to the BNY Mellon Global Dynamic Bond Fund.

The Fund will measure its performance before fees against 1 month GBP LIBOR +2% per annum over five years as a target benchmark (the "Benchmark").

LIBOR is the average interbank interest rate at which a large number of banks on the London money market are prepared to lend one another unsecured funds denominated in British pounds sterling. The Fund will use the Benchmark as a target for the Fund's performance to match or exceed because it is representative of sterling cash and the Fund's investment objective is to seek a minimum return of sterling cash +2% per annum. 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.

Following analysis across all areas of assessment, we have concluded this fund is demonstrating value overall.

Manager's commentary on the 12 months to 30 June 2021

"The largest positive contribution to the fund's return came from its bias towards **high yield**, **investment grade** and **emerging markets bonds**. These areas benefited from the market's preference for riskier assets, as the prospect of an economic recovery from the Covid-19 crisis increased.

"In terms of activity, more risk in high yield and emerging markets was taken on in the first half of the period, while **government bond duration** was reduced as positions were sold in Australia, New Zealand and Canada. Government bond duration was further reduced in the first quarter of 2021. Bonds with longer **maturity** dates, including holdings of long-dated **US Treasuries** and Australian and Italian government bonds, were sold. Exposure to high yield credit was further increased.

"Economic recovery is likely to be offset slightly by government support packages coming to an end, but we remain positive on **risk assets**, and particularly on high yield credit and local currency **emerging markets**."

BNY Mellon Global Dynamic Bond Income Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

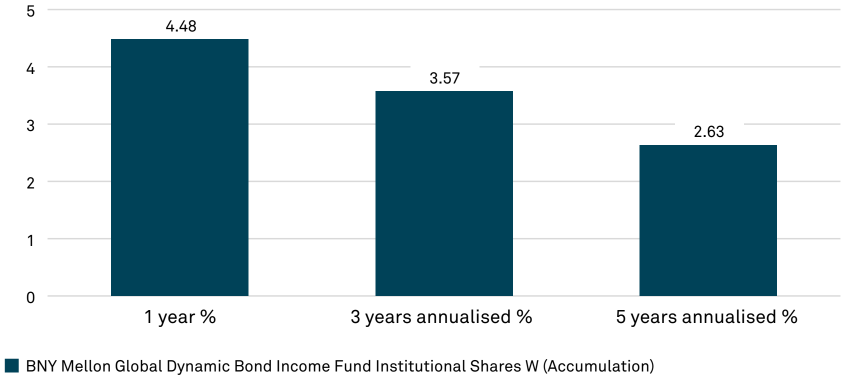
The Fund aims to achieve income over the medium term (3-5 years).

ASSETS UNDER MANAGEMENT (AUM)

£106.7m

(as of 30 June 2021)

BNY Mellon Global Dynamic Bond Income Fund Net performance ending 30 June 2021



Following analysis across all areas of assessment, we have concluded this fund is demonstrating value overall.

Manager's commentary on the 12 months to 30 June 2021

"The largest positive contribution to returns came from a bias towards **high yield**, **investment grade** and **emerging market** bonds. These areas benefited from the market's preference for riskier assets as the prospect of an economic recovery from the Covid-19 crisis increased. This was evident in the notable reduction in **yield spreads**.

"Overall, **government bonds** detracted from returns; investors' risk appetite returned, and so-called '**safe haven**' assets looked less attractive as a result. **Longer-dated US Treasury bonds** were the main negatives during this period although Australian and Norwegian government bonds were also detrimental.

"During the period, the portfolio took on more risk in high yield and emerging markets while reducing government bond **duration**. Government bond duration was reduced as positions were sold in Australia, New Zealand, Canada and the US. Currency allocation continued to be skewed away from the US dollar, with more of a bias towards emerging market currencies."

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Income) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Global Dynamic Bond Income Fund to the BNY Mellon Global Dynamic Bond Income Fund.

The Fund will not measure its performance against a benchmark because it is not possible to state a comparator that will be relevant at all times. Instead, the authorised corporate director (ACD) invites investors to consider the Fund's yield versus other fixed income investment products that seek to generate income.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments subject to the investment objective and policies disclosed in the Prospectus.

BNY Mellon Global Emerging Markets Fund

OBJECTIVE

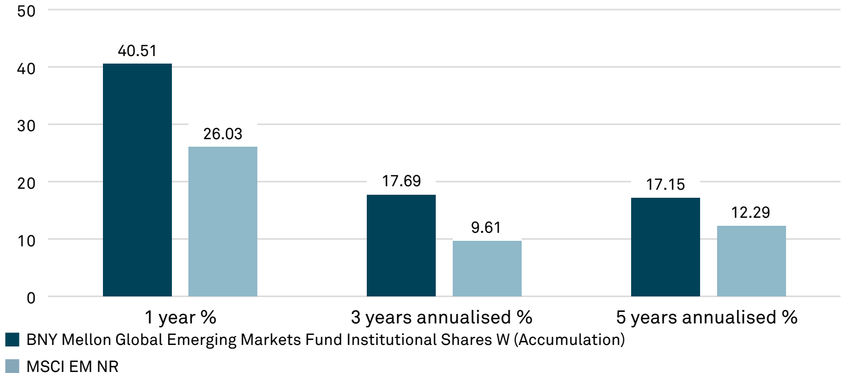
The Fund aims to achieve **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£276.3m

(as of 30 June 2021)

BNY Mellon Global Emerging Markets Fund Net performance ending 30 June 2021



Following analysis across all areas of assessment, we have concluded this fund is demonstrating value overall.

During the review period a new investment team was recruited to take over its management. Paul Birchenough and Ian Smith joined Newton in October 2020 from AXA Investment Managers. The fund's process and philosophy remain unchanged.

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

Manager's commentary on the 12 months to 30 June 2021

Stock selection was a key driver of **relative returns** over the period. It was notably strong in China, and, at the sector level, in information technology. Among top contributors over the period were solar power-related companies in China, which benefited from the government's pledge to become carbon neutral. A holding in a lithium battery manufacturer also fared well on the back of strong sales growth in electric vehicles. Select stocks impacted by threats of increased regulation and competition, such as a holdings in the educational sector, detracted.

"We believe **emerging markets** face several challenges going forward. It is unlikely tensions between the US and China will go away. The world's population is ageing, and high global debt levels are rising. But despite this backdrop, there is visible and exciting innovation and change, which we believe could lead to pockets of sustainably fast economic growth.

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Global Emerging Markets Fund to the BNY Mellon Global Emerging Markets Fund.

The Fund will measure its performance against the MSCI Emerging Markets NR Index 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 class, sectors and geographical areas in which the Fund predominantly invests.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

BNY Mellon Global Equity Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

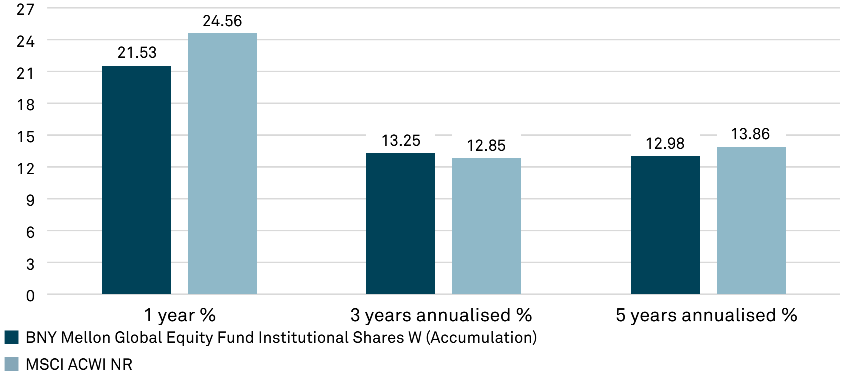
The Fund aims to achieve **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£1.4bn

(as of 30 June 2021)

BNY Mellon Global Equity Fund
Net performance ending 30 June 2021



Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall.

Manager's commentary on the 12 months to 30 June 2021

"The fund produced a positive return but was behind the **benchmark**, the MSCI All Country World NR index, net of fees. Among the stronger performers in the fund over the 12 months were two holdings in lithium battery manufacturers, supported by robust sales growth of electric vehicles despite the Covid-19 outbreak.

"Stock selection in the **consumer discretionary** sector had a negative impact. Tightening regulation in China and concerns Covid-19 could disrupt **emerging market** economies such as that of Thailand were among concerns throughout the period.

"While the market has favoured those stocks within traditional **cyclical sectors** for much of the year, the winners in the fund began to exhibit some stronger performance towards the end of the period as US **Treasury yields** dipped. We remain positive on the scope for these areas to reassert themselves over the period ahead."

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Global Equity Fund to the BNY Mellon Global Equity Fund.

The Fund will measure its performance against the MSCI AC World NR Index 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 class, 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 investment weightings in the portfolio are not influenced by the Benchmark. The investment strategy does not restrict the extent to which the Investment Manager may deviated from the Benchmark.

BNY Mellon Global High Yield Bond Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

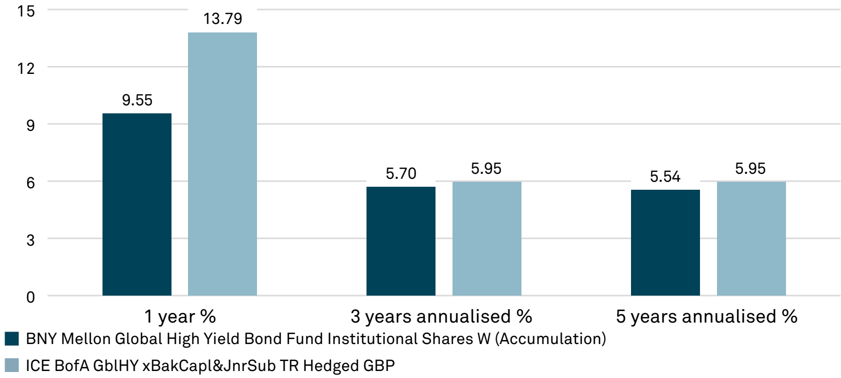
The Fund aims to achieve income over the medium term (3-5 years).

ASSETS UNDER MANAGEMENT (AUM)

£153.0m

(as of 30 June 2021)

BNY Mellon Global High Yield Bond Fund
Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Global High Yield Bond Fund to the BNY Mellon Global High Yield Bond Fund.

The Fund will measure its performance against the ICE Bank of America Merrill Lynch Global High Yield ex Bank Capital & Junior Subordinated (100% Hedged into sterling) TR Index 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 class, credit quality, 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 investment 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.

Following analysis across the FCA's seven criteria, we concluded the BNY Mellon Global High Yield Bond Fund should be rated amber overall. This is due to its **underperformance** over the past year, on both a **total return** and **yield** basis.

Over longer time frames, both three and five years to 30 June 2021, the fund's total return was in line with the index.

What's next?

Recent underperformance has been a result of defensive positioning in a market that subsequently favoured riskier assets in **fixed income**. We will continue to monitor the fund to see if sufficient corrective action has been taken and whether it has a positive impact on the fund's returns.

Manager's commentary on the 12 months to 30 June 2021

"Asset allocation is the primary reason why the yield has been lower than the **benchmark**, of late. At 30 June the fund had approximately 14% in (ex-benchmark) **investment grade** holdings, which typically pay less income/have lower yields. The Fund also had a lower allocation to the highest yielding, highest risk ratings bucket (**CCC-rated bonds** and below).

"The context to this is that after an extended period of very low market **volatility**, and low **default** rates, yields on **corporate bonds** were very compressed. We believe the yields in some areas of the bond market are not compensating for expected default rates, once some of the recent extraordinary **monetary and fiscal** support is withdrawn.

"Following the end of the review period, there were already signs volatility was picking up, which could prompt central banks to raise interest rates sooner than previously thought. This would make life tougher for the most fragile and highly **levered** companies (characterised by their CCC and below **credit ratings**). By preserving capital now, we believe we will be able to lock in higher income in the future."

BNY Mellon Global Income Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

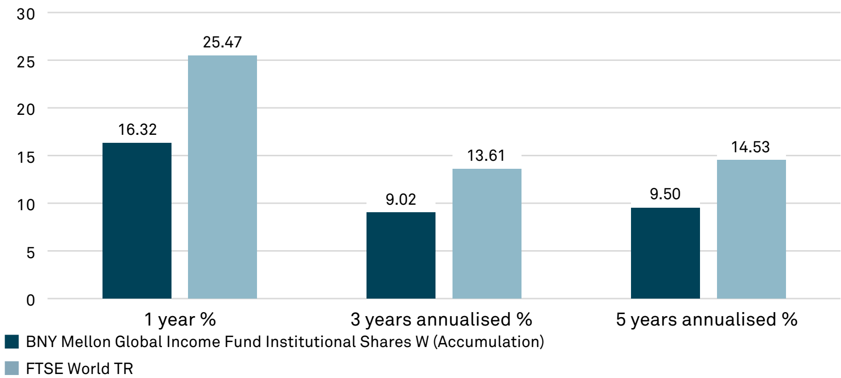
The Fund aims to achieve income over an annual period together with **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£3.5bn

(as of 30 June 2021)

BNY Mellon Global Income Fund
Net performance ending 30 June 2021



Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall.

The fund has two objectives: to achieve capital growth over five years, along with annual income. It achieved both. Although the fund lagged its **benchmark**, the FTSE World TR Index, over the period, we believe the severity of the divergence to be temporary rather than structural.

Covid-19 was the most meaningful driver of **underperformance** over the review period with the managers reporting bigger and faster **dividend** cuts than even during the global financial crisis of 2008.

Income earned over the 12 months ending 30 June 2021 was reduced as the fund had a higher-than-expected number of cancelled dividends. Still, the **yield** remained above its benchmark and over the longer term its income production has been consistently strong. As of 30 June 2021, the yield on the fund was 2.57% versus 1.67% in the index. Performance overall was in the top half of a peer group of global **equity** income funds over five years.

During the review period management of the strategy was taken over by Ilga Haubelt and three other equity income managers at Newton: Robert Hay, Paul Flood and Jon Bell. Together the new team has more than 60 years' experience at Newton.

Manager's commentary on the 12 months to 30 June 2021

"Stock selection detracted from the fund's returns and was notably weak in the healthcare and **financials** sectors but was generally strong in technology. The fund's pharmaceutical holdings were out of favour with investors, partly as healthcare costs remained a hot topic and this was a period in which investors generally preferred more **economically-sensitive** stocks.

"Elsewhere, economic recovery already allowed the reinstatement of dividends – 2020 was very much a hiatus from income generation rather than a broad structural change. We believe it is likely dividends could grow from here. However, not all companies will be able to restore dividends to previous levels."

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Global Income Fund to the BNY Mellon Global Income Fund.

The Fund will measure its performance against the FTSE World TR Index as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because the Investment Manager utilises it when measuring the Fund's income yield.

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 investment 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.

BNY Mellon Global Infrastructure Income Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

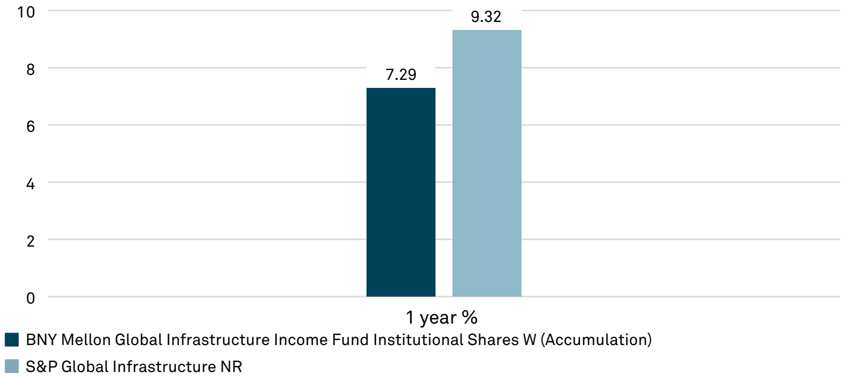
The Fund aims to achieve income and **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£11.9m

(as of 30 June 2021)

BNY Mellon Global Infrastructure Income Fund Net performance ending 30 June 2021



(Please note, this fund launched on 11 August 2018 and therefore did not have a three year track record as of 30 June 2021)

Following analysis across all areas of assessment, we have concluded this fund is demonstrating value overall.

Please note on the 1st September 2021, Mellon Investments Corporation's equity and multi-asset capabilities, including many of its fund managers and analysts, transitioned to Newton Investment Management North America LLC. As such the investment manager of this fund is now Newton.

Manager's commentary on the 12 months to 30 June 2021

"Positioning within energy and **industrials** contributed to **relative** performance, while utilities and communication services weighed on returns over the period. The fund's exposure in the energy infrastructure space was favourable, as the industry edged higher in sympathy with rising oil prices and positive news regarding Covid-19 vaccines.

"The fund's exposures to energy, communication services and, more modestly, real estate were increased and exposure to industrials was decreased over the 12 months to 30 June.

"Infrastructure as an asset class generated steady performance over the period under review. While it has trailed the rebound in global **equities**, the sector has been experiencing its own recovery as Covid-19 related impediments abate. Although that recovery is likely to be gradual and somewhat uneven, we believe it could accelerate as vaccination rates rise and regional re-openings continue. Transportation infrastructure, in particular, could have significant recovery ahead of it, as drivers return to toll roads, airport volumes grow with the pickup in leisure travel and air and freight delivery increases."

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

The Fund will measure its performance against the S&P Global Infrastructure NR Index as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because it represents a traditional equity infrastructure universe of companies.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments subject to the investment objective and policies disclosed in the Prospectus. The portfolio holdings ofthe Fund will not be limited to components ofthe Benchmark and the Investment Manager will use its discretion to invest outside the Benchmark in pursuit of the Fund's investment objective.

BNY Mellon Global Multi-Strategy Fund

Overall rating

Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

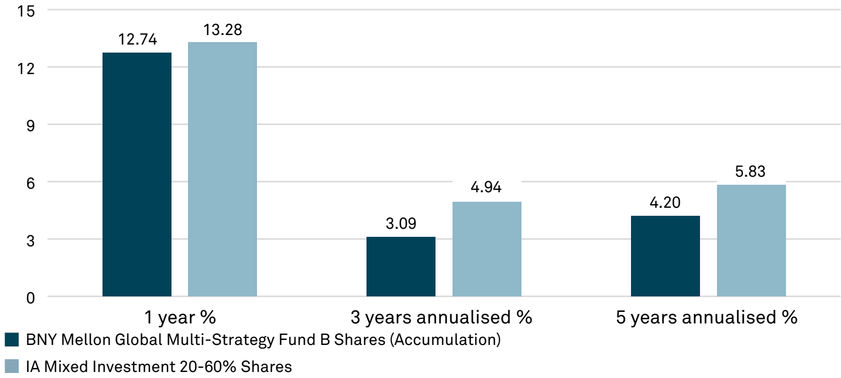
The Fund aims to achieve **capital growth**.

ASSETS UNDER MANAGEMENT (AUM)

£88.9m

(as of 30 June 2021)

BNY Mellon Global Multi-Strategy Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the B Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Insight Global Multi-Strategy Fund to BNY Mellon Global Multi-Strategy Fund.

The Fund will measure its performance against the UK Investment Association 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.

Weaker performance over the past year (ending 30 June 2021) compared to its **benchmark** has led to an overall amber rating for the BNY Mellon Global Multi-Strategy Fund.

While the fund achieved its stated objective of capital growth, its performance was below its peer group average (the IA Mixed Investment 20-60% Shares sector – a grouping of similar funds on offer from competitors). It has also shown greater **volatility** and **drawdown** than its peer group average.

This is the second year the fund has received an amber rating, although improvement has been made. In our 2020 assessment the fund not only received an amber for performance, it received a red rating for cost on its retail share class. Costs have since been reduced and we rated the fund green on costs this year.

What's next?

Despite improvement on costs overall and on performance more latterly, the board continues to monitor this fund carefully. We are examining the viability of the fund's benchmark to see if any other measurements could be used which could better provide clarity for investors on the likely characteristics of performance.

Manager's commentary on the 12 months to 30 June 2021

"While this fund did lag peers on a **sectoral** basis during the latter part of 2020, performance over the period continued to be strong both on an **absolute** and **relative** basis. We are confident we can still manage the strategy to successfully meet its objectives.

"The fund experienced a strong return over the 12 months to 30 June 2021 as asset markets recovered from the Covid-19-related turbulence experienced in the previous year. The fund's **equity** exposure was increased early on and added to over the period as supportive **monetary policy** announcements and then positive vaccine developments buoyed sentiment and improved the outlook for growth. US, European and **emerging market** exposures were the main driver of returns.

"Over the period allocations to environmental, social and corporate governance **(ESG)**-screened equities were increased."

BNY Mellon Global Opportunities Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

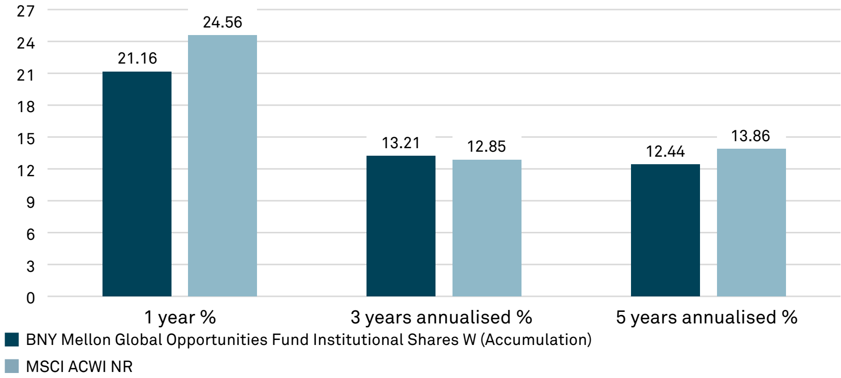
The Fund aims to achieve **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£118.2m

(as of 30 June 2021)

BNY Mellon Global Opportunities Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Global Opportunities Fund to the BNY Mellon Global Opportunities Fund.

The Fund will measure its performance against the MSCI AC World NR Index 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 class, 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 investment 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.

Amber-rated for performance, the board gave the BNY Mellon Global Opportunities Fund an overall amber for failing to meet its long-term objective.

The fund **underperformed** its **benchmark**, the MSCI AC World (NR) Index, over the 12 months ending 30 June 2021 as well as the five years to the same end date.

The fund's **risk statistics**, **volatility** and **drawdown** levels were also marginally worse than the index, although the board note this is by no means unusual for a fund of this nature, which invests more opportunistically.

Despite its five-year performance track record, the fund did achieve its stated target of delivering capital growth over the long-term. It was also marginally ahead of the index over three and seven years.

What's next?

Looking ahead, the board intends to monitor performance carefully and is ready to take requisite action if and where necessary to see if this can be improved. This could be updating the investment style to ensure the fund is managed with greater opportunistic investments in mind. Additionally, the fund's benchmark will be reviewed to see if an alternative would provide better clarity for investors on its objectives.

Manager's commentary on the 12-months to 30 June 2021

"**Equities** have produced strong **absolute returns** over the last five years, driven by an enduring economic growth cycle supported by central banks and governments. This period has also seen a global health pandemic, two changes of political power in US elections and the UK's decision to leave the European Union, each causing significant **market rotation** and volatility.

"The fund's returns lagged those of the broader index over the period, primarily due to a more defensive **asset allocation** at the beginning of the period.

"In addition, a limited number of weak stock selection decisions in the healthcare, **consumer discretionary** and industrial **sectors** more than offset the positive attributes of our stock selection in the information technology sector and negatively impacted performance. To counter this, we took decisive action and removed the underperforming stocks from the portfolio and performance has since improved significantly."

BNY Mellon Index Linked Gilt Fund

OBJECTIVE

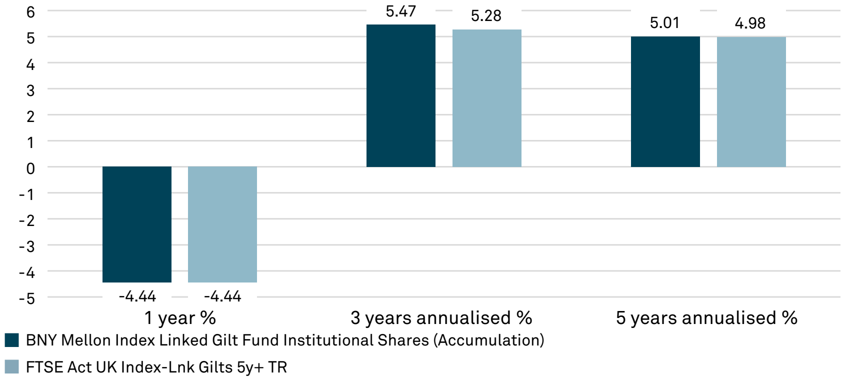
The Fund aims to achieve income together with the potential for **capital growth** over the medium term (3-5 years).

ASSETS UNDER MANAGEMENT (AUM)

£66.3m

(as of 30 June 2021)

BNY Mellon Index Linked Gilt Fund
Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Index Linked Gilt Fund to the BNY Mellon Index Linked Gilt Fund.

The Fund will measure its performance against the FTSE Actuaries UK Index-Linked Gilts Over 5 Years TR Index 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 class, credit quality, sectors and geographical area 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.

Following analysis across all areas of assessment, we have concluded this fund is demonstrating value overall but we rate the costs as amber, with more work required.

The BNY Mellon Index Linked Gilt Fund saw its costs increase over the past year. In particular, costs versus competitors in the institutional share class, in which the majority of investors reside, are a concern.

What's next?

As the institutional share class is the only freely available share class open to investors and it is expensive relative to competitor funds, we will examine the possibility of opening a W (**platform**) share class that would allow a broader access.

Manager's commentary on the 12 months to 30 June 2021

"The first quarter of 2021 proved very difficult for **index-linked Gilts** and most other **bond** markets as investors anticipated sharp rises in economic growth and **inflation**. While the fund produced a negative return, it slightly outperformed its **benchmark** due to its shorter **duration**.

"The fund benefited most from not holding, or having **underweight** exposure to, certain constituents of the benchmark. **Corporate bond** holdings made a negative contribution, while diversification into overseas **government bonds** offered no respite, except for short-**maturity** Australian government bonds. Index-linked Gilts put in stronger performance approaching the end of the review period.

"We continue to see risks of higher **yields** in the medium term owing to **inflation** and remain cautious on **government bond duration**, albeit any rise in yields is likely to be contained."

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

BNY Mellon Inflation-Linked Corporate Bond Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

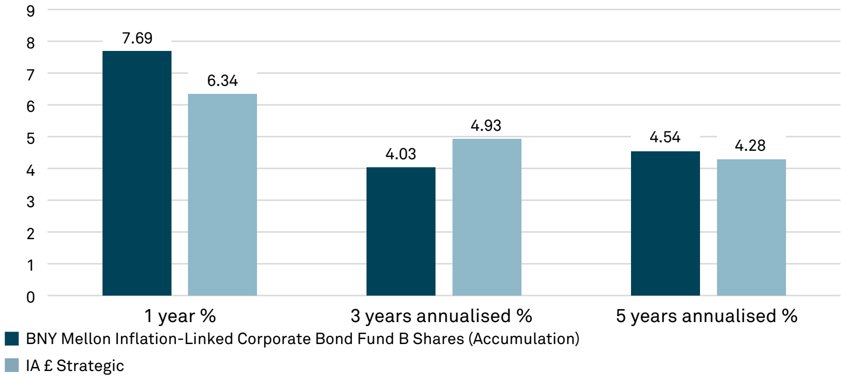
The Fund aims to generate income and **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£41.6m

(as of 30 June 2021)

BNY Mellon Inflation-Linked Corporate Bond Fund
Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the B Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Insight Inflation-Linked Corporate Bond Fund to BNY Mellon Inflation-Linked Corporate Bond Fund.

The Fund will measure its performance against the UK Investment Association Sterling Strategic Bond NR Sector average as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator as, although not representative of inflation-linked corporate bond funds specifically, it represents a broad range of sterling-denominated bond funds that invest in corporate bonds, government bonds and derivatives.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments, subject to the investment objective and policies disclosed in the Prospectus.

Following analysis across all areas of assessment, we have concluded the BNY Mellon Inflation-Linked Corporate Bond Fund is demonstrating value overall but we rate the costs as amber, with more work required.

Analysis shows the retail share class to be more expensive than its peer group although it is worth noting, the peer group is very limited. This is the second year this fund has been amber-rated for costs on the retail, legacy sterling A share class.

What's next?

Over the past year we have been actively moving retail investors from the fund's more expensive legacy sterling A share class to the lower-costing B shares. Recently we wrote to identified agents who have a retail investor in the legacy sterling share classes, asking whether they are still servicing those clients. Those that aren't we will seek to move to the B shares.

The conclusion of this project may succeed in reducing costs but if this is insufficient, we will look for further solutions. This could be reducing the annual management charge for more expensive share classes or opening a new share class specifically for these remaining investors to be moved to, ensuring any relevant commissions for advice still due continue to be paid.

Manager's commentary on the 12 months to 30 June 2021

"In terms of activity, there was little change in the **inflation** exposure, over the year with a continuing preference for the US over the UK. Indeed, the **long-dated** US inflation position could continue to derive support from the **US Federal Reserve's** move towards a flexible average inflation target mandate. We believe US **monetary policy** is likely to remain accommodative for an extended period even as inflation accelerates.

"Over the 12-month period we maintained a cautiously positive stance towards **credit risk**. However, from mid-February, we reduced risk across **investment grade** (particularly **bonds** with a **BBB-credit rating**). Conversely, we added to the European credit allocation after judging it represented the best relative value across developed market currencies."

BNY Mellon International Bond Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

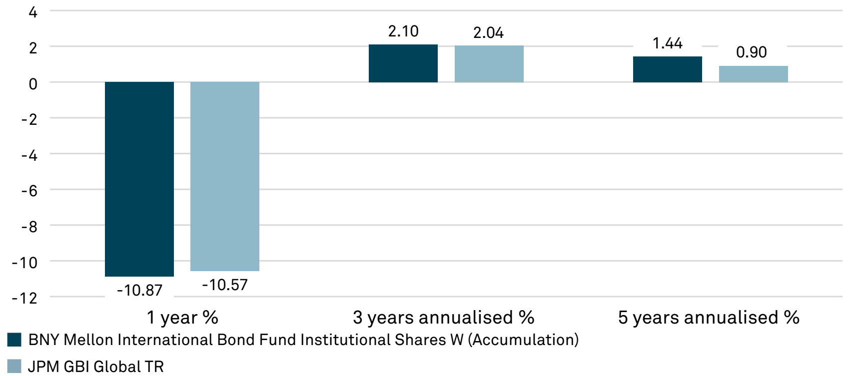
The Fund aims to achieve income and **capital growth** over the medium term (3-5 years).

ASSETS UNDER MANAGEMENT (AUM)

£423.8m

(as of 30 June 2021)

BNY Mellon International Bond Fund
Net performance ending 30 June 2021



Following analysis across all areas of assessment, we have concluded this fund is demonstrating value overall.

Manager's commentary on the 12-months to 30 June 2021

"The first quarter of 2021 saw the worst **bond** returns in some three decades. Losses on developed and **emerging market government bonds** were only partially offset. Our Chinese government bond holdings remained relatively stable and provided a welcome source of diversification.

"Emerging market bonds were the strongest performers over the second quarter of 2021, despite Peruvian local currency **sovereign bonds** detracting. Our **underweight** core European **duration** exposure proved beneficial, as German government bonds **underperformed**. However, 'peripheral' European sovereign bond exposure weighed on **relative** performance.

"Over the period the fund sold its holdings of Peruvian **local currency** bonds and increased its exposure to a Chinese government bond **exchange-traded fund**. We introduced an underweight in the Japanese yen in order to fund a long position in the New Zealand dollar."

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton International Bond Fund to the BNY Mellon International Bond Fund.

The Fund will measure its performance against the JP Morgan Global GBI Unhedged TR Index 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 class, credit quality, 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.

BNY Mellon Long Corporate Bond Fund

OBJECTIVE

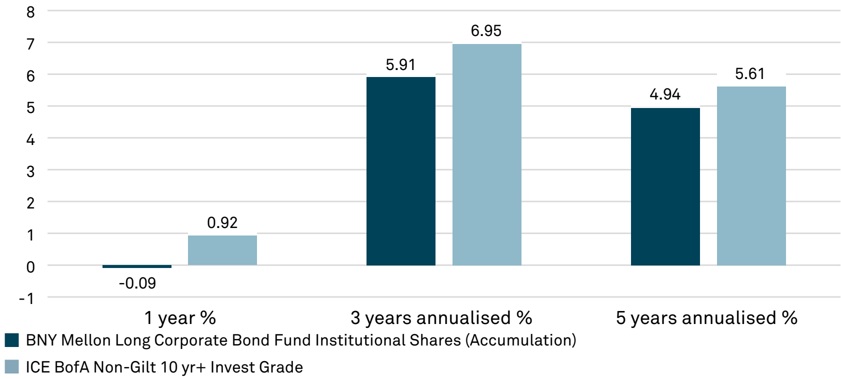
The Fund aims to achieve income together with the potential for **capital growth** over the medium term (3-5 years).

ASSETS UNDER MANAGEMENT (AUM)

£22.5m

(as of 30 June 2021)

BNY Mellon Long Corporate Bond Fund
Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

The Fund will measure its performance against the ICE Bank of America Merrill Lynch Non-Gilt Over 10 Years Investment Grade TR Index 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 class, credit quality, sectors and geographical areas in which the Fund predominantly invests.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Rated amber for both performance and costs, the BNY Mellon Long Corporate Bond Fund underperformed its **benchmark** over one, three and five years to 30 June 2021. The fund uses the ICE Bank of America Merrill Lynch Non-Gilt over 10 Years **Investment Grade Total Return** Index as a comparative for performance.

With respect to costs the fund was amber within the comparable market rates criteria based on its institutional share class versus its peer group.

What's next?

The fund has seen a steady decline in assets and this year reached a level the investment manager felt was sub-optimal to run the strategy. As such a decision was taken to close this fund. Remaining investors in the strategy were notified of the action and the fund was closed on 7 September.

Manager's commentary on the 12 months to 30 June 2021

The fund was held back by its bias towards **bonds** with a higher **credit rating** (**AAA and AA-rated bonds**) and a relatively defensive stance early in the period. That same defensive positioning helped us **outperform** the benchmark in the early months of 2021 – but towards the end of June 2021, the fund again **underperformed** its benchmark.

"Inflows in the first half of the 12-month period were invested with a bias towards higher-rated (AAA) bonds. Investments in very **long-dated** university bonds were increased, while **off-benchmark** positions were reduced. A substantial outflow in late April provided a cost-effective opportunity to reposition towards lower-rated bonds.

Overall rating

Costs	
Fair treatment of investor	
Performance	
Quality of Service	

BNY Mellon Long Gilt Fund

OBJECTIVE

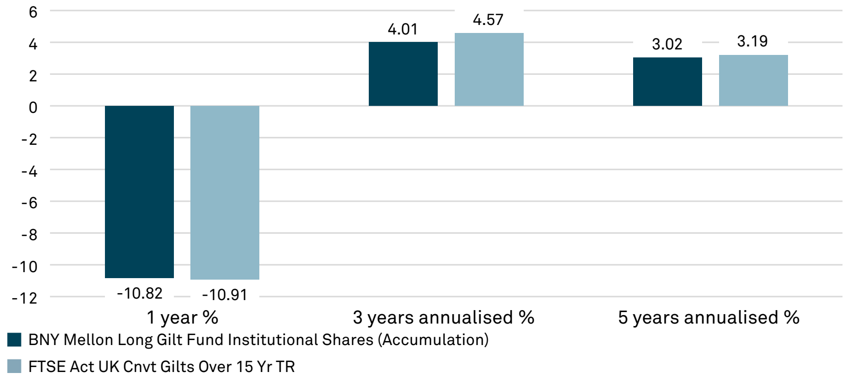
The Fund aims to achieve income together with the potential for **capital growth** over the medium term (3-5 years).

ASSETS UNDER MANAGEMENT (AUM)

£41.3m

(as of 30 June 2021)

BNY Mellon Long Gilt Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

The Fund will measure its performance against the FTSE Actuaries UK Conventional Gilts Over 15 Years Index (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because it includes a broad representation of the asset class, credit quality, sectors and geographical area 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 majority of the Fund's holdings are expected to be constituents of, and have similar weightings to, the Benchmark, the investment strategy does not restrict the extent to which the Investment Manager may deviate from the Benchmark.

Although we concluded this fund is demonstrating value overall, it has an amber rating for costs.

With respect to the FCA's comparable market rates criteria, the fund's institutional share class is disproportionately high versus similar competitor funds.

Most investors in the institutional share class will pay a bespoke fee that may be less than the headline rate. However, it is the only share class available so retail investors have no alternatives.

What's next?

We will look to open a new, cheaper share class for new investors. This will be competitively priced and will become the fund's primary share class.

Manager's commentary on the 12 months to 30 June 2021

Early 2021 saw very difficult conditions for UK **gilts** (UK government **bonds**) and most other **fixed income** markets as economic growth and **inflation** expectations rose. Domestically, this was largely due to the success of the Covid-19 vaccine rollout, a gradual easing of lockdown measures, and further **fiscal stimulus**. The longest-**maturity** gilts delivered the poorest returns. **Index-linked gilts** performed better but still delivered hefty losses.

"Our **outperformance** was largely due to a shorter **duration** sensitivity to interest rates. The top **relative** contributors were all either constituents of the comparative benchmark that the fund did not hold, or positions in which we were **underweight**. This situation reversed towards the end of the period as the fund's shorter duration caused it to **underperform** upon the recovery of gilts. This was partly offset by holdings of Australian government bonds, **US Treasuries** (US government bonds) and sterling **investment grade corporate bonds**.

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

BNY Mellon Long-Term Global Equity Fund

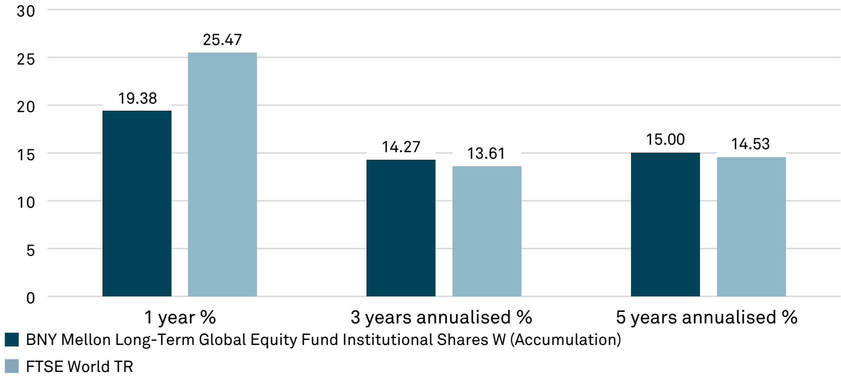
OBJECTIVE

The Fund aims to achieve **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£1.7bn
(as of 30 June 2021)

BNY Mellon Long-Term Global Equity Fund Net performance ending 30 June 2021



Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall.

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

Manager's commentary on the 12 months to 30 June 2021

"Over the last 12 months, gains in global **equity** markets reflected the gradual, if piecemeal, emergence of the world economy from the grasp of the Covid-19 pandemic. While some countries are still grappling with the effects of the virus, investor sentiment has been buoyed by ongoing vaccine rollouts against a backdrop of massive **monetary** and **fiscal stimuli**.

"Despite **overweight** exposure to **industrials** and information technology, the portfolio's holdings lagged the strong gains posted by these **sectors** and therefore were a major source of **relative underperformance**. Underexposure to the buoyant financial sector was also a significant detractor. A brighter note was provided by the communications sector, which was the largest positive contributor to relative performance in the year.

"A broadening global recovery and a brighter earnings outlook may continue to provide a solid backdrop for equities. However, given the magnitude of the rally over the last year, we believe markets have partly discounted the near-term resurgence in corporate profits.

"As the recovery takes a firmer hold – and should **inflationary** pressures persist – the prospect of a less-benign **monetary policy** environment will, we believe, garner increasing investor attention. However, a mild adjustment might be appropriate, given the improving economic outlook and may not prove profoundly damaging to the equity environment."

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

The Fund will measure its performance against the FTSE All World TR GBP Index 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 class, 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 investment 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.

BNY Mellon Multi-Asset Balanced Fund

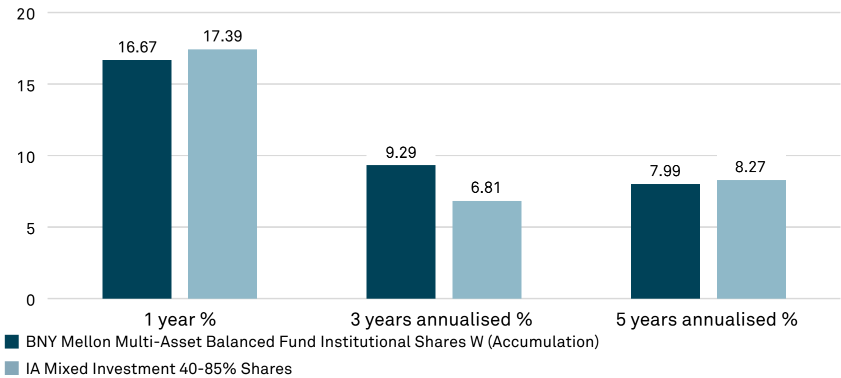
OBJECTIVE

The Fund aims to achieve a balance between income and **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£2.2bn
(as of 30 June 2021)

BNY Mellon Multi-Asset Balanced Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Multi-Asset Balanced Fund to BNY Mellon Multi-Asset Balanced Fund.

Performance data covering periods prior to share class launch include synthetic returns calculated using the fund's primary share class, adjusted to reflect the annual management charge of the Institutional Shares W (Income) share class. The data assumes that all other charges are consistent. Synthetic results do not represent actual investment returns nor costs and are not a reliable indicator of future performance. Performance data covering the period since share class launch is a record of actual returns achieved.

The Fund will measure its performance against the UK Investment Association Mixed Investment 40-85% 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.

Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall.

Overall rating
Costs
Fair treatment of investor
Performance
Quality of Service

Manager's commentary on the 12 months to 30 June 2021

"**Overweight** exposure to, and stock selection within, **equities** boosted returns. The fund's exposure to gold was a negative factor owing to the weakening trend in the gold price through early 2021. Holdings in a variety of UK and Australasian **government bonds** produced negative returns. "In terms of activity, a position in one of the world's largest analogue semiconductor company, was purchased. In 2021, a position was established in a leading pharmaceutical group, which has produced a successful stream of oncology assets and has a significant growth outlook. A position was also taken in a Danish enzyme and industrial biotechnology leader. We believe this company's expertise in the field of enzymes will become an increasingly valuable asset as sustainable production methods spread across a broad range of industries.

"Among **fixed income** holdings, we reduced holdings in Australian and New Zealand **bonds**, lowering the **duration** of the fund's bond holdings."

BNY Mellon Multi-Asset Diversified Return Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

The objective of the Fund is to achieve long-term **capital growth** over a period of at least 5 years from a portfolio diversified across a range of assets. The Fund is managed to seek a return in excess of cash (1 Month GBP Libor) +3% per annum over five years before fees. In doing so, it aims to achieve a positive return on a rolling three year basis (meaning a period of three years, no matter which day you start on). However, a positive return is not guaranteed and a capital loss may occur.

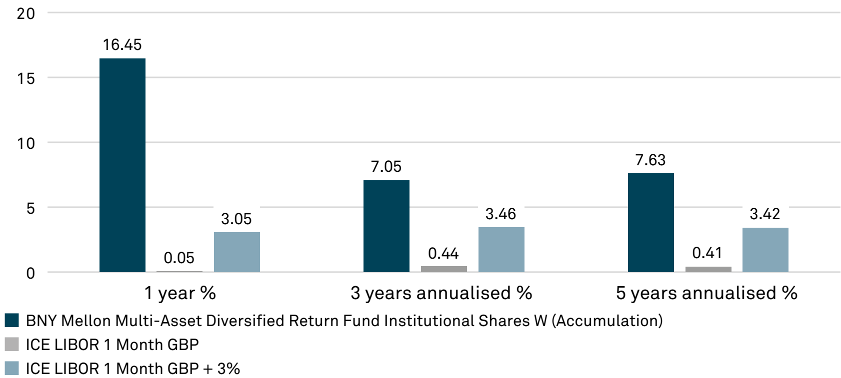
Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall.

ASSETS UNDER MANAGEMENT (AUM)

£423.8m

(as of 30 June 2021)

BNY Mellon Multi-Asset Diversified Return Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Multi-Asset Diversified Return Fund to BNY Mellon Multi-Asset Diversified Return Fund.

The Fund will measure its performance before fees against 1 month GBP LIBOR +3% per annum over five years as a target benchmark (the "Benchmark").

LIBOR is the average interbank interest rate at which a large number of banks on the London money market are prepared to lend one another unsecured funds denominated in British pounds sterling. The Fund will use the Benchmark as a target for the Fund's performance to match or exceed because it is representative of sterling cash and the Fund's investment objective is to seek a return in excess of sterling cash +3% per annum.

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.

Manager's commentary on the 12 months to 30 June 2021

“**Equities** were the key driver of the positive returns, while **alternatives** also contributed. The fund's holdings in the electric vehicle (EV) supply chain, such as battery makers, did well owing to strong EV demand. A holding in an Indian toll road operator performed well, revealing a sharp uptick in passenger traffic as the Indian economy started to recover from the effects of the Covid-19 pandemic.

“A holding in a German pharmaceutical giant was the main equity detractor, as management warned the coronavirus pandemic could hit profits more than expected this year and next, particularly in the crop-science business. The fund's holding in physical gold detracted, owing to the strength of the US dollar and mixed messages from the **US Federal Reserve**, which affected demand from investors.

“We expect the backdrop in the coming years to be more **volatile** than during the post-financial crisis period. As it could be harder for policymakers to see the impact that **fiscal policy** support has, it is the manager's belief it is prudent to seek to protect against both **inflation** and a potentially more volatile background.”

BNY Mellon Multi-Asset Global Balanced Fund

OBJECTIVE

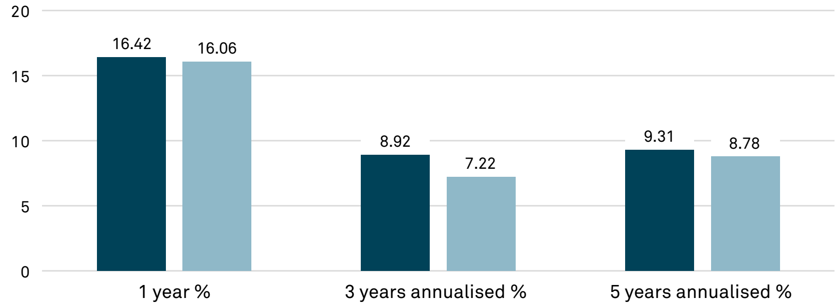
The Fund aims to achieve a balance between income and **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£520.6m

(as of 30 June 2021)

BNY Mellon Multi-Asset Global Balanced Fund
Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional W Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Global Balanced Fund to the BNY Mellon Multi-Asset Global Balanced Fund.

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 TR Index and 5% LIBID GBP 7 Day, 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.

Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall.

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

Manager's commentary on the 12 months to 30 June 2021

"In the **equity** portfolio of this fund, stock selection was beneficial in **basic materials** and **consumer staples**. Stock selection detracted from returns in **consumer discretionary**, although the fund's overweight in the **sector** was beneficial. In the **bond** portfolio, an **underweight** position in **government bonds** boosted **relative** returns. The small allocation to **corporate bonds** had a negative effect, however.

"The top contributor in the equity portfolio was a Korean lithium battery manufacturer, which was supported by robust sales growth of electric vehicles across Europe despite the Covid-19 outbreak. The largest detractor in the equity portfolio was a Swiss healthcare company.

"The fund's positioning in bonds contributed positively during the period and we had an **underweight** allocation to the asset class and lower **duration** (interest rate sensitivity) which ensured the fund's holdings performed well relative to the **benchmark** in a rising interest rate environment."

BNY Mellon Multi-Asset Growth Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

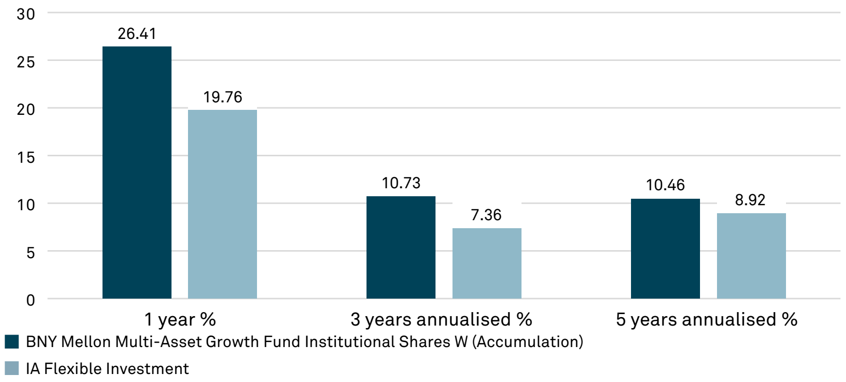
The Fund aims to achieve **capital growth** and income over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£1.8bn

(as of 30 June 2021)

BNY Mellon Multi-Asset Growth Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Multi-Asset Growth Fund to BNY Mellon Multi-Asset Growth Fund.

Performance data covering periods prior to share class launch include synthetic returns calculated using the fund's primary share class, adjusted to reflect the annual management charge of the Institutional Shares W (Income) share class. The data assumes that all other charges are consistent. Synthetic results do not represent actual investment returns nor costs and are not a reliable indicator of future performance. Performance data covering the period since share class launch is a record of actual returns achieved.

The Fund will measure its performance against the UK Investment Association Flexible Investment 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 the same flexibility, in terms of equity and bond exposure, as 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.

Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall.

Manager's commentary on the 12 months to 30 June 2021

"Both asset allocation and stock selection contributed to the fund's positive returns over the review period. The **overweight** exposure to, and stock selection in, **equities** was a positive factor. Selection was strongest by region, in Asia Pacific ex-Japan and North America, and by sector, in technology.

"A backdrop of rising **yields**, perceived to be supportive of profitability, boosted select US **financials**, which also benefited from news that pandemic-induced **dividend** restrictions were set to be relaxed by the **US Federal Reserve** at the end of June 2021. Select US housebuilders also performed well amid a boom in house construction and strong growth in house prices.

"On the negative side, the fund's position in a leading Chinese technology company detracted from performance during the period; its share price came under pressure as regulations for Chinese internet and financial technology (fintech) companies were tightened."

"Going forward, we remain of the view the outlook for financial markets will be determined by the path of the Covid-19 pandemic and the interplay between **fiscal** and **monetary policy**, and their effect on growth and **inflation**."

BNY Mellon Multi-Asset Income Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

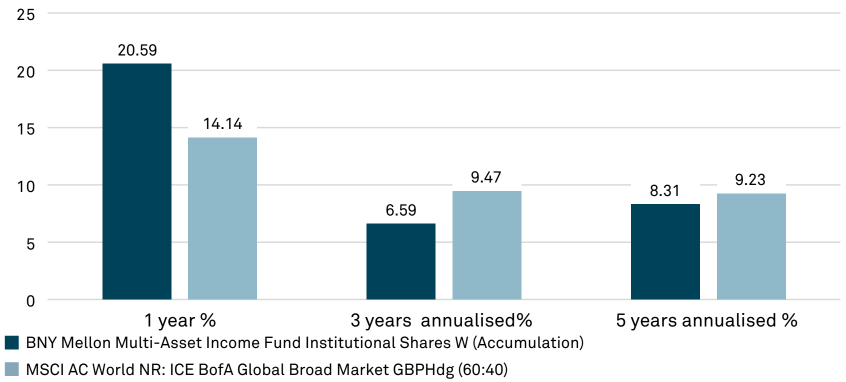
The Fund aims to achieve income together with the potential for **capital growth** over the long term (5 years or more). The Fund is managed without benchmark-related constraints.

ASSETS UNDER MANAGEMENT (AUM)

£132.2m

(as of 30 June 2021)

BNY Mellon Multi-Asset Income Fund
Net performance ending 30 June 2021



Following analysis across all areas of assessment, we concluded the BNY Mellon Multi-Asset Income Fund is demonstrating value overall.

Manager's commentary on the 12 months to 30 June 2021

Equities were the key driver of the fund's positive **relative returns**, while **alternatives** also contributed. The fund's holdings in the electric vehicle (EV) supply chain, such as battery makers, did well owing to strong EV demand. Indian toll road operators performed well, revealing a sharp uptick in passenger traffic as the Indian economy started to recover from the effects of the Covid-19 pandemic.

"In 2021, a position was made in one of the world's largest home improvement retailers. We believe the outlook appears attractive given the systemic housing shortage in the US combined with growing demand.

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Multi-Asset Income Fund to BNY Mellon Multi-Asset Income Fund.

The Fund will measure its performance against a composite index, comprising 60% MSCI AC World NR Index and 40% ICE Bank of America Merrill Lynch Global Broad Market GBP Hedged TR Index, as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because the Investment Manager utilises this index when measuring the Fund's income yield.

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.

BNY Mellon Oriental Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

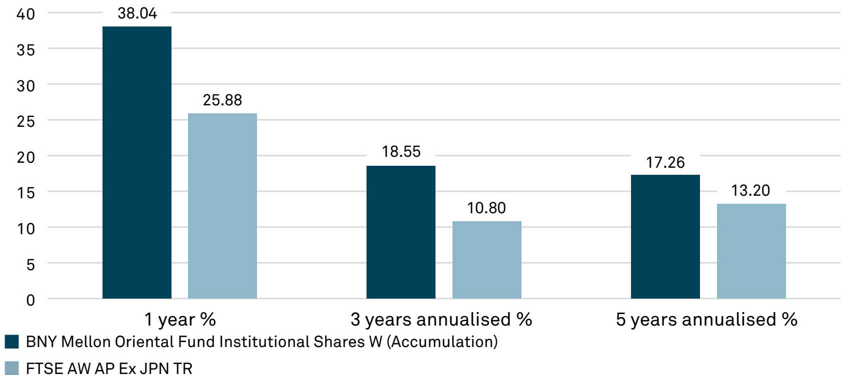
The Fund aims to achieve **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£142.7m

(as of 30 June 2021)

BNY Mellon Oriental Fund
Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Oriental Fund to BNY Mellon Oriental Fund.

The Fund will measure its performance against the FTSE Asia Pacific ex Japan TR Index 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 class, sectors and geographical areas in which the Fund predominantly invests.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall but is amber-rated on costs.

When compared to similar funds, across all available share classes the fund is more expensive.

The higher costs over this review period related to additional expenses incurred by the fund. Such expenses attributed to the fund can include things like **auditor** or **depository** fees. As the fund invests in Asian-domiciled assets, at times there can be higher fees for transacting, or for services such as region-specific tax advice. Over the past year costs associated with investing in India were higher than for other Asian countries. During certain market conditions, such costs can temporarily spike. Combining this with the smaller size of the fund means the additional costs were proportionately higher than we would like.

Although not related to our assessment or rating, we also note that during the review period a new investment team was recruited to manage the fund. Paul Birchenough and Ian Smith joined Newton in October 2020 from AXA Investment Managers.

What's next?

Although we have noticed a reduction in the proportionate additional charges with the increase in assets under management, we are examining the fund for further ways we can reduce costs. This could be amending the investment style to reduce additional costs, capping additional costs (in which we would cover an excess above a threshold), or reducing the annual management charge.

Manager's commentary on the 12 months to 30 June 2021

"Stock selection was the key driver of the fund's positive relative returns over the year. At the regional level, it was especially strong in China, while at the **sector** level, returns from the technology sector fared well.

"Investments in a Chinese solar energy provider performed well over the period. In contrast, a Chinese education provider was the biggest detractor from performance, with fears around increased regulation as authorities looked to dampen demand for after-school tuition.

"We remain optimistic about the long-term future for Asian companies despite short-term uncertainty."

BNY Mellon Real Return Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

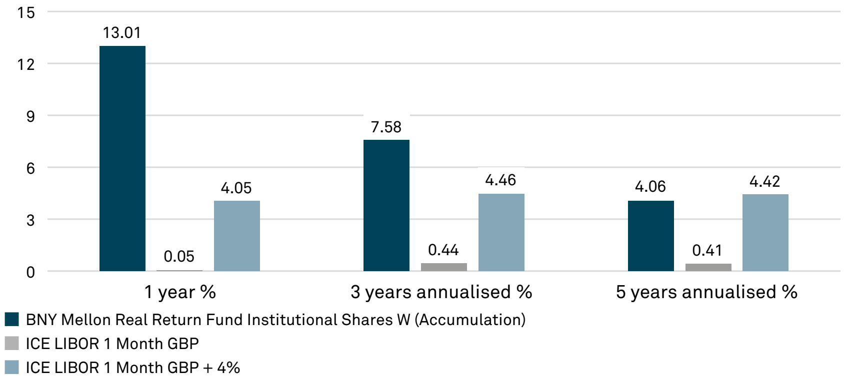
The objective of the Fund is to achieve a rate of return in sterling terms that is equal to or above a minimum return from cash (1 month GBP **Libor**) + 4% per annum over five years before fees. In doing so, it aims to achieve a positive return on a rolling three year basis (meaning a period of three years, no matter which day you start on). However, capital is in fact at risk and there is no guarantee that this will be achieved over that, or any, time period.

ASSETS UNDER MANAGEMENT (AUM)

£5.8bn

(as of 30 June 2021)

BNY Mellon Real Return Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Real Return Fund to BNY Mellon Real Return Fund.

The Fund will measure its performance before fees against 1 month GBP LIBOR +4% per annum over five years as a target benchmark (the "Benchmark").

LIBOR is the average interbank interest rate at which a large number of banks on the London money market are prepared to lend one another unsecured funds denominated in British pounds sterling. The Fund will use the Benchmark as a target for the Fund's performance to match or exceed because, in typical market conditions, it represents a target that will be equal to or greater than UK inflation rates over the same period and is commensurate with the Investment Manager's approach.

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.

Following analysis across all areas of assessment, we have concluded the BNY Mellon Real Return Fund is demonstrating value overall.

Manager's commentary on the 12 months to 30 June 2021

"The fund produced a positive return and was ahead of its **benchmark** over the review period. The core of the fund, which includes global **equities**, **corporate bonds** and **alternatives**, was the principal driver of returns.

"The fund's exposure to gold detracted from returns as the price of the precious metal experienced a more challenging first half of 2021 due to the headwinds of rising **yields** and a strengthening US dollar.

"Given we expect markets to be on a more **volatile** trajectory in the second half of 2021, the fund maintains relatively elevated levels of cash. At the same time, efforts will be made to diversify the fund's 'toolkit' for an environment in which traditional assets, such as **US Treasuries**, are not likely to be an effective **hedge** for **risk assets**.

"We remain dynamic, being both willing and able to materially adjust positioning as risks and opportunities evolve."

BNY Mellon Sustainable Global Dynamic Bond Fund

Overall rating
Costs
Fair treatment of investor
Performance
Quality of Service

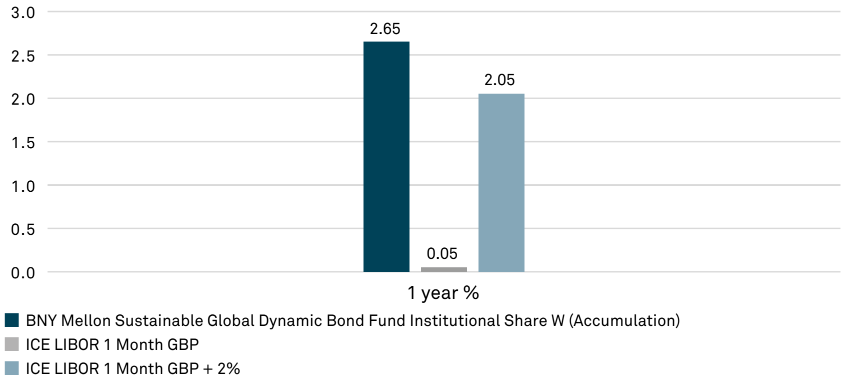
OBJECTIVE

The objective of the Fund is to achieve income and **capital growth** over the medium term (3-5years). The Fund is managed to seek a minimum return of cash (1month GBP **Libor**) +2% per annum over five years before fees. In doing so, it aims to achieve a positive return on a rolling three year basis (meaning a period of three years, no matter which day you start on). However, a positive return is not guaranteed and a capital loss may occur.

ASSETS UNDER MANAGEMENT (AUM)

£162.8m
(as of 30 June 2021)

BNY Mellon Sustainable Global Dynamic Bond Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

The Fund will measure its performance before fees against 1 month GBP LIBOR +2% per annum over five years as a target benchmark (the "Benchmark").

LIBOR is the average interbank interest rate at which a large number of banks on the London money market are prepared to lend one another unsecured funds denominated in British pounds sterling. The Fund will use the Benchmark as a target for the Fund's performance to match or exceed because, in typical market conditions, it represents a target that will be equal to or greater than UK inflation rates over the same period and is commensurate with the Investment Manager's approach.

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.

Launched in early 2019, the fund does not have a long enough track record to be assessed in the context of its five-year performance target. Across all other remaining areas of the FCA's seven assessment criteria we rated the BNY Mellon Sustainable Global Dynamic Bond Fund as green.

Manager's commentary on the 12 months to 30 June 2021

"The first quarter of 2021 saw reportedly the worst **bond** returns in three decades, including significant losses on developed market **government bonds**. Still, the fund produced a positive return and was ahead of its **benchmark** over the year to the end of June.

"The largest positive contributor to performance came from **high yield** bonds. These benefited from market participants' higher tolerance for risk as the prospect of an economic recovery from the Covid-19 crisis increased.

"In terms of activity, we increased the fund's allocation to high yield and **emerging market** bonds, mainly at the expense of **investment grade** bonds.

"In anticipation of an imminent move to less accommodative **monetary policy** and looser **fiscal policy**, we consider it prudent to diversify currencies away from the US dollar, which could strengthen. Risks of **inflation** in the medium term remain a concern as the debate intensifies around whether expected price rises will be transitory or longer lasting."

BNY Mellon Sustainable Global Equity Fund

Overall rating
Costs
Fair treatment of investor
Performance
Quality of Service

OBJECTIVE

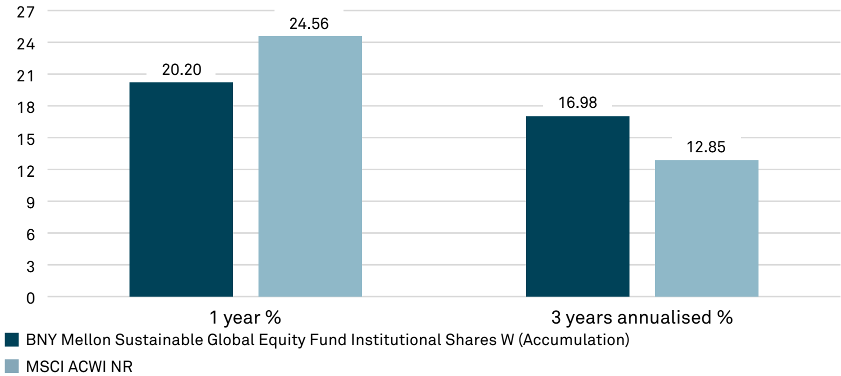
The Fund aims to achieve **capital growth** and income over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£73.3m

(as of 30 June 2021)

BNY Mellon Sustainable Global Equity Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Sustainable Global Equity Fund to BNY Mellon Sustainable Global Equity Fund.

The Fund will measure its performance against the MSCI AC World NR Index 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 class, 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 investment 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.

Launched in early 2018, the fund missed the five-year time period, which encompasses its performance target. Across all other remaining areas of the FCA's seven assessment criteria we rated the BNY Mellon Sustainable Global Equity Fund as green.

Manager's commentary on the 12 months to 30 June 2021

"Both **asset allocation** and stock selection were negative factors in the fund's performance relative to the **benchmark** over the period. Allocation was particularly weak in Japan, the UK and North America, and in the **consumer staples** and utilities sectors. While the fund generated a positive return, it was behind its **benchmark** over the 12 months to end of June.

"Stock selection, meanwhile, had a marked negative effect in North America, Europe and the UK, and in **consumer discretionary** and materials. This offset positive allocation and selection effects in information technology, and positive selection in Japan and **emerging markets**.

"We continue to take a balanced approach to managing the fund, with long-term growth situations represented alongside potential beneficiaries of economic recovery. As ever, a focus on **sustainability** plays an important role in ensuring the fund is effectively positioned."

BNY Mellon Sustainable Global Equity Income Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

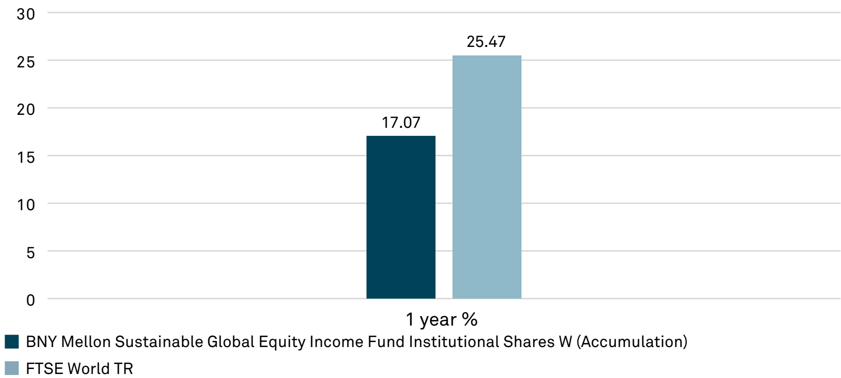
OBJECTIVE

The Fund aims to achieve income together with the potential for **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£100.8m
(as of 30 June 2021)

BNY Mellon Sustainable Global Equity Income Fund Net performance ending 30 June 2021



Launched in July 2019, the fund missed the five-year time period, which encompasses its performance target (seeking to generate income, together with some capital growth, over a period of at least five to seven years). Across all other remaining areas of the FCA's seven assessment criteria we rated the BNY Mellon Sustainable Global Equity Income Fund as green.

Manager's commentary on the 12 months to 30 June 2021

We believe **income stocks** offer a more promising value opportunity relative to the market. Economic recovery during the review period favoured **cyclical** stocks. However, the core of our portfolio, is invested in 'troubled compounding machines'. These can be defined as businesses with high returns on capital and good cash generation where temporary problems are being extrapolated as permanent. We believe this means the underlying nature of the business can be underappreciated by the market.

"These stocks were largely left behind during the market rally over the period. However, as the strong **cyclical** recovery from the Covid-19-induced lows begins to be annualised, market participation could broaden in favour of such businesses.

"Not all companies will be able to restore **dividends** to previous levels, as the pandemic has accelerated some of the key structural themes that were already in place. To navigate such a challenging backdrop, the manager will strive to follow an active, disciplined approach that emphasises structural change; quality; **environmental, social and governance** factors and income.

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

The Fund will measure its performance against the FTSE World TR Index as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because the Investment Manager utilises this when measuring the Fund's income yield.

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 investment 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.

BNY Mellon Sustainable Real Return Fund

Overall rating
Costs
Fair treatment of investor
Performance
Quality of Service

OBJECTIVE

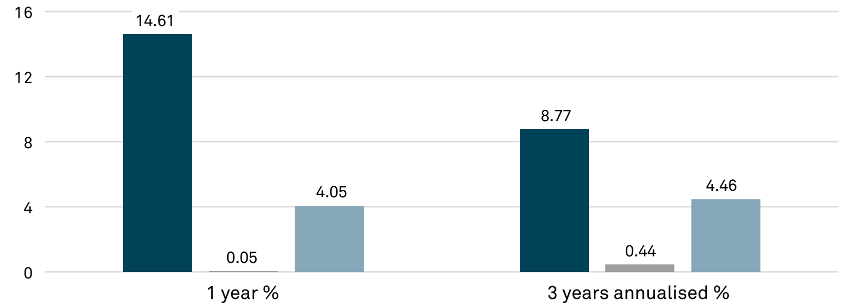
The objective of the Fund is to achieve a rate of return in sterling terms that is equal to or above the return from cash (1 month GBP **Libor**) + 4% per annum over five years before fees. In doing so, it aims to achieve a positive return on a rolling three year basis (meaning a period of three years, no matter which day you start on). However, capital is in fact at risk and there is no guarantee that this will be achieved over that, or any, time period.

ASSETS UNDER MANAGEMENT (AUM)

£510.6m

(as of 30 June 2021)

BNY Mellon Sustainable Real Return Fund
Net performance ending 30 June 2021



■ BNY Mellon Sustainable Real Return Fund Institutional Shares W (Accumulation)
■ ICE LIBOR 1 Month GBP
■ ICE LIBOR 1 Month GBP + 4%

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Sustainable Real Return Fund to BNY Mellon Sustainable Real Return Fund.

The Fund will measure its performance before fees against 1 month GBP LIBOR +4% per annum over five years as a target benchmark (the "Benchmark").

LIBOR is the average interbank interest rate at which a large number of banks on the London money market are prepared to lend one another unsecured funds denominated in British pounds sterling. The Fund will use the Benchmark as a target for the Fund's performance to match or exceed because, in typical market conditions, it represents a target that will be equal to or greater than UK inflation rates over the same period and is commensurate with the Investment Manager's approach.

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.

Launched in April 2018, the fund missed the five-year time period, which encompasses its performance target (to achieve gains equal to or above the return from cash (1 month GBP Libor) plus 4% each year over five years before fees). Across all other remaining areas of the FCA's seven assessment criteria we rated the BNY Mellon Sustainable Global Real Return Fund as green.

Manager's commentary on the 12 months to 30 June 2021

"In terms of portfolio activity, the first half of the year saw us increase the size of the fund's **equity** exposure. We maintained its fund's bias towards more **economically sensitive** businesses.

"The fund produced a positive return over the review period and was ahead of its **benchmark**. The principal drivers of positive returns were global equities.

"Weaker performance from both **government bonds** and **index-linked bonds** weighed on returns. The position in gold also detracted from returns, as gold fell out of favour as the global economy recovered.

"The potent combination of pent-up consumer demand being unleashed, inventory restocking, and a pickup in **capital expenditure** by companies allied to continuing **fiscal policy** support looks set to lead to a relatively elevated pace of economic activity over the next few quarters."

BNY Mellon Sustainable Sterling Bond Fund

OBJECTIVE

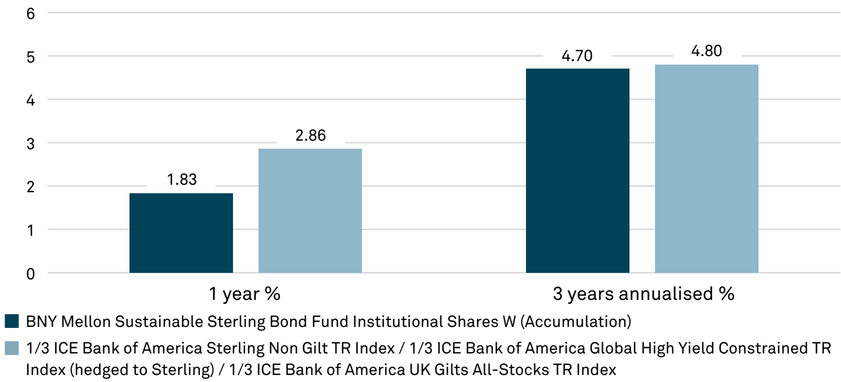
The Fund aims to achieve income and **capital growth** over the medium term (3-5 years).

ASSETS UNDER MANAGEMENT (AUM)

£25.7m

(as of 30 June 2021)

BNY Mellon Sustainable Sterling Bond Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton Sustainable Sterling Bond Fund to BNY Mellon Sustainable Sterling Bond Fund.

The Fund will measure its performance against a composite index, comprising 1/3 ICE Bank of America Merrill Lynch Sterling Non-Gilt TR Index,1/3 ICE Bank of America Merrill Lynch Global High Yield Constrained TR Index (hedged to Sterling) and 1/3 ICE Bank of America Merrill Lynch UK Gilts All-Stocks TR Index, 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, credit quality, sectors and geographical areas in which the Fund predominantly invests.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Launched in May 2018, the fund missed the five-year time period, which encompasses its performance target (achieve income and capital growth over the medium term (three to five years)). Across all other remaining areas of the FCA's seven assessment criteria we rated the BNY Mellon Sustainable Sterling Bond Fund as green.

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

Manager's commentary on the 12 months to 30 June 2021

High yield bonds, where the fund was slightly **underweight**, performed strongly as sizeable **fiscal** and **monetary policy stimulus** measures, alongside the rollout of Covid-19 vaccines, led to improved investor risk sentiment during the period.

"In the second half of 2020, we raised the fund's exposure to the high yield sector through a number of new purchases.

"With economic growth rebounding and **inflation** trending higher, **government bonds**, where the fund was also **underweight**, sold off (particularly at the start of 2021).

"Economic growth is expected to remain strong thanks to continued accommodative **fiscal** and **monetary** policy. Although the withdrawal of monetary support looks to be some way off, increasing talk about **tapering monetary policy** could make conditions more challenging for government bonds from the middle of the year onwards, in our view.

BNY Mellon UK Equity Fund

OBJECTIVE

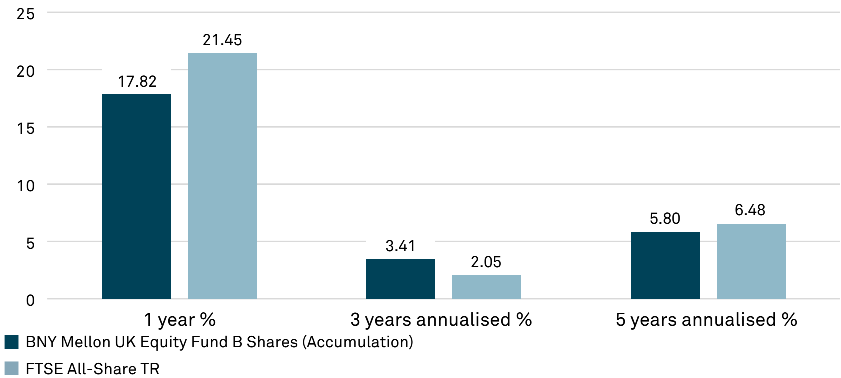
The Fund aims to achieve **capital growth** and income over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£694.4m

(as of 30 June 2021)

BNY Mellon UK Equity Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the B Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton UK Equity Fund to BNY Mellon UK Equity Fund.

Performance data covering periods prior to share class launch include synthetic returns calculated using the fund's primary share class, adjusted to reflect the annual management charge of the Institutional Shares W (Income) share class. The data assumes that all other charges are consistent. Synthetic results do not represent actual investment returns nor costs and are not a reliable indicator of future performance. Performance data covering the period since share class launch is a record of actual returns achieved.

The Fund will measure its performance against the FTSE All-Share TR Index 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 class, sectors and geographical area in which the Fund predominantly invests.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Following analysis across all areas of assessment, we concluded the BNY Mellon UK Equity Fund is demonstrating value overall.

During the review period, Louise Kernohan, who joined Newton from Abrdn became co-lead of the strategy.

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

Manager's commentary on the 12 months to 30 June 2021

Some strong market returns over the period were driven by companies most sensitive to near-term economic recovery following the Covid-19 pandemic-driven downturn in the previous period, while businesses more dependent on long-term trends, that are the focus of the fund, suffered on a **relative** basis.

"Both stock selection and **sector** allocation detracted from relative returns over the period. An **overweight** exposure to healthcare and stock selection in **consumer discretionary** negatively impacted returns. At the stock level, much of the negative impact on relative returns came from stocks not held by the fund. The substantial recovery in **commodities** led to strong performance from some holdings in mining companies.

"In our opinion, multi-year themes, such as ageing populations, digitalisation and tackling climate change, are enduring themes more worthy of investor attention than shorter-term economic gyrations. As such, it seems sensible to use any market **volatility** to find opportune entry points for high-quality companies in attractive sectors that look set to benefit from these thematic tailwinds.

BNY Mellon UK Income Fund

OBJECTIVE

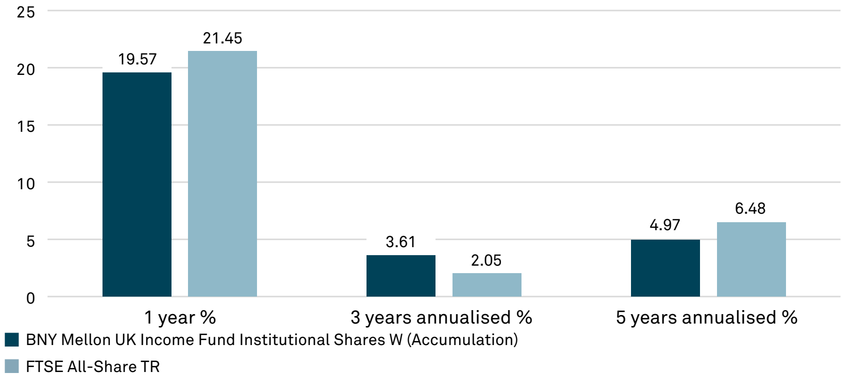
The Fund aims to achieve income over an annual period together with **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£1.1bn

(as of 30 June 2021)

BNY Mellon UK Income Fund
Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton UK Income Fund to BNY Mellon UK Income Fund.

Performance data covering periods prior to share class launch include synthetic returns calculated using the fund's primary share class, adjusted to reflect the annual management charge of the Institutional Shares W (Income) share class. The data assumes that all other charges are consistent. Synthetic results do not represent actual investment returns nor costs and are not a reliable indicator of future performance. Performance data covering the period since share class launch is a record of actual returns achieved.

The Fund will measure its performance against the FTSE All-Share TR Index as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator because the Investment Manager utilises it when measuring the Fund's income yield.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Following analysis across all areas of assessment, we concluded this fund is demonstrating value overall.

As of the end of June 2021, the fund had a **yield** of 3.4% versus 2.8% in its **benchmark** FTSE All-Share total return index.

During the review period this fund had a change in its investment team. Management of the strategy was taken over by Ilga Haubelt, head of equity income at Newton, and income manager Jon Bell. The fund continues to be managed following the same process and philosophy as before.

Manager's commentary on the 12 months to 30 June 2021

Sector allocation was the main factor behind the fund's negative **relative returns**, with the **underweight** exposure to the **basic materials** sector a notable detractor from performance. Stock selection was weak in **consumer discretionary** but positive in **financials**.

"In the first half of the period we added investments to our portfolio in one of the world's biggest mining companies, a UK house building company and a medical technology business.

"On the medical technology side, while many elective medical procedures were curtailed, or cancelled, owing to the coronavirus pandemic, we believe as the crisis passes and healthcare systems reopen, elective procedures should resume.

"Vaccines should be a catalyst for a return of management confidence, which in turn could lead to the reinstatement of company **dividends** – although not all companies will be able to restore dividends to previous levels. Income funds will need to be mindful of the structural challenges posed to income generation because of the rapid thematic change.

Overall rating
Costs
Fair treatment of investor
Performance
Quality of Service

BNY Mellon UK Opportunities Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

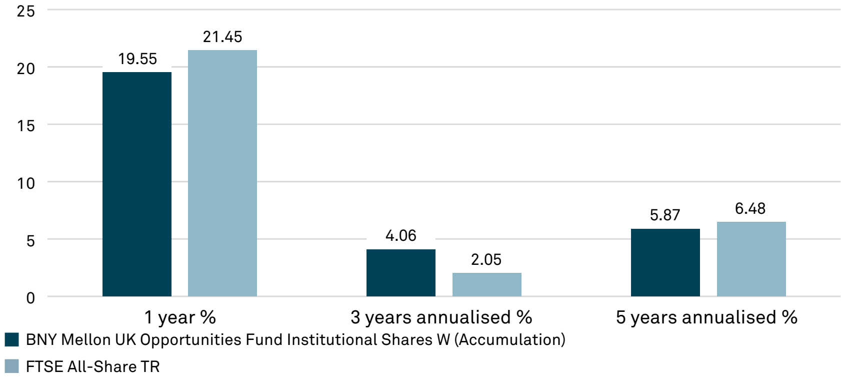
The Fund aims to achieve **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£283m

(as of 30 June 2021)

BNY Mellon UK Opportunities Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 10 June 2019, the Fund name changed from Newton UK Opportunities Fund to BNY Mellon UK Opportunities Fund.

Performance data covering periods prior to share class launch include synthetic returns calculated using the fund's primary share class, adjusted to reflect the annual management charge of the <Share Class> share class. The data assumes that all other charges are consistent. Synthetic results do not represent actual investment returns nor costs and are not a reliable indicator of future performance. Performance data covering the period since share class launch is a record of actual returns achieved.

The Fund will measure its performance against the FTSE All-Share TR Index as a comparator benchmark (the "Benchmark"). The Fund will use the Benchmark as an appropriate comparator benchmark because it includes a broad representation of the asset class, sectors and geographical area in which the Fund predominantly invests.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Following analysis across all areas of assessment, we concluded the BNY Mellon UK Opportunities Fund is demonstrating value overall.

During the review period Louise Kernohan joined Newton from Abrdn and became co-manager on the strategy.

Manager's commentary on the 12 months to 30 June 2021

"A strong market return over the period was driven by companies most sensitive to near-term economic recovery following the Covid-19 pandemic-driven downturn in the previous period. Businesses more dependent on long-term trends, which are the fund's focus, suffered on a **relative basis**. The fund produced a positive return but was behind its **benchmark** over the review period.

"Stock selection detracted from performance, particularly in the **consumer discretionary** sector where the fund owns more defensively-positioned companies versus the more **cyclical** companies in the benchmark, such as in travel and leisure, which outperformed. The first half of the period saw significant purchases of **equities** across a range of sectors including staffing and recruitment, software and animal genetic improvements.

"We believe themes, such as ageing populations, digitalisation and tackling climate change, are key concerns and, in our opinion, more enduring than shorter-term economic gyrations. The fund's focus is on searching for companies aligned with these trends. As such, we will seek to use any market **volatility** to find potential entry points to invest in high-quality companies that appear set to benefit from these thematic tailwinds."

BNY Mellon US Equity Income Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

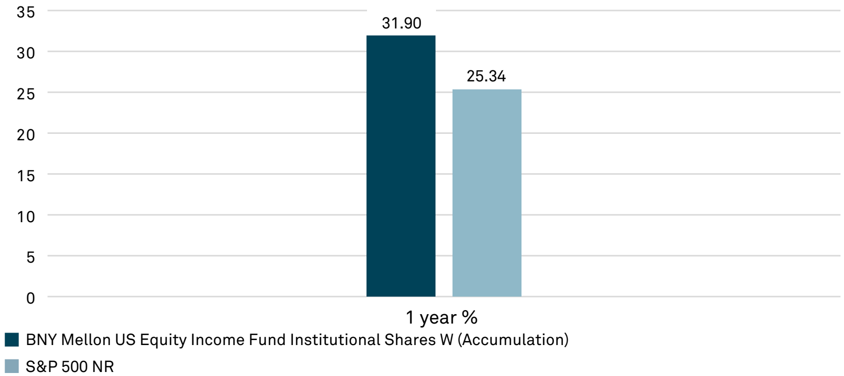
The Fund aims to achieve income and **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£95.7m

(as of 30 June 2021)

BNY Mellon US Equity Income Fund Net performance ending 30 June 2021



Launched in January 2017, the fund missed the five-year time period encompassing its performance target. Across all other remaining areas of the FCA's seven assessment criteria we rated the BNY Mellon US Equity Income Fund as green.

Please note on the 1st September 2021, Mellon Investments Corporation's **equity** and **multi-asset** capabilities, including many of its fund managers and analysts, transitioned to Newton Investment Management North America LLC. As such the investment manager of this fund is now Newton.

Manager's commentary on the 12 months to 30 June 2021

"The fund produced a positive return ahead of its **benchmark** with stock selection within the financial sector the largest contributor to performance. Investment positioning in the materials sector was also positive, helped by security selection in the chemicals sub-sector.

"In communication services, challenged stock selection within telecom services and a lack of holdings in the interactive media and services space weighed on performance, relative to the benchmark. We increased the portfolio's energy weighting during the period and added to healthcare holdings.

"In the second half of the year we believed large **value** stocks looked well-positioned for the ongoing economic recovery. **Financials** remain the portfolio's largest **overweight**. **Cash flow** and earnings are improving as the sector benefits from pristine consumer credit conditions. We added to the portfolio's energy holdings over the period, as there looked to be attractive opportunities given the clear signs for demand recovery coupled with building supply constraints."

Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

The Fund will measure its performance against S&P 500 NR Index (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. However, as the Benchmark covers a significant proportion of the investable universe, the majority of the Fund's holdings will be constituents of the Benchmark but the weightings in the portfolio are not influenced by those of the Benchmark. The investment strategy does not restrict the extent to which the Investment Manager may deviate from the Benchmark.

BNY Mellon US Opportunities Fund

Overall rating	
Costs	
Fair treatment of investor	
Performance	
Quality of Service	

OBJECTIVE

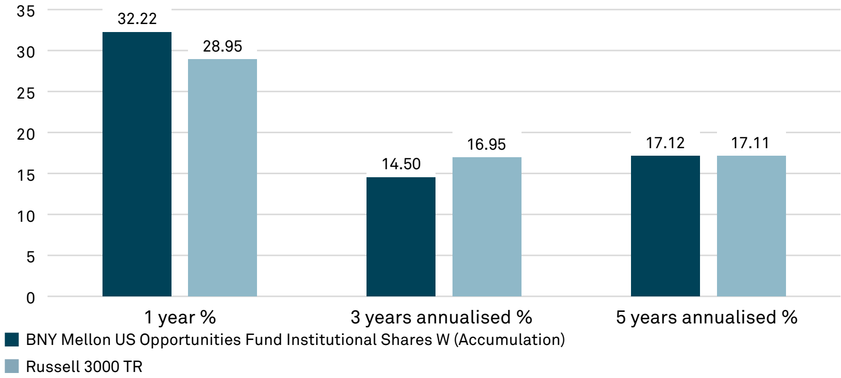
The Fund aims to achieve **capital growth** over the long term (5 years or more).

ASSETS UNDER MANAGEMENT (AUM)

£53.9m

(as of 30 June 2021)

BNY Mellon US Opportunities Fund
Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the Institutional Shares W (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 3 January 2019, the Fund name changed from The Boston Company US Opportunities Fund to the BNY Mellon US Opportunities Fund.

The Fund will measure its performance against the Russell 3000 TR Index 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 area in which the Fund predominantly invests.

The Fund is actively managed, which means the Investment Manager has discretion over the selection of investments 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.

Longer-term performance issues and higher costs have led to an overall amber rating for the BNY Mellon US Opportunities Fund.

Over the assessment period ending 30 June 2021, the fund achieved its stated target of achieving **capital growth** and **outperformed** its **benchmark**, the Russell 3000 Total Return Index. However, over the long-term (seven years) to end of June, it has lagged the index. The fund has also shown higher levels of risk than the index over the last five years, while only managing to equal its performance.

We also note costs on the majority of the fund's share classes are also high relative to similar competitor funds.

Please note on the 1st September 2021, Mellon Investments Corporation's **equity** and **multi-asset** capabilities, including many of its fund managers and analysts, transitioned to Newton Investment Management North America LLC. As such the investment manager of this fund is now Newton.

What's next?

The style and approach of the fund have evolved over time – including the departure of its original lead manager and the development of a more **value**-seeking investment approach.

We are confident of the better prospects for this fund to deliver value. Short-term performance has improved but not sufficiently in this review period to warrant a green rating. As such we don't believe any immediate action is required and instead will take a watching brief.

Fees remain an area of some concern. We will monitor this to see if the portfolio changes feed through to lower costs as well. We will also look to cap the **on-going charges** or reduce the annual management charge if such changes don't lead to lower costs.

Manager's commentary on the 12 months to 30 June 2021

"The US Opportunities fund was originally launched with a wide remit to seek opportunities across the market drawing on the then manager's skills in stock selection. However, over time, the investment process did not produce the desired results.

"The fund team has since developed a new style, drawing more broadly on ideas from the technical analysts working on the fund – evaluating the best ideas and drawing on these for investment decision making. This approach has so far delivered some positive returns. While we remain in early stages of the new approach, we are pleased with how the results have unfolded so far."

Responsible Horizons UK Corporate Bond Fund

OBJECTIVE

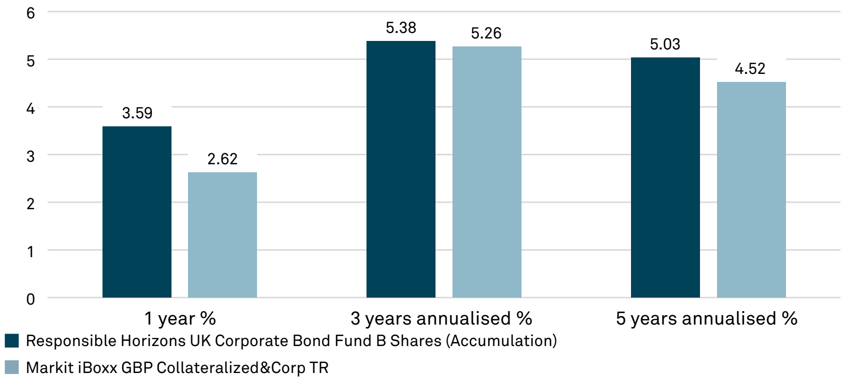
The objective of the Fund is to generate a return through a combination of income and **capital returns**, while taking environmental, social and governance (**ESG**) factors into account. The Fund targets the **outperformance** of the Markit iBoxx GBP Collateralized & Corporate Index after fees over any rolling three year period (meaning a period of three years, no matter which day you start on). However, performance is not guaranteed and a capital loss may occur.

ASSETS UNDER MANAGEMENT (AUM)

£27.1m

(as of 30 June 2021)

BNY Mellon Responsible Horizons UK Corporate Bond Fund Net performance ending 30 June 2021



Source for all performance: Morningstar Direct as at 30 June 2021. Fund Performance for the B Shares (Accumulation) 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 impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

Effective 1st April 2021, the Fund name changed from BNY Mellon Corporate Bond Fund to Responsible Horizons UK Corporate Bond Fund.

The Fund will measure its performance against the Markit iBoxx GBP Collateralized & Corporate Index (the "Benchmark") after fees over any rolling three year period (meaning a period of three years, no matter which day you start on). The Fund will use Markit iBoxx GBP Collateralized & Corporate Index as a target for the purposes of monitoring the risk taken in the Fund and the UK Investment Association's Sterling Corporate Bond NR Sector average as an appropriate comparator because it includes a broad representation of similar Sterling denominated funds that invest in corporate bonds.

The Fund is actively managed, which means the Investment Manager has discretion to invest outside the Benchmarks, subject to the investment objective and policy as disclosed in the Prospectus.

Following analysis across all areas of assessment, we concluded the Responsible Horizons UK **Corporate Bond** Fund is demonstrating value overall. This is an improvement over last year where the fund, at the time named UK Corporate Bond, was rated amber overall.

At the time of last year's report we did note an improvement in short-term performance and are gratified this carried throughout this review period.

Manager's commentary on the 12 months to 30 June 2021

The name of the fund was changed on 1 April 2021 from BNY Mellon Corporate Bond Fund to Responsible Horizons UK Corporate Bond Fund. The investment objective, investment policy and **benchmarks** for the fund also changed at the same time. Performance prior to this date was achieved under circumstances that no longer apply and is not comparable to performance achieved after this date.

"The fund generated a positive return and outperformed its benchmark over the 12 months to end of June 2021. The fund's **credit** strategy contributed positively to performance; in particular, it benefited from its **overweight** position in **investment grade** credit as credit spreads tightened. Sector allocation was similarly positive, while security selection added further value.

"In terms of activity, the fund was energetic in the new issue market across both sectors and currencies. With investment grade spreads gradually sinking towards multi-year lows, risk was kept broadly unchanged.

"Central bank monetary accommodation, mild investment grade supply and continued **fiscal policy** support have been underpinning the manager's positive strategic credit stance. However, we believe investment grade credit flows will need to be monitored as investors increasingly anticipate the gradual withdrawal of the extraordinary fiscal and **monetary stimulus** from national governments and central banks."

Overall rating

- Costs
- Fair treatment of investor
- Performance
- Quality of Service

Appendix

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.

FCA assessment section	Input # of data sources analysed	BNYM IM category
Performance	1	Performance
Quality of service	6	Quality of service
Comparable services	7	Costs
Cost general	6	Costs
Comparable market rate	3	Costs
Economies of scale	3	Fair treatment of investors
Classes of units/shares	1	Fair treatment of investors

Review

- Each fund manager submits an explanation of performance covering the review period
- Data segmented by fund sent to board for review
- 1st board discussion of the data results
  - Any additional information questioned and supplemented. i.e with data or explanation from the fund manager; longer data set from performance team
- First draft created and reviewed by independent chair
  - Independent chair interview with report ghost writer
- Draft sent to all directors for feedback
- Draft interrogated by independent directors and reviewed by all other directors
- Designed draft sent for review and comments by all board members
- Final board review – sign-offs
- Publication on BNY Mellon Investment Management UK websites www.bnymellonim.com

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
Errors and issues logs
Investment breach reports
Communications data
Traffic on Investorzone portal

Among the external sources and consultants we used were:

Performance: Morningstar
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

Snapshot of strengths in Responsible Investment

BNY MELLON
INVESTMENT MANAGEMENT

US$ 1.8 trillion
assets managed by our affiliate investment firms which are **PRI signatories**[1]

6 funds and £900m in assets
(with explicit ESG or sustainable mandates, across the BNY MIF range as of 30 June 2021)

ESG training for over
2,000 advisers[2]

Bank of New York Mellon Corp (BK) shares included in:	Consecutive years
– Dow Jones Sustainability North America Index (DJSI)	7 years
– FTSE4Good Global Benchmark Index	9 years
– Bloomberg Gender -Equality Index	6 years

NEWTON
Investment Management

Voting client shares since 1978 — 1978

Engaging on **Responsible Investment** matters since 1999 — 1999

ESG assessments on equity securities since 2005 — 2005

152 individual ESG quality reviews
137 ESG engagement meetings held — 2020

WALTER SCOTT

18 months
research project on how to position portfolios for a low carbon world

"ESG"

370 conversations
were had with companies concerning ESG-related matters[3]

Insight INVESTMENT

90% of **1,210 engagements** in 2020 included ESG issues

Insight added more than
US$2bn of impact bonds
(includes green and social bonds) to client accounts in 2020

2017
Launched first **pooled ESG fund**

123 countries
are analysed by Insight for sovereign risk and impact ratings

Insight INVESTMENT · NEWTON Investment Management · WALTER SCOTT

Signituries of:
PRI Principles for Responsible Investment

[1] 31 December 2020. [2] 2020/2021 Continuing Professional Development (CPD) certified training seminar for advisers. [3] 12 months to 30 September 2021.

Glossary

AAA bonds: The highest possible rating that may be assigned by any of the major credit rating agencies.

Absolute return: A type of investing that aims to achieve a positive return over a set time frame and in all market conditions, although this is never guaranteed.

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

Alternatives: An alternative is a financial asset that does not fall into one of the conventional investment categories, such as equities or bonds.

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 allocation: An investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance, and investment horizon.

Asset servicing: Describes a group of tasks and activities provided by a custodian to its clients around the assets it has under custody.

Basic materials: The sector of companies involved in the discovery, development and processing of raw materials. The sector includes the mining and refining of metals, chemical products and forestry products.

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

Bond: 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.

BBB credit rating: The rating given to a company's bonds based on the assessment it has an adequate capacity to meet its obligations.

Capital expenditure: Money spent by a business or organisation on acquiring or maintaining things such as land, buildings, and equipment.

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

Capital loss: When an asset is sold for less than the price it was purchased for.

Capital returns: Payment, or gain, received from an investment.

Cash flow: The term cash flow refers to the net amount of cash and cash equivalents being transferred in and out of a company.

CCC-rated bonds: A credit rating used by the S&P and Fitch credit agencies for long-term bonds and some other investments. A CCC rating represents an high risk bond or investment.

Commodity/Commodities: An asset in the form of a raw material that can be bought and sold such as gold, oil, coffee, wheat, etc.

Consumer discretionary: Goods and services considered non essential by consumers but desirable if their income is sufficient to purchase them.

Consumer staples: Goods and services that people are unable or unwilling to cut out of their budgets regardless of their financial situation.

Corporate bonds: A loan made to a company for a fixed period by an investor, for which they receive a defined return.

Credit rating: An evaluation of the credit worthiness of a borrower, such as a particular company or government. A company with debt rated AAA is considered to be more credit worthy than one with debt which is rated BBB.

Credit risk: The possibility of a loss resulting from a borrower's failure to repay a loan or meet contractual obligations.

Credit(s): In this context it is synonymous with corporate bonds, debt issued by companies.

SERVICE PROVIDERS:

- **Administrator:** independently verifies the assets and valuation of the fund.
- **Auditor:** authorised to review and verify the accuracy of financial records and ensure that companies comply with tax laws.
- **Custodian:** holds customers' securities for safekeeping to minimise the risk of their theft or loss.
- **Depositary:** is an entity that acts in a safekeeping and a fiduciary capacity for a fund, providing global custody services. A depositary acts as a custodian.
- **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.
- **Transfer agent:** also known as the registrar, they are the trusts or institutions that register and maintain detailed records of the transactions of investors.

Cyclical(s): A stock or industry deemed sensitive to the wider economy. As such its revenues are generally higher in periods of economic prosperity and expansion and lower in periods of economic downturn and contraction.

Cyclically tilted: When a fund is biased towards a certain type of holding, company or asset it is said to be tilted. In this case, the tilt is toward assets considered cyclical, greatly influenced by what is happening in the broader economy.

Default(s): The failure to pay interest or principal on a loan or security when due.

Defensive: A stock or industry considered less sensitive to the wider economy.

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

Dividend yield(s): Income received from an investment, expressed as a percentage based on the investment's costs, its current market value or its face value.

Dividend(s): A sum paid regularly by a company to its investors as a reward for holding their shares.

Drawdown: The extent to which an investment declines from its highest peak, expressed as a percentage.

Duration: A measure of a fixed interest investment's sensitivity to changes in interest rates. The longer the "duration", the greater exposure to future changes in interest rates.

EGM: Extraordinary general meeting of shareholders.

Emerging markets: Countries in the process of becoming developed economies.

Economically sensitive: Refers to the impact on a security given a change in some relevant factor within the economy.

Emerging market bonds: Fixed income debt issued by countries with developing economies as well as by corporations within those nations.

Environmental, social and governance (ESG): Elements or factors of responsible investment consisting of a set of standards through which a company's operations are screened prior to investing.

Equity/Equities: Shares issued by a company, representing an ownership interest.

Exchange-traded fund (ETF): A type of investment fund that is traded on a stock exchange, typically tracks a stock index, a commodity, bonds, or a basket of assets.

Financials: A sector made up of companies that provide financial services.

Fiscal stimulus: Government policy on taxation, spending and borrowing designed to stimulate the economy.

Fiscal/fiscal policy: Government policy on taxation, spending and borrowing.

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

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.

Government bond duration: A way of measuring how much government bond prices are likely to change if and when interest rates move.

Hedge: An investment with the aim of offsetting potential losses incurred by a related investment.

High yield: Fixed income securities with a low credit rating that are considered to be at higher risk of default than better quality securities but have the potential for higher rewards.

Income stocks: Stocks that offer regular and steady income, usually in the form of dividends, over a period of time with low exposure to risk.

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.

Index-linked bonds: Fixed income securities where both the value of the loan and the interest payments are adjusted in line with inflation over the life of the security. Also referred to as Inflation-linked bonds.

Index-linked Gilts: UK government bonds where both the value of the loan and the interest payments are adjusted in line with inflation.

Industrials: The industrial goods sector includes stocks of companies that mainly produce capital goods used in manufacturing, resource extraction, and construction.

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.

Investment grade: Fixed income securities with a medium or high credit rating that are considered to be at lower risk from default than those issued with lower credit ratings.

Investment grade corporate bonds: Bonds that are believed to have a lower risk of default and receive higher ratings from credit rating agencies.

Levered: The use of various financial instruments or borrowed money to increase the potential return of an investment.

Libor: The London Interbank Offered Rate – a rate that some of the world's leading banks charge each other for short-term loans.

Liquid / Liquidity: The degree to which an investment can easily be bought or sold on a market without affecting its price.

Local currency: A currency that can be spent in a particular geographical locality at participating organisations.

Long: Refers to ownership of a security held in the expectation that the security will rise in value.

Market rotation: It is believed particular sets of stocks (or assets) move together. For instance some companies or assets do well when markets (driven by investors) are more optimistic while another set of companies or assets fare better when markets are more cautious. Market rotation refers to the switch between such sets.

Maturity/maturities: The length of time until the initial investment amount of a fixed income security is due to be repaid to the holder of the security.

Monetary policy: A central bank's regulation of money in circulation and interest rates.

Monetary stimulus: An attempt by a government to make the economy grow faster by increasing the money supply (the amount of money in the economy) or lowering interest rates.

Multi-Asset: An investment containing more than one asset class, such as cash, equity or bond.

NAV/Net Asset Value: A fund's price per share calculated by taking the current value of its assets and subtracting its debts.

Off-benchmark: A fund often compares its performance to a specified index. Known as its benchmark, a fund will hold many of the same companies (or governments) as that index. When they don't, they are referred to as off-benchmark positions.

Old economy: A term used to describe companies which enjoyed substancial growth during the early parts of the last century.

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.

Outperformance: Producing a better rate of return than similar companies.

Overweight(ing): Having more invested in a company, region or sector, than the benchmark or comparative product.

Passive: An investment strategy, which tries to replicate the behaviour of a specified index.

Platform: Online service that enables investors and traders to place trades and monitor accounts through financial intermediaries.

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

Risk-adjusted returns: A calculation of the profit or potential profit from an investment that takes into account the degree of risk that must be accepted in order to achieve it.

Risk asset(s): Refers to assets that have a significant degree of price volatility, such as equities, commodities, high yield bonds and currencies.

Risk levels: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Risk statistics: Are measures that are historical predictors of investment risk and volatility.

'Safe haven': Refers to assets that investors perceive to be relatively safe from suffering a loss in times of market turmoil.

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

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

Sustainable: Focuses on meeting the needs of the present without compromising the ability of future generations to meet their needs. The concept of sustainability is composed of three pillars: economic, environmental, and social.

Tapering monetary policy: The reduction of the rate at which a central bank accumulates new assets on its balance sheet under a policy of quantitative easing. Tapering is the first step in the process of either winding down – or completely withdrawing from – a monetary stimulus program that has already been executed.

Total return: 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.

Treasury/Treasuries: US government debt security with a maturity of more than 10 years. Treasury bonds make interest payments semi-annually.

Underweight(ing): Having less invested in a company, region or sector, than the benchmark or comparative product.

Underperformance: Seeing greater losses in a down market and below-average gains in a rising market.

US Federal Reserve: The central bank and monetary authority of the United States.

US Treasury yields: The return on investment, expressed as a percentage, on the US government's debt obligations.

Value stock: Refers to shares of a company that appears to trade at a lower price relative to its fundamentals, such as dividends, earnings, or sales.

Volatile/volatility: Large and/or frequent moves up or down in the price or value of an investment or market.

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

Yield spreads: The difference between the quoted rate of return on different debt instruments which often have varying maturities, credit ratings, and risk.

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