BNY Mellon Global Income Fund

INVESTMENT MANAGER

Newton Investment Management: Newton aims to deliver outcomes for its clients across active equities, income, absolute return, multi-asset, thematic and sustainable strategies. Its capabilities are driven by its global investment research platform which harnesses a breadth of both fundamental and quantitative research.

PERFORMANCE BENCHMARK

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.

FUND RATINGS

Ratings should not be used for making an investment decision and do not constitute a recommendation or advice in the selection of a specific investment or class of investments.

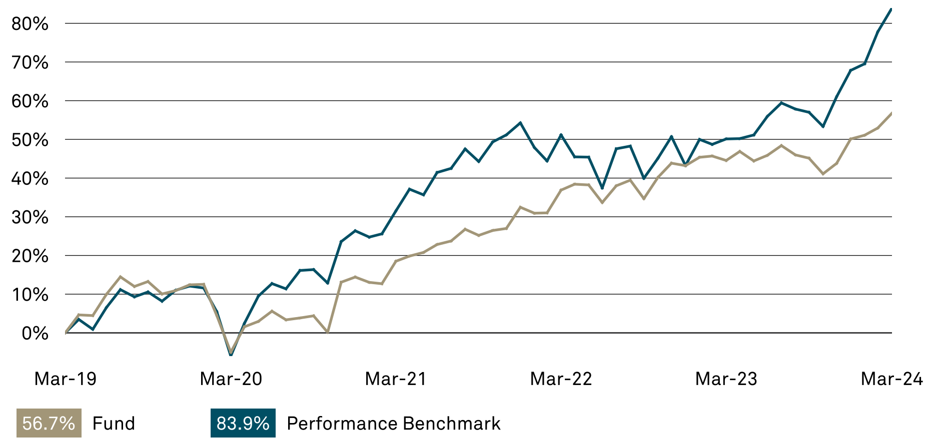
PERFORMANCE DISCLOSURE

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.
Please refer to the prospectus and the KID/KIID before making any investment decisions. Documents are available in English and an official language of the jurisdictions in which the Fund is registered for public sale. Go to www.bnymellonim.com. For a full list of risks applicable to this fund, please refer to the Prospectus or other offering documents.

QUARTERLY HIGHLIGHTS

- Performance: The Fund generated a positive return, net of fees, during the quarter. It lagged its benchmark.
- Activity: We bought AIA and sold Volkswagen, among other transactions.
- Outlook & Strategy: Interest rates may have to remain higher for longer, leading to lower growth.

5 YEAR CUMULATIVE PERFORMANCE (%)



PERFORMANCE SUMMARY (%)

						Annualised	
	1M	3M	YTD	1YR	2YR	3YR	5YR
Institutional Shares W (Acc.)	2.47	4.42	4.42	8.42	6.99	9.75	9.39
Performance Benchmark	3.42	9.57	9.57	22.50	10.28	11.80	12.94
Sector	2.95	6.32	6.32	13.86	7.99	9.31	9.50
No. of funds in sector	51	50	50	49	47	45	39
Quartile	3	3	3	4	3	2	2

	2019	2020	2021	2022	2023
Fund	21.89	1.79	15.77	8.11	4.81
Performance Benchmark	22.81	12.74	22.07	-7.15	17.18

Source for all performance: Lipper as at 31 March 2024. 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.

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

Global equities built on their robust year-end performance by delivering further impressive gains during the first quarter.

THE TECHNOLOGY AND HEALTHCARE SECTORS WERE THE FUND'S PRINCIPAL AREAS OF WEAKNESS

Investors were in risk-on mode throughout the period, choosing to look through several higher-than-expected inflation prints in the US. Instead, they moved to assign a greater probability to a soft landing scenario for the world's largest economy, in which growth remains resilient and the inflationary threat is vanquished, thus paving the way for a series of interest rate cuts as 2024 unfolds.

The Fund's weakness in the healthcare sector was mainly attributable to its holdings in Germany's Bayer and US biopharmaceutical company Gilead Sciences. Within the consumer sectors, the Fund benefitted from the zero weighting in electric vehicle maker Tesla and the holdings in advertising agency Publicis and retailer Inditex; however, this was outweighed by negative contributions from the Fund's food producer and tobacco stocks.

The Fund enjoyed positive contributions from defence contractor BAE Systems and Johnson Controls, but stock selection elsewhere, most notably Deutsche Post, meant the industrials sector was an area of weakness.

The zero weighting in Nvidia was the largest detractor, as the chipmaker's fourth-quarter revenues exceeded elevated expectations. With Meta Platforms exhibiting strong earnings momentum, the zero weighting detracted.

Speciality materials and chemicals business Chemours was a large detractor as its share price plummeted on news that the company had placed three senior executives on leave pending an internal audit investigation into serious issues relating to accounting practices and controls.

French pharmaceutical company Sanofi's fourth-quarter sales and earnings fell short of market expectations. AIA detracted despite the insurer enjoying strong demand for its insurance products in Hong Kong, which led to a large jump in its annual value of new business. Investors were disappointed not to see this translate into faster earnings growth.

ACTIVITY REVIEW

Having avoided eurozone banks for many years given their poor growth prospects and a challenging regulatory backdrop, an improvement in the latter led to the purchase of ING Group, which is a Dutch provider of banking services. Not only is the recently announced minimum reserve requirement from the European Central Bank less draconian than feared, but we expect moderating interest rates to reduce deposit flight and ensure that the group's net interest margin guidance proves conservative.

WE BOUGHT DIAGEO AND SOLD VOLKSWAGEN, AMONG OTHER TRANSACTIONS

We reintroduced US regional bank First Horizon, which was sold from the Fund in 2022 following a (subsequently abandoned) takeover bid by Toronto Dominion Bank. The company's capital position remains robust relative to peers and it operates in strong organic growth markets across the southern US.

We took advantage of share price weakness, largely linked to market concerns around China's macroeconomic backdrop, to initiate a holding in Hong Kong insurer AIA.

We took advantage of a share price recovery to sell the holding in Insurance Australia, as we believe there is some risk that margin trends might deteriorate.

In the consumer sectors, we sold automobile manufacturer Volkswagen owing to the increasingly competitive electric vehicle market and given that the company's complex structure makes value creation challenging. We also sold the holding in housebuilder Taylor Wimpey, with its shares having rerated in response to optimism on falling mortgage rates and a recovery in housing demand.

We took advantage of recent share price weakness to buy alcoholic beverages company Diageo. The stock had underperformed following a profit warning on the back of falling sales in Latin America amid destocking. While Diageo may still face some short-term issues, we are positive on the long-term growth profile as the company remains a global market leader with strong brands and diversified exposure by geography and category.

With the stock close to breaching the Fund's yield discipline, we sold Marathon Petroleum and used the proceeds to buy Phillips 66, which is a similar US-based diversified energy company with midstream, chemicals, refining and specialities businesses. While long recognised as a high-quality refiner, the company had lost its way over the last few years; however, management is now highly focused on earnings improvement, via profitability transformation, which we believe will lead to dividend growth.

We also bought Newmont, which is primarily a gold miner but also focuses on the production and exploration of copper, silver, zinc and lead. Newmont is an industry-leading gold producer and boasts a management team that is focused on operations, generating high free cash flow and returning capital to shareholders.

We reintroduced AstraZeneca. Over the last decade, the company has undergone a huge restructuring under CEO Pascal Soriot which has transformed its culture and productivity. We believe the pharmaceutical giant is well placed to deliver industry-leading sales and earnings growth from its innovative and rejuvenated product portfolio.

Following the revelation that the company had placed three senior executives on leave pending an internal audit investigation into serious issues relating to accounting practices and controls, and with the company unable to publish its results, we sold the holding in speciality materials and chemicals business Chemours.

Given its muted growth prospects, we also sold the holding in Hong Kong real estate investment trust Link REIT following recent good performance linked to falling interest rate expectations.

INVESTMENT STRATEGY AND OUTLOOK

While headline inflation has been falling and we may have reached a peak in global interest rates, core inflation is still sticky. We believe it will remain so as a result of long-term trends such as deglobalisation and decarbonisation.

WE BELIEVE THE VALUATION OF INCOME STOCKS REMAINS COMPELLING

Our view is that, to combat inflation, interest rates will have to remain higher for longer, leading to lower growth.

We believe the valuation of income stocks remains compelling. At the time of writing, stocks offering income at above-average rates continue to trade at a substantial discount to low-income stocks on price-to-earnings and price-to-book bases.

Currently, the ‘magnificent seven’ (Apple, Alphabet, Meta, Amazon, Microsoft, Nvidia and Tesla) make up approximately 18% of the FTSE World Index. Given its strict yield discipline, the Fund has zero weightings in these stocks and instead has key overweight sector positions in consumer staples, healthcare and utilities.

These are balanced with an overweight in defensive financials, which could continue to benefit from strong pricing power in a world of higher interest rates. Stocks from these sectors dominate the top 10 overweight positions in the Fund.

The Fund is not a global growth portfolio and is positioned differently from the global equity market, providing valuable diversification to passive and growth-orientated portfolios.

TOP 10 HOLDINGS (%)

	Fund
CME Group Inc. Class A	3.3
Sanofi	3.2
Medtronic Plc	3.0
Samsung Electronics Co., Ltd.	2.8
Dominion Energy Inc	2.7
Cisco Systems, Inc.	2.7
PepsiCo, Inc.	2.6
Johnson Controls International plc	2.3
Sysco Corporation	2.2
Munich Reinsurance Company	2.2

INDUSTRIAL ALLOCATION (%)

	Fund	Perf. B'mark
Energy	4.8	4.5
Real Estate	0.0	2.3
Consumer Discretionary	12.3	13.7
Telecommunications	5.5	2.8
Industrials	8.8	13.5
Basic Materials	2.9	3.3
Utilities	9.8	2.7
Consumer Staples	16.8	5.4
Financials	21.2	13.9
Health Care	13.7	11.2
Technology	3.7	26.8
Cash	0.5	0.0

GEOGRAPHICAL ALLOCATION (%)

	Fund	Perf. B'mark
North America	54.99	68.57
Developed Europe	33.93	16.37
Emerging	6.03	3.84
Asia Pacific ex Jap.	4.51	4.30
Cash	0.54	0.00
Japan	0.00	6.76
Middle East	0.00	0.17

QUARTERLY ATTRIBUTION BY INDUSTRY

	Total Fund Return	Total Index Return	Stock Selection	Asset Allocation	Net Effect
Energy	14.61	9.63	0.19	0.02	0.21
Real Estate	-6.79	0.32	-0.01	0.20	0.19
Consumer Discretionary	8.96	8.90	0.03	0.00	0.03
Telecommunications	3.04	3.56	-0.02	-0.12	-0.14
Industrials	7.36	9.73	-0.18	0.00	-0.18
Basic Materials	-15.22	0.81	-0.39	0.06	-0.33
Utilities	3.54	3.83	-0.03	-0.34	-0.37
Consumer Staples	5.05	3.16	0.28	-0.66	-0.38
Financials	7.34	10.95	-0.69	0.11	-0.57
Health Care	0.89	8.50	-1.07	0.02	-1.05
Technology	4.83	14.45	-0.38	-0.95	-1.33
Cash	-0.94	0.00	0.00	-0.16	-0.16

Source: BNY Mellon Investment Management EMEA Limited

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.
- A fall in the value of a single investment may have a significant impact on the value of the Fund because it typically invests in a limited number of investments.
- 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.
- Companies with high-dividend rates are at a greater risk of not being able to meet these payments and are more sensitive to interest rate risk.
- The insolvency of any institutions providing services such as custody of assets or acting as a counterparty to derivatives or other contractual arrangements, may expose the Fund to financial loss.
- A complete description of risk factors is set out in the Prospectus in the section entitled "Risk Factors".

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)	£ 3,532.15
Historic yield (%)	3.17
Active Share (%)	93.6
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	James Lydotes
Alternate	Jon Bell & Robert Hay
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	£ 500,000
Annual mgmt charge	0.75%
ISIN	GB00B7S9KM94
Bloomberg	NWGHIAW
Sedol	B7S9KM9
Registered for sale in:	GB

For more details please read the KIID document.

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. 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.

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