

AS AT 30 SEPTEMBER 2023

**QUARTERLY**

BNY Mellon Multi-Asset  
Balanced Fund

**INVESTMENT REPORT**



**BNY MELLON**  
INVESTMENT MANAGEMENT

## FUND INFORMATION

### Investment objective

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

### Benchmark

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.

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

## Your investment report

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This report covers the performance of the Fund over the past three months. It includes:

- A video update from the Fund’s manager.
- Performance summary and insights into what the Fund bought and sold over this period.
- Data showing the performance of the Fund against its benchmark.
- How, and where, the Fund is currently invested.

*If you have any questions about this Fund, please speak to your financial adviser. With their knowledge of your savings goals and appetite for investment risk, they will be best placed to discuss how investing in this fund can support your financial objectives.*

For any investment-related terms you are unsure of please refer to the glossary which can be found on page 6.

## INVESTMENT MANAGER

Newton’s story is one of purpose – to improve people’s lives by investing in a way that delivers attractive outcomes to their clients and helps foster a healthy and vibrant world for all. They focus on delivering outcomes for their clients across a range of investments.



# QUARTERLY HIGHLIGHTS

July to September 2023

Watch Fund update



Simon Nichols, portfolio manager at Newton, discusses the Fund's performance over the last quarter.

## Performance summary (%)

	3 months	Year-to-date	1 year	3 years	5 years
Fund	-0.10	4.93	8.15	25.79	39.07
Benchmark	-0.21	2.16	5.22	10.61	14.71

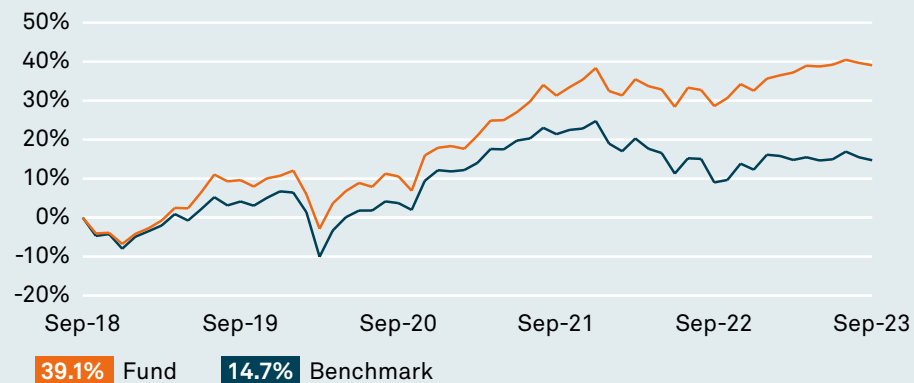
  

	2018	2019	2020	2021	2022
Fund	-2.35	18.77	6.49	17.37	-4.23
Benchmark	-6.25	16.00	5.09	11.24	-10.00

	1 year	3 years	5 years
If you invested £10,000 in the Fund at the start of the period it would be worth	£10,815	£12,579	£13,907

This is for illustrative purposes only and does not take into account effects of inflation or other factors that may have a negative impact on an investment.

## 5 year cumulative performance (%)



Source for all performance: Lipper as at 30 September 2023. Fund performance for the Institutional Shares W (Accumulation) share class calculated as total return, including reinvested income net of UK tax and charges, based on net asset value. All figures are in GBP terms. The impact of an initial charge (currently not applied) can be material on the performance of your investment. Further information is available upon request.

**Past performance is not a guide to future performance.**

# THIRD QUARTER MARKET BACKDROP

The US and Europe saw shoppers continue to buy goods and services at higher prices. As a result, inflation in both regions remained high. The US Federal Reserve, the Bank of England, and the European Central Bank (ECB) all raised interest rates during the summer. The ECB also raised rates in September.

Expectations are interest rates will remain high into next year.

While most major stock markets fell over this three month period, the UK fared well. The FTSE 100 index rose over the quarter, driven in part by a fall in the value of the pound.



## PERFORMANCE

The Fund's return was negative (after fees), but it outperformed its benchmark.

The slowing of China's economy appeared to worry investors. As a result, certain Asian stocks dragged on the Fund's overall performance. Certain shares owned in financial, insurance and healthcare companies also hurt performance.

More positively, Universal Music Group and defence company, BAE Systems added value.

## ACTIVITY

The Fund bought shares of Indian bank, HDFC and packaging company, Smurfit Kappa. Also added were long-term US Treasuries (US government debt). The latter was appealing as their prices were lower due to high interest rates.

Those high interest rates also presented an opportunity in short-term UK government bonds.

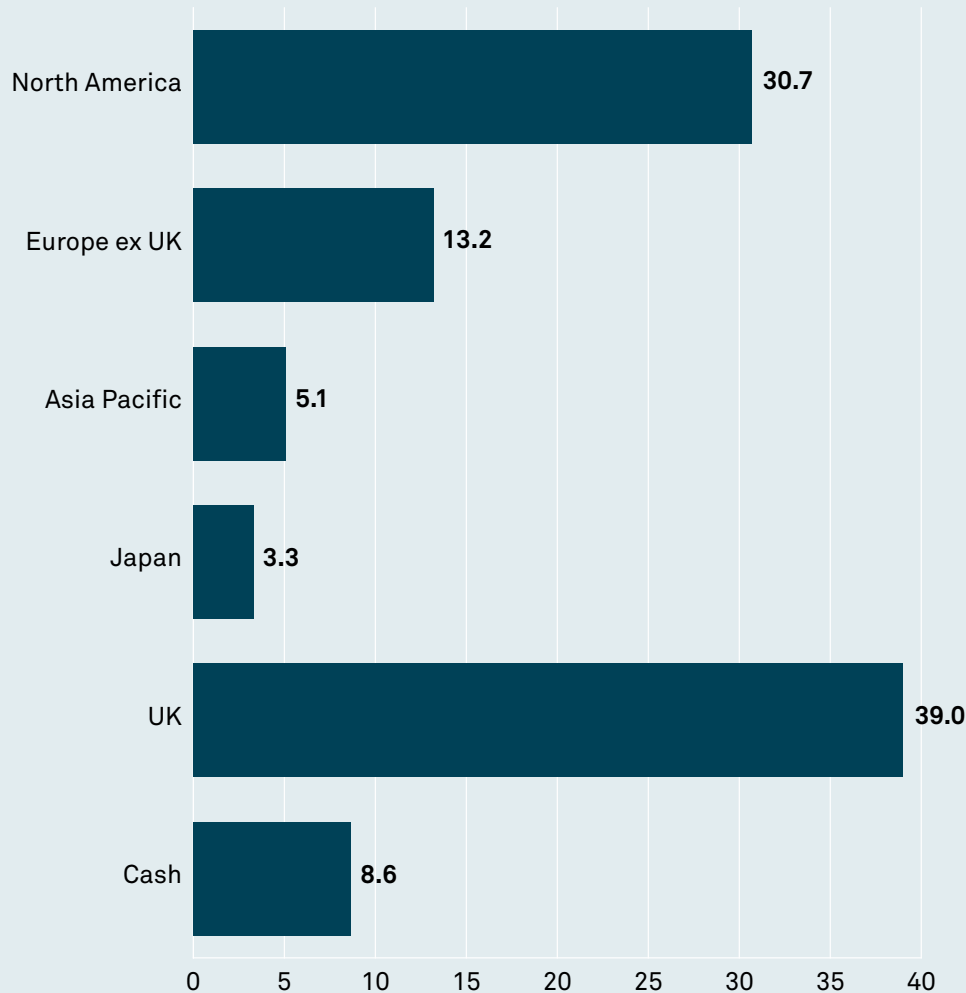
The Fund sold some shares of tech company, Nvidia.

## OUTLOOK

High inflation and rising interest rates have been omnipresent. The manager cautions interest rates may remain high. Consequently, the manager plans to focus on what they consider to be stable and resilient companies.

# WHERE THE FUND IS INVESTED

## Geographical allocation (%)

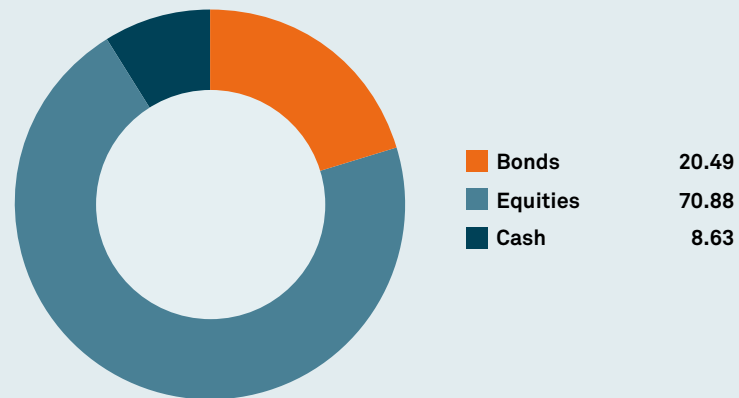


Source: BNY Mellon Investment Management EMEA Ltd. Data as at 30 September 2023.

## Largest Fund holdings (%)

Microsoft Corporation	3.86
Shell Plc	2.53
Government Of United Kingdom 2.0% 07-sep-2025	2.49
Government Of United Kingdom 2.75% 07-sep-2024	2.48
RELX PLC	2.33
AstraZeneca PLC	2.12
Government Of United Kingdom 4.25% 07-sep-2039	1.98
Government Of United Kingdom 3.5% 22-jan-2045	1.96
BAE Systems plc	1.92
Diageo plc	1.92

## Fund allocation (%)



## **GLOSSARY**

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

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

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

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

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

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

**DIVIDEND(S)** A sum paid regularly by a company to its investors as a reward for holding their shares.

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

**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.

**IA SECTOR** The Investment Association (IA) categorises funds into sectors, mostly based on the asset classes in which they invest such as equities and bonds. Sectors may also have a geographic or investment strategy focus. The sectors are used by investors to find and compare funds. The IA is the trade body for UK investment managers.

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

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

**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.

**OUTPERFORMANCE** To have a greater performance/return to a comparator.

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

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

**SHARE(S)** Also known as equity, is a security representing the ownership of a fraction of a company listed on the stock market.

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

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



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

#### **Important Information**

**This is a financial promotion.**

Any views and opinions are those of the investment manager, unless otherwise noted and is not investment advice. Portfolio holdings are subject to change, for information only and are not investment recommendations. 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. Doc ID 1834942. Expiry date: 5 July 2024 T12349 03/24.