

BNY Mellon Global Income Fund

INVESTMENT MANAGER



Newton Investment Management: Newton pursues a distinctive global thematic investment approach and provides added value from extensive proprietary research.

FUND RATINGS



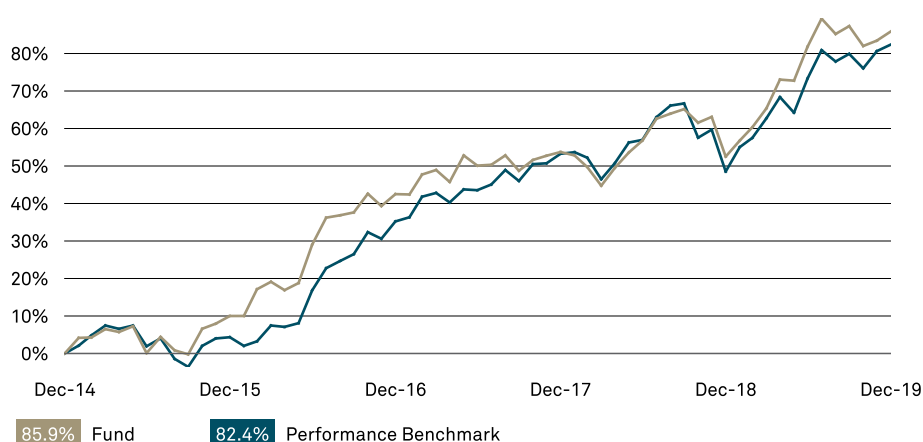
PERFORMANCE DISCLOSURE

Past performance is not a guide to future performance. The value of investments can fall. Investors may not get back the amount invested. Income from investments may vary and is not guaranteed.

QUARTERLY HIGHLIGHTS

- **Performance:** The Fund made a negative return, net of fees, over the quarter and lagged its performance benchmark.
- **Activity:** We topped up luxury goods business Richemont, healthcare company Sanofi and household goods manufacturer Unilever.
- **Outlook & Strategy:** We believe the disciplines of our process and the strict yield criteria, which force us to sell stocks when they become too expensive and reinvest in better-value quality opportunities, remain extremely important.

5 YEAR CUMULATIVE PERFORMANCE (%)



PERFORMANCE SUMMARY (%)

	Annualised						
	1M	3M	YTD	1YR	2YR	3YR	5YR
Institutional Shares W (Acc.)	1.34	-0.75	21.89	21.89	9.96	9.26	13.19
Performance Benchmark	0.98	1.39	22.81	22.81	9.09	10.49	12.76
Sector	1.19	1.19	19.24	19.24	5.97	7.45	9.69
No. of funds in sector	48	48	46	46	44	40	33
Quartile	2	4	2	2	1	1	1

	2015	2016	2017	2018	2019
Fund	10.00	29.55	7.88	-0.80	21.89
Performance Benchmark	4.34	29.59	13.34	-3.10	22.81

Source for all performance: Lipper as at 31 December 2019. 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 Sub-Fund is managed without benchmark-related constraints. The Sub-Fund uses the FTSE World Index as a point of reference (comparator) against which the ACD (Authorised Corporate Director) invites Shareholders to compare the Sub-Fund's performance. The ACD considers this index to be an appropriate comparator because the Investment Manager utilises it when measuring the Sub-Fund's income yield.

BNY MELLON INVESTMENT MANAGEMENT EMEA LIMITED - CLIENT SERVICES

Tel: 08085 660 000 | Email: brokersupport@bnymellon.com Tel: +44 20 7163 2367 |
internationalsales@bnymellon.com | Web: www.bnymellonim.com

PERFORMANCE COMMENTARY

Equity markets surged in the final quarter of 2019. Markets were buoyed by signs of a stabilisation of global manufacturing data. However, by far the biggest positive influence was the hope of a breakthrough in the trade war between the US and China. This hope was rewarded in December when the US and China agreed a preliminary deal which could lead to a significant de-escalation in trade tensions.

CISCO SYSTEMS AND INFOSYS WEIGHED ON PERFORMANCE, WHILE SVENSKA HANDELSBANKEN AND RETAILER INDITEX ADDED VALUE

The Fund underperformed over the quarter. This bulk of the underperformance occurred in November when there was a strong market rotation towards deep-value, cyclical stocks in the industrial and energy sectors which the Fund does not hold.

The Fund also had two stock-specific disappointments – Cisco Systems and Infosys – to contend with. Although Cisco's quarterly results met expectations, revenue guidance for the next quarter disappointed and the shares fell as a result. Infosys declined after the Indian outsourcing group reported it was investigating allegations of accounting irregularities which had been raised by whistle-blowers. In relation to Cisco, we think the weakness is probably temporary and that it reflects order delays, rather than order cancellations. Turning to Infosys, we have examined its accounting practices and, based on what we have seen so far, we believe they are in line with industry standards. However, an investigation is ongoing.

On a sector basis, technology was the largest drag on performance. Cisco Systems and Infosys were key detractors, as mentioned above. The Fund's relative performance in the technology sector was also adversely affected by not holding Apple, which continued to outperform. The Fund cannot hold Apple as it does not meet its strict yield criteria.

On the plus side, Qualcomm was a positive contributor. The US chip giant continued to execute strongly and the share price reacted accordingly. Some stocks which we had bought earlier in the year outperformed over the quarter. Examples include Swedish bank Svenska Handelsbanken and Inditex, owner of the Zara and Massimo Dutti brands.

ACTIVITY REVIEW

There were no new additions during the quarter. We topped up luxury goods business Richemont on share price weakness driven by political unrest in Hong Kong, which has depressed watch and jewellery sales. Looking ahead, we expect Richemont to benefit from the restructure of its watch division and the market's growing recognition of the quality of the rest of its business.

WE TOPPED UP RICHEMONT, SANOFI AND UNILEVER AND DISPOSED OF UK UTILITY CENTRICA

After the rotation and sell-off in November, we topped up two of the Fund's more defensive holdings: globally diversified healthcare business Sanofi and household products manufacturer Unilever. Sanofi's defensive qualities and dividend yield retain their appeal while we remain optimistic on the prospects for its dermatitis drug Dupixent. Unilever's

steady growth profile and shareholder returns look attractive especially if volatility rises as we expect.

We completed the disposal of UK utility Centrica given its diminished cashflow profile and the weaker outlook for its legacy business. Finally, we sold professional publishing company RELX, after a period of strong performance triggered the strategy's sell discipline.

INVESTMENT STRATEGY AND OUTLOOK

We are cautious about the outlook for economies and financial markets over the medium term. Loose monetary policy following the financial crisis has driven asset prices higher, but economic growth rates have not returned to their pre-crisis levels and inequality has risen sharply.

WE BELIEVE THE DISCIPLINES OF OUR PROCESS AND THE STRICT YIELD CRITERIA REMAIN EXTREMELY IMPORTANT

While there is a growing recognition that future stimulus will need to be radically different if it is to stymie the spread of populism and boost economic growth, and favour labour instead of capital, there is no consensus yet on what form future stimulus should take.

Looking at the stock market, leadership has been exceptionally narrow in 2019. Some stocks, which might ostensibly appear relatively safe and defensive, are less attractive than they were given extended valuations and heightened expectations, in our opinion. Given this backdrop, we believe the disciplines of our process and the strict yield criteria, which force us to sell stocks when they become too expensive and reinvest in better value quality opportunities, are extremely important.

TOP 10 HOLDINGS (%)

	Fund
Qualcomm Inc	5.2
Cisco Systems Inc	4.9
British American Tobacco PLC	3.5
PepsiCo Inc	3.3
Maxim Integrated Products	3.3
Informa PLC	3.2
Bayer AG	3.1
Samsung Electronics Co Ltd	2.9
Unilever NV	2.8
Zurich Insurance Group AG	2.7

INDUSTRIAL ALLOCATION (%)

	Fund	Perf. B'mark
Industrials	5.5	13.3
Consumer Services	10.7	11.1
Financials	12.6	20.5
Oil & Gas	3.3	5.0
Telecommunications	2.2	2.7
Basic Materials	0.0	4.0
Utilities	4.0	3.3
Health Care	15.1	11.7
Consumer Goods	24.6	11.2
Technology	18.8	17.3
Cash	3.1	0.0

QUARTERLY ATTRIBUTION BY INDUSTRY

	Total Fund Return	Total Index Return	Stock Selection	Asset Allocation	Net Effect
Industrials	1.58	0.90	0.04	0.04	0.07
Consumer Services	-0.39	-1.41	0.05	-0.01	0.04
Financials	0.11	0.42	-0.04	0.08	0.04
Oil & Gas	-3.70	-1.75	-0.07	0.06	-0.01
Telecommunications	-5.17	-3.30	-0.05	0.02	-0.02
Basic Materials	0.00	2.32	0.00	-0.04	-0.04
Utilities	-7.66	-4.50	-0.14	-0.05	-0.19
Health Care	2.22	6.08	-0.52	0.13	-0.40
Consumer Goods	-1.75	-1.94	0.05	-0.44	-0.40
Technology	-1.30	6.88	-1.48	0.10	-1.39
Cash	0.24	0.00	0.00	-0.05	-0.05

QUARTERLY ATTRIBUTION BY GEOGRAPHY - TOP 5 CONTRIBUTORS

	Total Fund Return	Total Index Return	Stock Selection	Asset Allocation	Net Effect
Germany	7.30	2.23	0.15	0.00	0.15
South Korea	6.24	5.72	0.02	0.12	0.14
Spain	6.74	-1.18	0.16	-0.03	0.13
Canada	0.00	-2.46	0.00	0.11	0.11
Japan	0.00	0.24	0.00	0.10	0.10

QUARTERLY ATTRIBUTION BY GEOGRAPHY - TOP 5 DETRACTORS

	Total Fund Return	Total Index Return	Stock Selection	Asset Allocation	Net Effect
United States	-2.09	1.56	-1.66	-0.02	-1.68
India	-14.51	0.00	-0.44	-0.02	-0.47
Netherlands	-5.59	0.33	-0.19	-0.03	-0.22
United Kingdom	0.81	3.01	-0.29	0.13	-0.16
Hong Kong	-9.12	0.60	-0.16	0.00	-0.16

Source: BNY Mellon Investment Management EMEA Limited

GEOGRAPHICAL ALLOCATION (%)

	Fund	Perf. B'mark
United States	45.02	58.40
United Kingdom	13.15	5.47
Switzerland	12.06	2.93
France	4.94	3.48
Sweden	4.40	0.87
South Korea	4.27	1.52
Germany	3.14	2.80
Cash	3.14	0.00
India	2.52	0.00
Spain	2.13	0.90
Norway	1.73	0.22
Netherlands	1.69	1.22
Hong Kong	1.44	1.22
New Zealand	0.36	0.10
Austria	0.00	0.07
Australia	0.00	2.33
Belgium	0.00	0.32
Brazil	0.00	1.04
Canada	0.00	2.88
Czech Republic	0.00	0.02
Denmark	0.00	0.58
Finland	0.00	0.38
Greece	0.00	0.04
Ireland	0.00	0.08
Israel	0.00	0.16
Italy	0.00	0.83
Japan	0.00	8.29
Mexico	0.00	0.32
Malaysia	0.00	0.29
Poland	0.00	0.10
Portugal	0.00	0.05
Singapore	0.00	0.43
Thailand	0.00	0.37
Turkey	0.00	0.08
Taiwan	0.00	1.51
South Africa	0.00	0.66
Hungary	0.00	0.04

KEY RISKS ASSOCIATED WITH THIS FUND

- There is no guarantee that the Fund will achieve its objectives.
- This Fund invests in international markets which means it is exposed to changes in currency rates which could affect the value of the Fund.
- Derivatives are highly sensitive to changes in the value of the asset from which their value is derived. A small movement in the value of the underlying asset can cause a large movement in the value of the derivative. This can increase the sizes of losses and gains, causing the value of your investment to fluctuate. When using derivatives, the Fund can lose significantly more than the amount it has invested in derivatives.
- Emerging Markets have additional risks due to less-developed market practices.
- The Fund may not always find another party willing to purchase an asset that the Fund wants to sell which could impact the Fund's ability to sell the asset or to sell the asset at its current value.
- The Fund takes its charges from the capital of the Fund. Investors should be aware that this has the effect of lowering the capital value of your investment and limiting the potential for future capital growth. On redemption, you may not receive back the full amount you initially invested.
- The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the Fund to financial loss.
- A complete description of risk factors is set out in the Prospectus in the section entitled "Risk Factors".

INVESTMENT OBJECTIVE

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

GENERAL INFORMATION

Total net assets (million)	£ 5,695.48
Historic yield (%)	3.05
Active Share (%)	92.9
Performance Benchmark	FTSE World TR
IA Sector	Global Equity Income
Lipper sector	Lipper Global - Equity Global Income
Fund type	ICVC
Fund domicile	UK
Fund manager	Nick Clay
Alternate	Andrew MacKirdy
Base currency	GBP
Currencies available	GBP
Fund launch	30 Nov 2005
Distribution dates	28 Feb, 31 May, 31 Aug, 30 Nov

DEALING

09:00 to 17:00 each business day
Valuation point: 12:00 London time

INSTITUTIONAL SHARES W (ACC.) SHARE CLASS DETAILS

Inception date	04 Sep 2012
Min. initial investment	£ 10,000,000
ISIN	GB00B7S9KM94
Bloomberg	NWGHIAW
Sedol	B7S9KM9
Registered for sale in:	CL, GB

INSTITUTIONAL SHARES W (ACC.) COSTS AND CHARGES (%)

Ongoing Costs	0.80
Management fee	0.75
Other costs & charges	0.05
Transaction costs ex ante	0.07

Source: BNY Mellon Investment Management EMEA Limited

Any views and opinions are those of the investment manager, unless otherwise noted.

IMPORTANT INFORMATION

For Professional Clients only. This is a financial promotion and is not investment advice. For a full list of risks applicable to this fund, please refer to the Prospectus. Before subscribing, investors should read the most recent Prospectus and KIID for each fund in which they want to invest. Go to www.bnymellonim.com. The Prospectus and KIID are available in English and in an official language of the jurisdictions in which the Fund is registered for public sale. Portfolio holdings are subject to change, for information only and are not investment recommendations. Calls may be recorded. For more information visit our Privacy Policy at www.bnymellonim.com. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and its subsidiaries. Investments should not be regarded as short-term and should normally be held for at least five years. The Fund is a sub-fund of BNY Mellon Investment Funds, an open-ended investment company with variable capital (ICVC) with limited liability between sub-funds. Incorporated in England and Wales: registered number IC27. The Authorised Corporate Director (ACD) is BNY Mellon Fund Managers Limited (BNY MFM), incorporated in England and Wales: No. 1998251. Registered address: BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Authorised and regulated by the Financial Conduct Authority. Issued in the UK by BNY Mellon Investment Management EMEA Limited, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1118580. Authorised and regulated by the Financial Conduct Authority.