

# BNY MELLON MULTI-ASSET MODERATE FUND

## Quarterly Investment Report

As at 31 December 2025



The value of investments and the income received can fall as well as rise and investors may not get back the original amount invested.

Please refer to the prospectus, KIID where applicable and other fund documents for a full list of risks and before making any investment decisions. Documents are available in English and in selected local languages where the fund is registered. Go to [bny.com/investments](https://bny.com/investments).

## FUND INFORMATION

### Investment objective

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

### Performance Benchmark

A benchmark is a metric or baseline to judge a fund's performance against. The BNY Mellon Multi-Asset Moderate Fund uses the UK Investment Association Mixed Investment 20-60% Shares NR Sector average as an appropriate benchmark for comparison.

This benchmark is a collection of funds with different investment managers. Both the Fund and the constituents of the benchmark have a range of different investments. Typically, between 20% and 60% of the funds' portfolios will be invested in company shares, with at least 30% invested in fixed income securities and/or cash investments.

As an actively managed fund, the Investment Manager can make investment decisions (whether to buy, sell or hold assets) at its discretion. These decisions are made in line with the Fund's objective and investment policy as disclosed in the Prospectus.

## Your investment report

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 the 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 the Fund can support your financial objectives.*

For any investment-related terms that you are unsure of please refer to the glossary which can be found on page 7.

**The Fund can invest more than 35% of net assets in different Transferable Securities and Money Market Instruments issued or guaranteed by any EEA State, its local authorities, a third country or public international bodies of which one or more EEA States are members.**

## INVESTMENT MANAGER

BNY Investments Newton seeks to deliver strong investment outcomes to its clients by taking an active, multidimensional and engaged approach, applied across four key disciplines: income and value equities, growth and core equities, specialist equities and multi-asset strategies.



# QUARTERLY HIGHLIGHTS

October to December 2025

Watch Fund update



In this short video, Paul Flood, portfolio manager of the BNY Mellon Multi-Asset Moderate Fund, shares his insights into how the Fund performed over the last quarter.

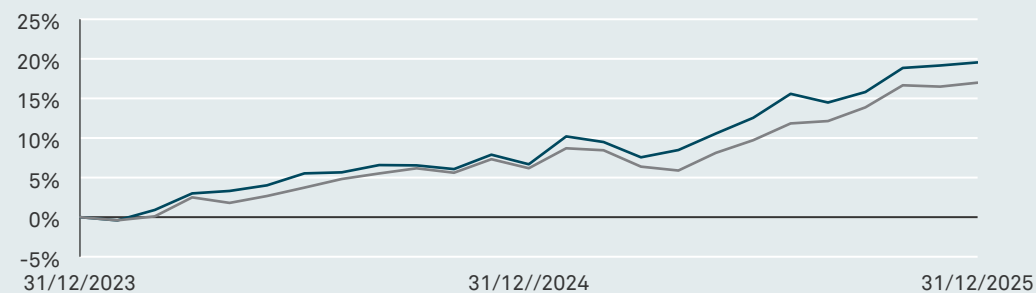
## Performance summary (%)

	3 months	Year-to-date	1 year	3 years annualised	5 years annualised
Fund	3.23	12.07	12.07	-	-
Performance Benchmark	2.74	10.18	10.18	7.73	3.95

	2021	2022	2023	2024	2025
Fund	-	-	-	6.68	12.07
Performance Benchmark	7.59	-9.79	6.89	6.18	10.18

## 2 years cumulative performance (%)



**19.55%** Fund **16.99%** Performance Benchmark

Source for all performance: Lipper as at 31 December 2025. Fund performance for the Institutional Shares W (Accumulation) share class calculated as total return, based on net asset value, including reinvested income net of applicable UK tax and charges. All figures are in GBP terms. The Fund's discrete performance will not be available for five full 12 month periods as the Fund launched on 30 August 2023.

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

## MARKET BACKDROP

Global stock markets rose between October and December 2025, supported by interest rate cuts from the US Federal Reserve (Fed) and Bank of England (BoE), alongside improved trade relations. While artificial intelligence (AI) stocks lost some dominance, investors rotated into sectors poised to benefit from AI technologies, such as healthcare and communication services.

Geopolitical conflicts in the Middle East and Ukraine persisted, but trade developments were positive. The US and China agreed to a one-year deal cutting tariffs and easing restrictions, while the US and EU confirmed a trade agreement. In the US, the S&P 500 Index hit an all-time high on Christmas Eve. The Fed lowered rates twice, to 3.75%, as unemployment rose and concerns about an 'AI bubble' grew. Still, GDP expanded 4.3% in Q3. In Europe, the European Central Bank (ECB) held rates steady at 2.15%. Equities advanced despite political turmoil in France, with eurozone inflation near the ECB's 2% target. Emerging markets benefited from US-China trade progress and a weaker dollar.

Bond markets diverged: UK gilt yields rose as inflation stayed above target, while US, German, and Japanese 10-year yields fell. UK equities performed strongly, with the FTSE All-Share Index rising and the FTSE 100 hitting a record high late in December, driven by mining, finance, and defence sectors. As for economic data, UK inflation, as measured by the Consumer Price Index, retreated to 3.2% in November, higher than the BoE's target of 2%. The BoE lowered interest rates to 3.75% at its December meeting.

## PERFORMANCE

The Fund's return for the three months to the end of December was positive (after fees), and it outperformed its benchmark.

### Reasons for performance

A new holding in shares of Freeport McMoran did very well, and contributed to returns. The miner saw its stock price rise as copper prices hit a record high. In industrials, shares of Deutsche Post rose following a strong third-quarter earnings report. In consumer discretionary stocks, shares of Inditex - which owns clothing chain Zara - also rose when its sales figures beat expectations. Technology stocks continued to do well, and as a result, the Fund's shares of Taiwan Semiconductor added to returns after the firm delivered record profits and raised its outlook for revenue. Finally, the fixed income segment of the portfolio proved most additive; the Fund was only minorly invested in overseas corporate bonds, which proved wise, as corporate bonds did not do as well as equities during the fourth quarter.

That said, a handful of stocks detracted from returns. Shares of information and analytics company RELX fell due to worries that emerging AI technologies could disrupt its business model. In the consumer discretionary sector, shares in B&M European Value Retail fell due to a profit warning after an accounting error on freight costs was revealed. Shares of aerospace and defence business BAE Systems fell after long period of outperformance. In the alternatives segment, the Fund's holdings in Greencoat UK Wind and The Renewables Infrastructure Group declined. This was after the UK government proposed changes to the way inflation is measured for renewable energy support schemes.

## ACTIVITY

The manager bought shares of Freeport McMoran following a mudslide that caused disruption at one of its main copper mines. While the Fund's holdings in Greencoat UK Wind and The Renewables Infrastructure Group declined this quarter, the manager bought more stock in each position. The manager believes there's been an overreaction to fears about the UK's plans to change the way inflation is measured in the renewable energy industry.

More shares of Phoenix Group, one of the UK's leading savings and retirement firms, were added to the portfolio. The company is continuing to grow thanks to new business and merger & acquisition activity. The manager started a new investment in Agilent Technologies, which makes lab equipment for the life sciences industry. This new holding was financed by selling the Fund's shares of life sciences business Danaher.

The manager also sold the Fund's shares of Sony Financial Group after it was spun off from Sony. Similarly, the Fund's shares of The Magnum Ice Cream Company, which were acquired when Unilever divested of that business, were sold as well. The Fund's fixed income holdings were adjusted, too. Bonds from online grocery store Ocado were sold, as the manager doesn't feel confident about Ocado's partnership with US supermarket Kroger.

Conversely, UK government bonds were added to the portfolio.

## OUTLOOK

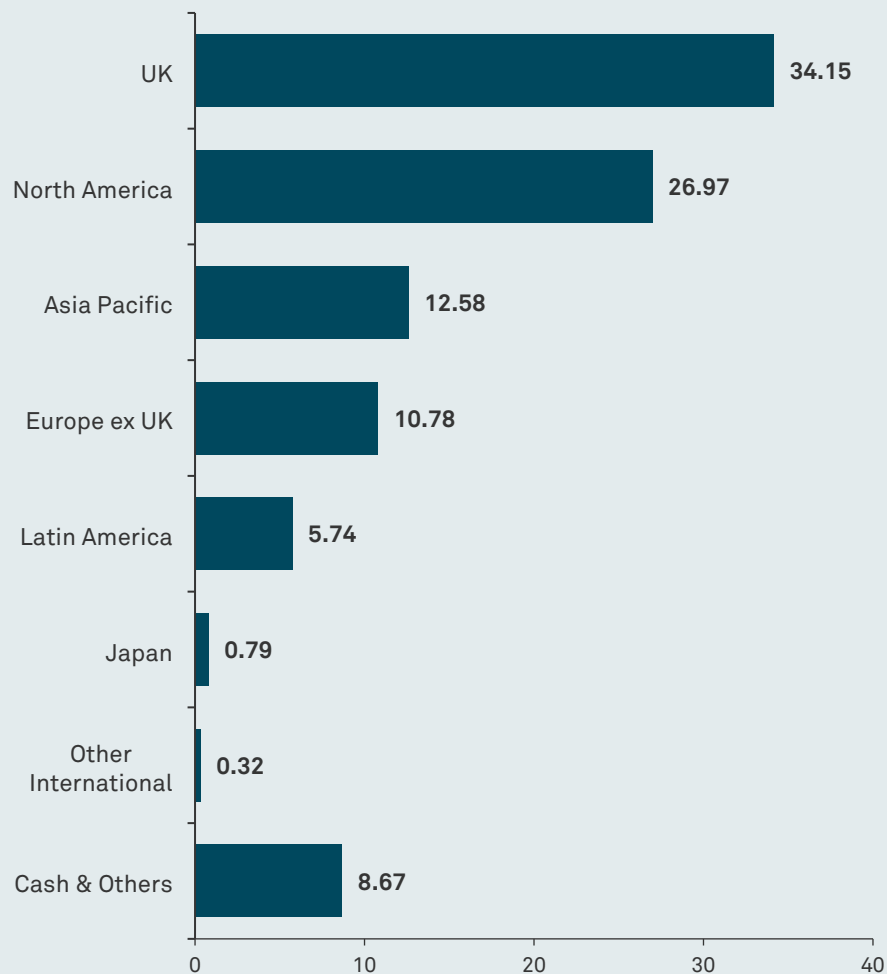
Investor sentiment seems to have improved from the first half of the year given lower interest rates, trade deals, and strength in equity markets beyond the technology sector. Potential US tax cuts could provide additional support for stock markets.

The manager believes developments in AI should also prove supportive, and could be advantageous to those sectors able to benefit from new technologies, including financials, healthcare and communication services.

The US Fed and the BoE may hold interest rates steady for now, but any signs of cooling inflation could lead to gradual reductions. Investors will be watching their decisions closely, as any developments are likely to shape the outlook for equity markets.

# WHERE THE FUND IS INVESTED

## Geographical allocation (%)



## Largest fund holdings (%)

Government Of United Kingdom 3.5% 22-Jan-2045	3.19
Government Of The United States Of America 2.875% 15-May-2043	2.57
Government Of United Kingdom 4.25% 07-Sep-2039	2.48
Taiwan Semiconductor Manufacturing Co. Ltd.	2.32
Government Of United Kingdom 4.0% 22-Oct-2031	2.15
Greencoat UK Wind Plc	1.93
Canada Housing Trust No. 1 3.8% 15-Jun-2027	1.64
AIA Group Limited	1.53
Government Of Brazil 0.0% 01-Jan-2030	1.53
Microsoft Corporation	1.50

## Fund allocation (%)



Source: BNY Mellon Investment Management EMEA Ltd. Data as at 31 December 2025

## GLOSSARY

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

**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.

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

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

**CAPITAL:** Resources or money used or available for use in the production of more wealth.

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

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

**CONSUMER PRICES INDEX:** An index used to measure inflation, based on the prices in a basket of goods and services, meant to be representative of those we typically spend our money on.

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

**DIVESTMENT:** Reducing or completely selling investments in an asset.

**EARNINGS:** Money obtained in return for labour or services.

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

**EQUITY/EQUITIES:** Also known as equity, is a security that represents the ownership of a fraction of the issuing corporation.

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

**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.

**GROSS DOMESTIC PRODUCT (GDP):** A monetary measure of the market value of all goods and services produced in a given period of time.

**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.

**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.

**MERGER AND ACQUISITION(S) (M&A):** The buying, selling, dividing and combining of different companies.

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

**PORTFOLIO:** A collection of investments.

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

**REVENUES:** Often referred to as sales, is the income received from a company's normal business operations and other business activities.

**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.

**STOCK:** Also known as equity, is a security that represents the ownership of a fraction of the issuing corporation.

**TARIFFS:** Taxes imposed by a government on goods and services imported from other countries

**VALUATION:** A quantitative process of determining the fair value of an asset, investment, or firm.

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

**The value of investments and the income received can fall as well as rise and investors may not get back the original amount invested.**



**If you are unsure which type of investment is right for you, please contact a financial adviser.**

**Important Information**

**This is a financial promotion.**

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