

THE “AI” IN ASIAN INCOME

Unlocking growth and income in Asian markets

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BNY Investments Newton

For Professional Clients only.

LEARNING OBJECTIVES

By the end of this presentation, you will be able to:

- 01** Learn how investing in high growth technology in Asia can be best achieved using investment disciplines centred around dividends.
- 02** Explain how Asia plays a critical role in this AI super cycle.
- 03** Comprehend which lessons can be learnt through the past, and why diversification and guardrails are important.

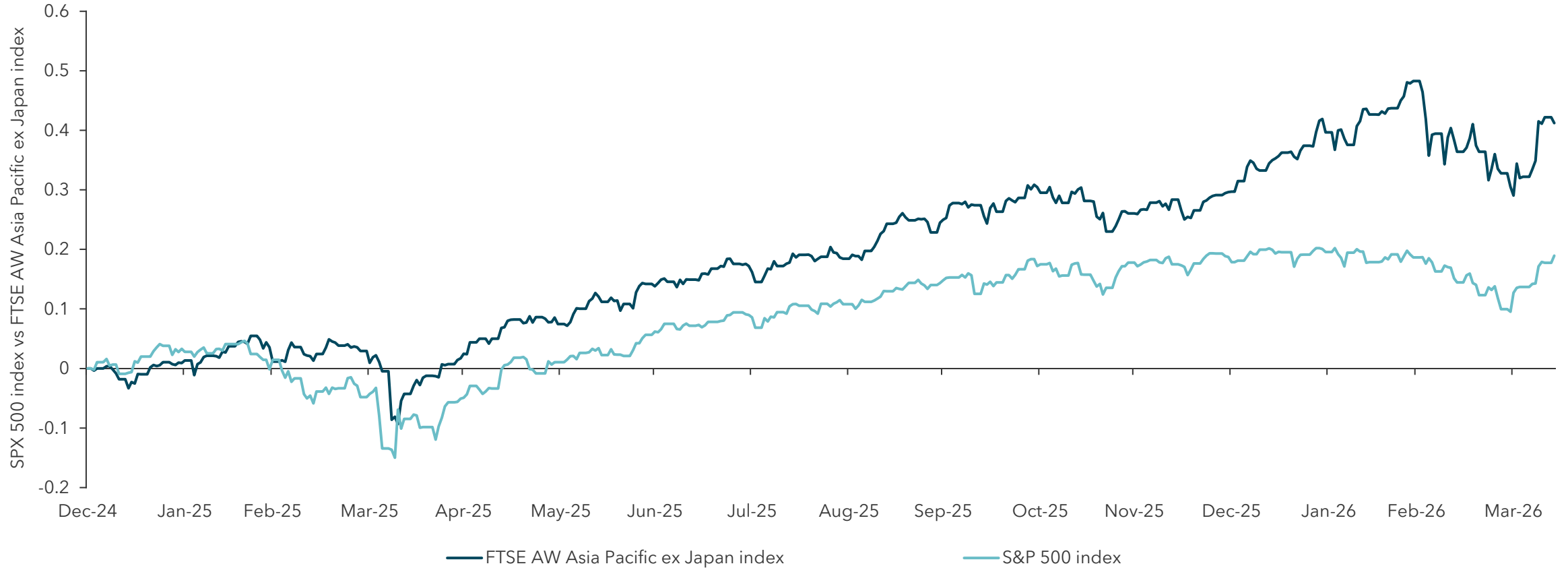


Source: Image generated using Google Gemini. Illustrative only. April 2026.

Asian markets taking the AI baton

Market overview

SPX 500 index vs FTSE AW Asia Pacific ex Japan index



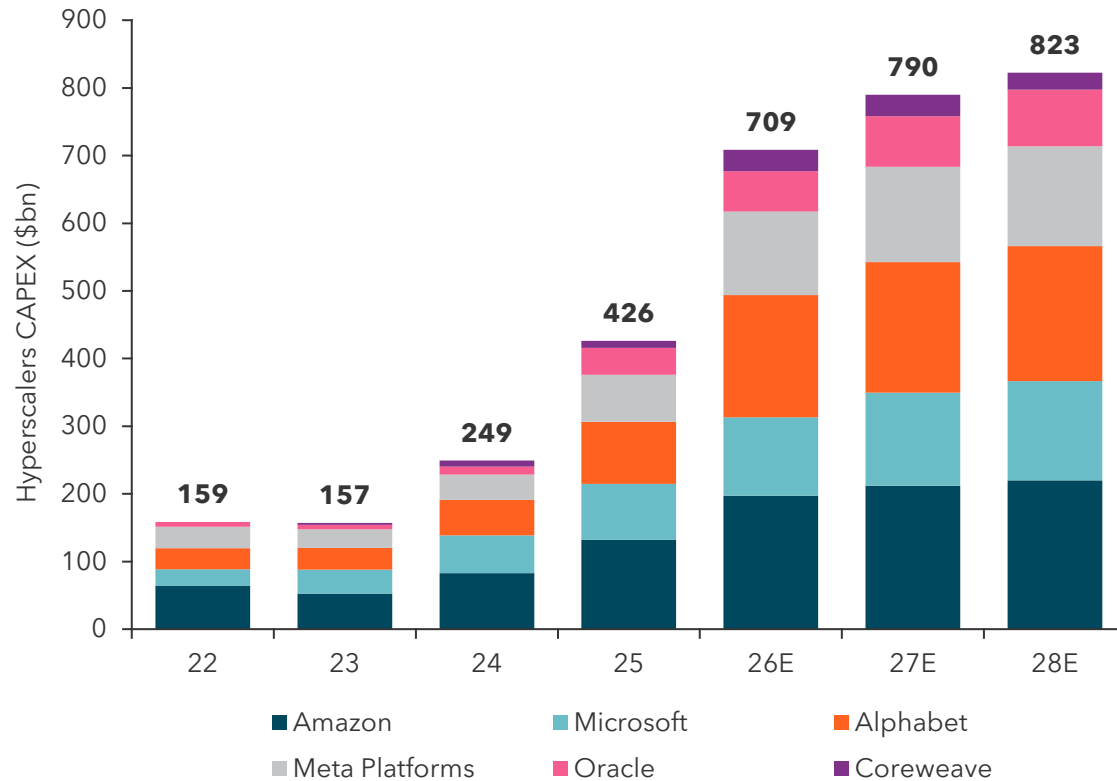
Source: Bloomberg, 13 April 2026.

Over two-thirds of Asian market gains were driven by AI related beneficiaries

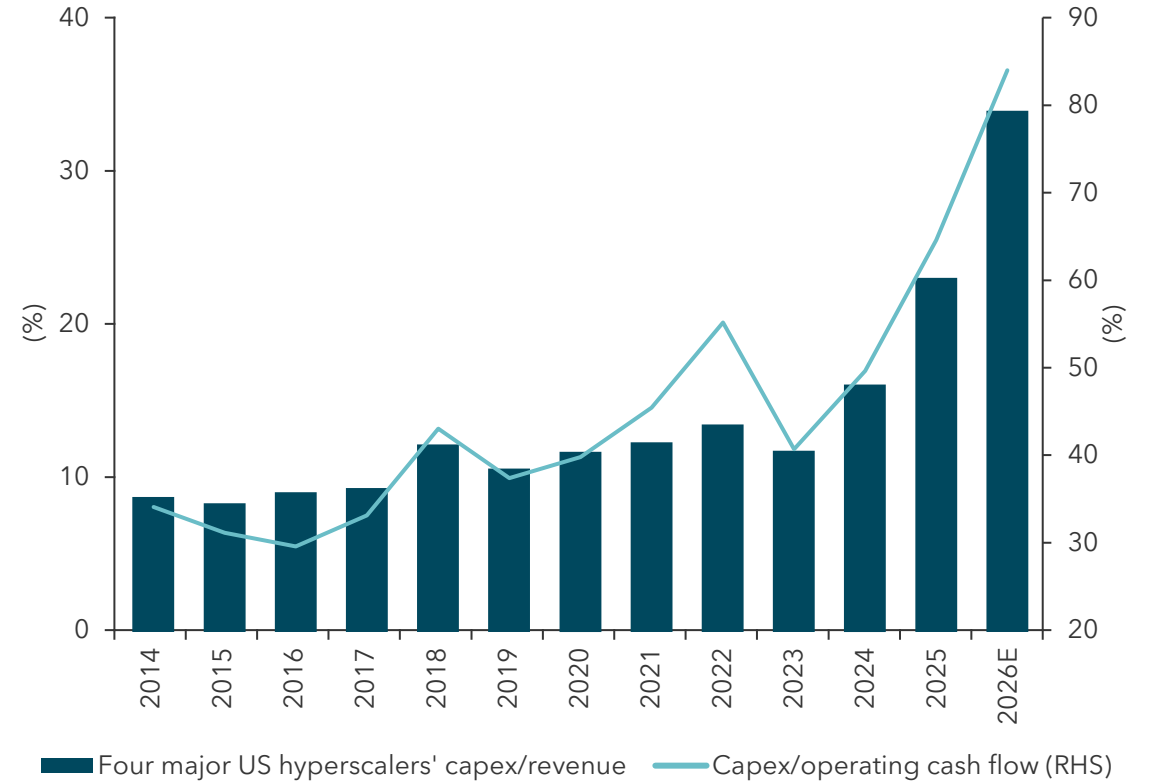
Hyperscaler AI Capex Race

It's raining capex

Hyperscalers Capex (\$bn)¹



US four major hyperscalers' capex/revenue and capex/operating cash flow ratios (%)²

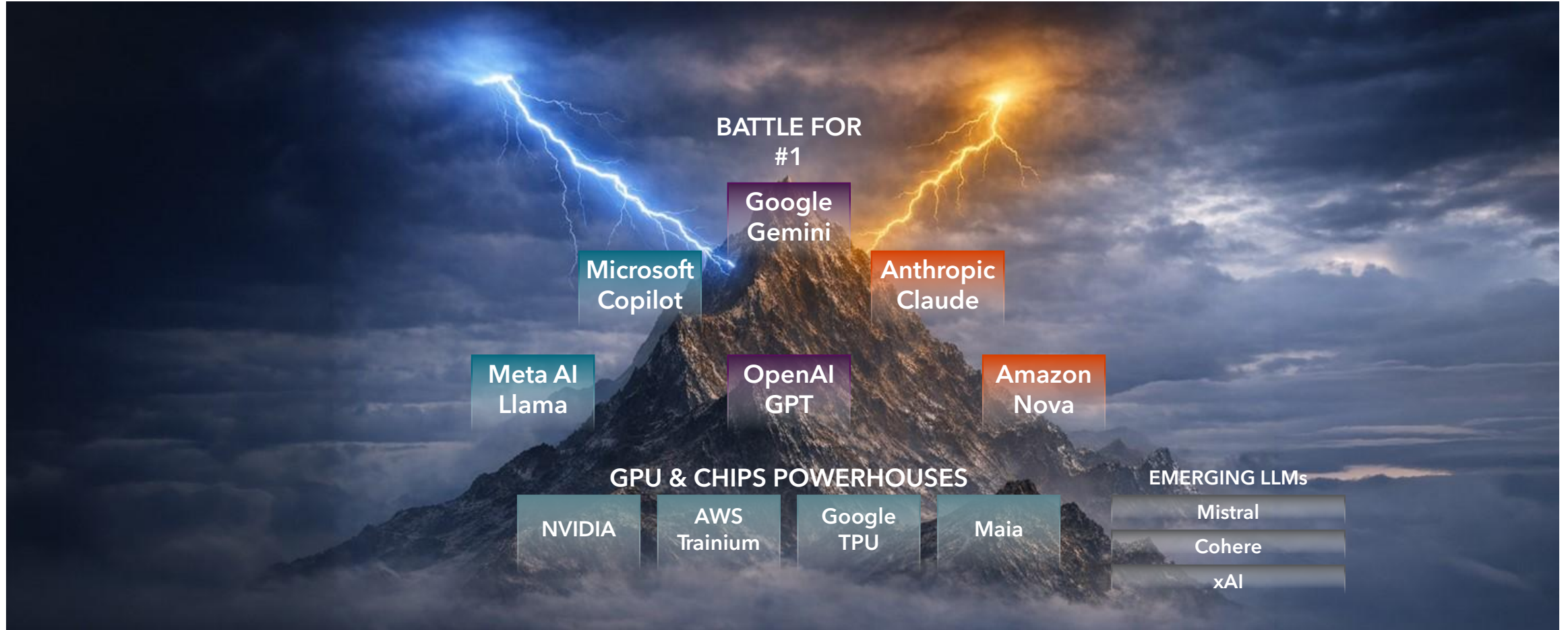


¹ Source: Bloomberg, 13 April 2026.

² Source: Source: Jefferies, Asia Maxima Equity Research 6 April 2026. 2026 capex forecasts are based on the midpoint of the latest company guidance for Amazon, Alphabet and Meta and consensus estimates for Microsoft. Source: Bloomberg, Companies, Jefferies

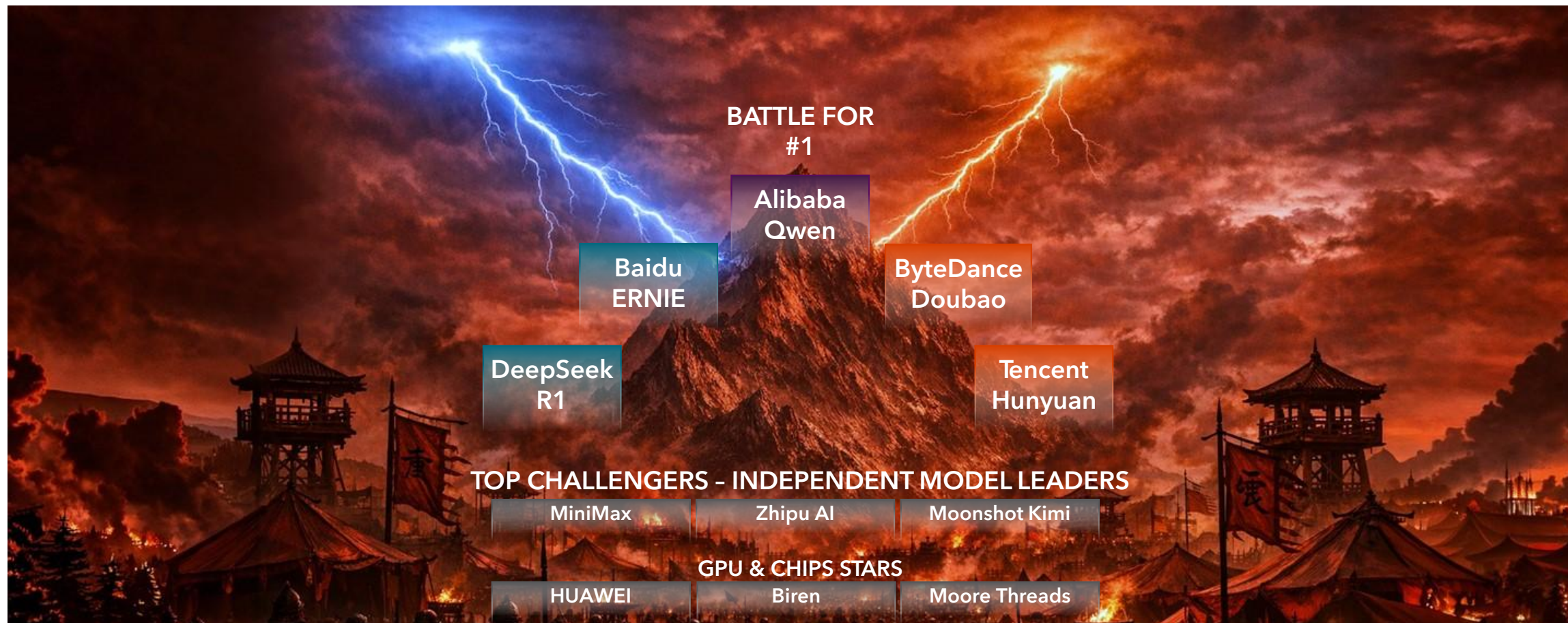
Transitioning from capex light to asset intensive business models...

The AI race to the top



Source: Image generated using Microsoft Copilot (AI image generation). Company disclosures and industry reporting (Google, Microsoft, AWS, OpenAI, Anthropic, Meta, NVIDIA; FT/Bloomberg). Illustrative only. April 2026. This visual is illustrative only and reflects a high-level snapshot of reported ecosystem relationships. Relative positioning does not represent formal rankings or benchmarked performance.

...and in China, the AI battlefield is just as intense



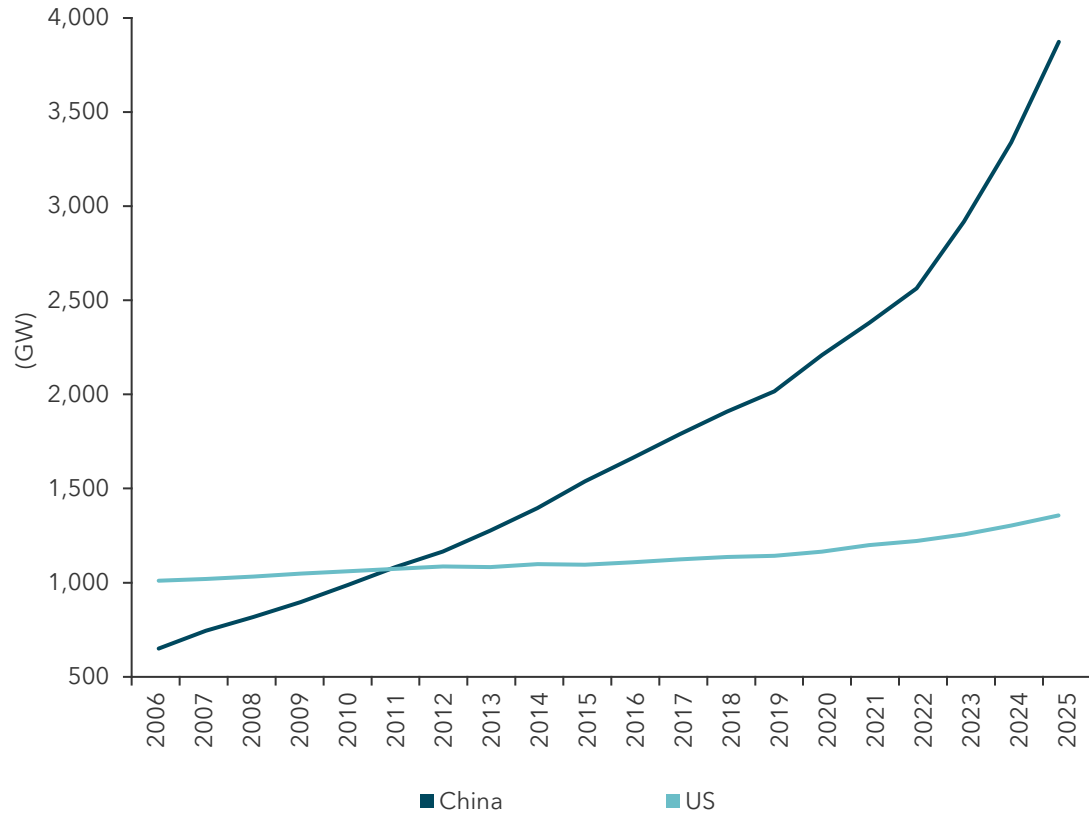
Even without access to leading edge chips and equipment

Source: Image generated using Microsoft Copilot (AI image generation). Company disclosures, official product announcements, and cloud/AI platform documentation from Alibaba (Qwen, Alibaba Cloud), Baidu (ERNIE), Tencent (Hunyuan, Doubao), DeepSeek, Zhipu AI, and Moonshot AI. Industry context informed by reporting from Bloomberg, Financial Times, and other public technology coverage. April 2026. This visual is illustrative only and reflects a high-level snapshot of reported ecosystem relationships. Relative positioning does not represent formal rankings or benchmarked performance.

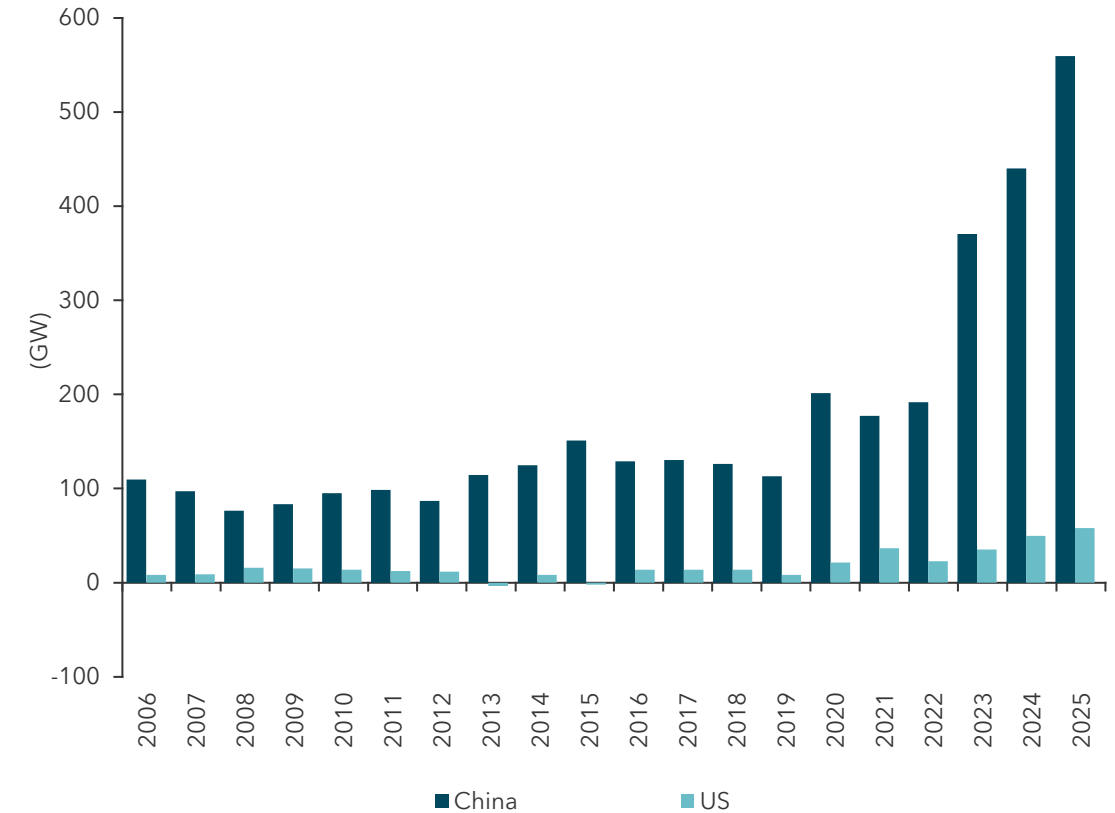
China leads in AI compute power

China has been adding electricity generation capacity at breakneck speed

US vs China total electricity generation capacity (stock)



US vs China power generation capacity annual net addition

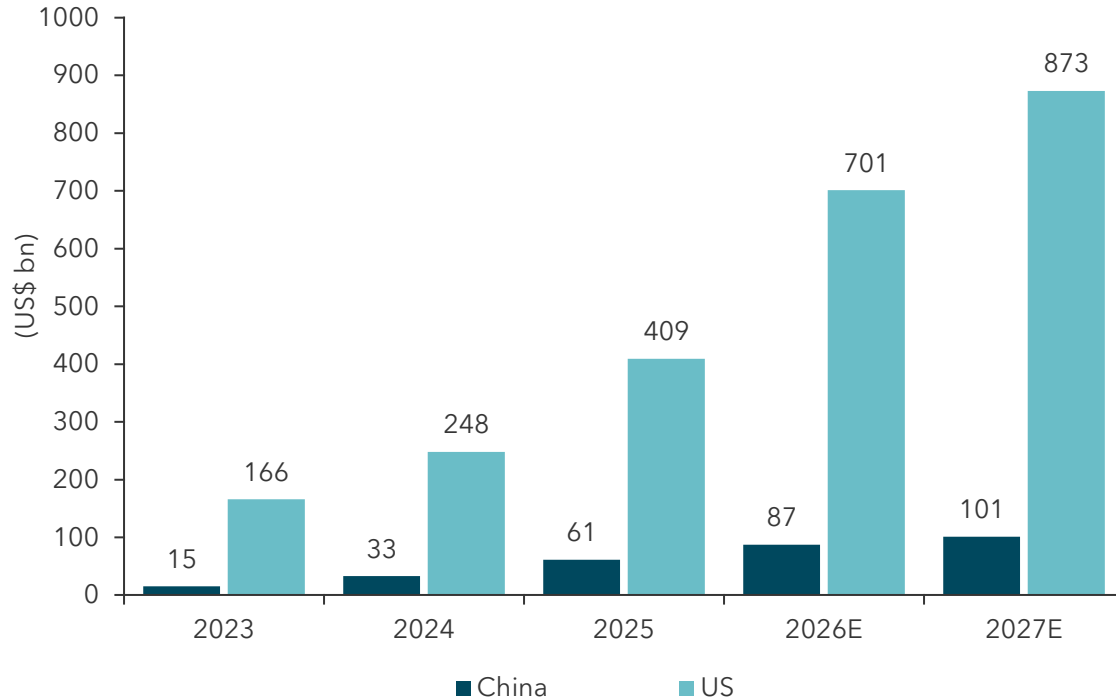


Source: Jefferies, Asia Maxima Equity Research, China Electricity Council, Energy Information Administration (EIA), CEIC Data. 6 April 2026.
Note: US capacity includes utility-scale capacity and small-scale solar capacity since 2014.

Running out of tokens?

China's potential next export market?

China vs US hyperscaler capex¹



¹ Source: Company data, Morgan Stanley Research estimates. Chinese hyperscalers include Alibaba, Tencent, Baidu, Bytedance, Kuaishou. US hyperscalers include Google, Meta, Microsoft, Amazon, Oracle. 27 April 2026.

Source: Image generated using ChatGPT. Illustrative only. April 2026.

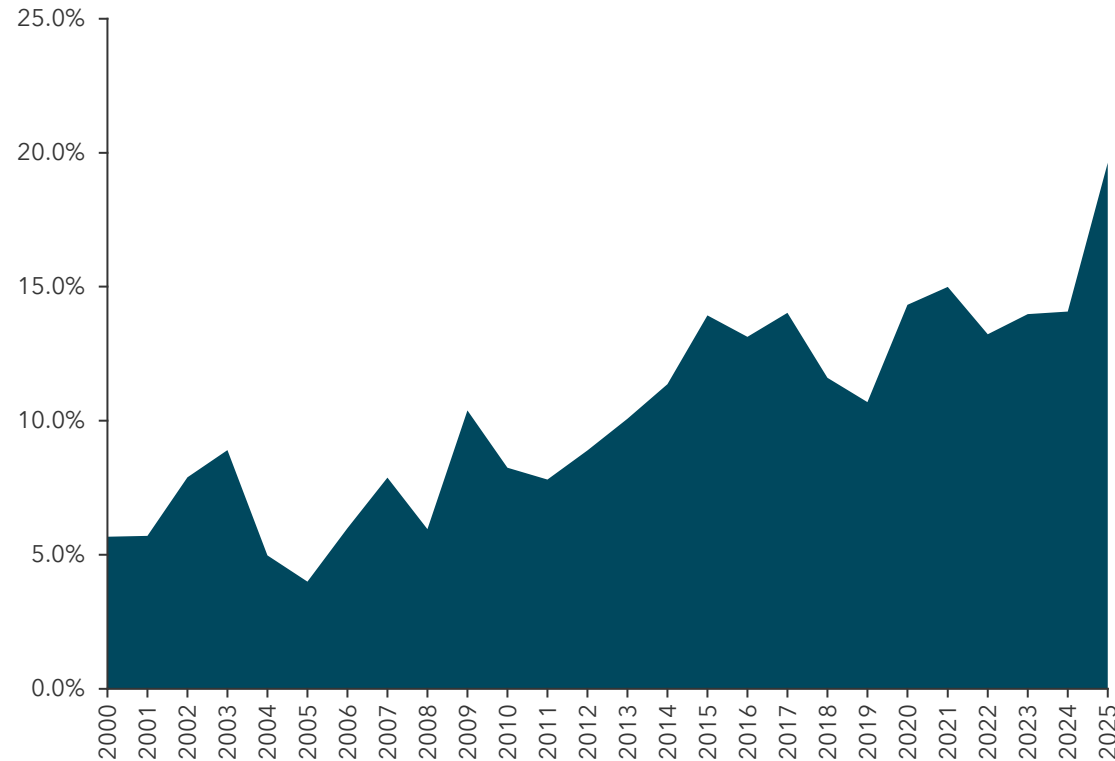


“China AI labs deliver similar model intelligence to the US at 15-20% of inference costs”

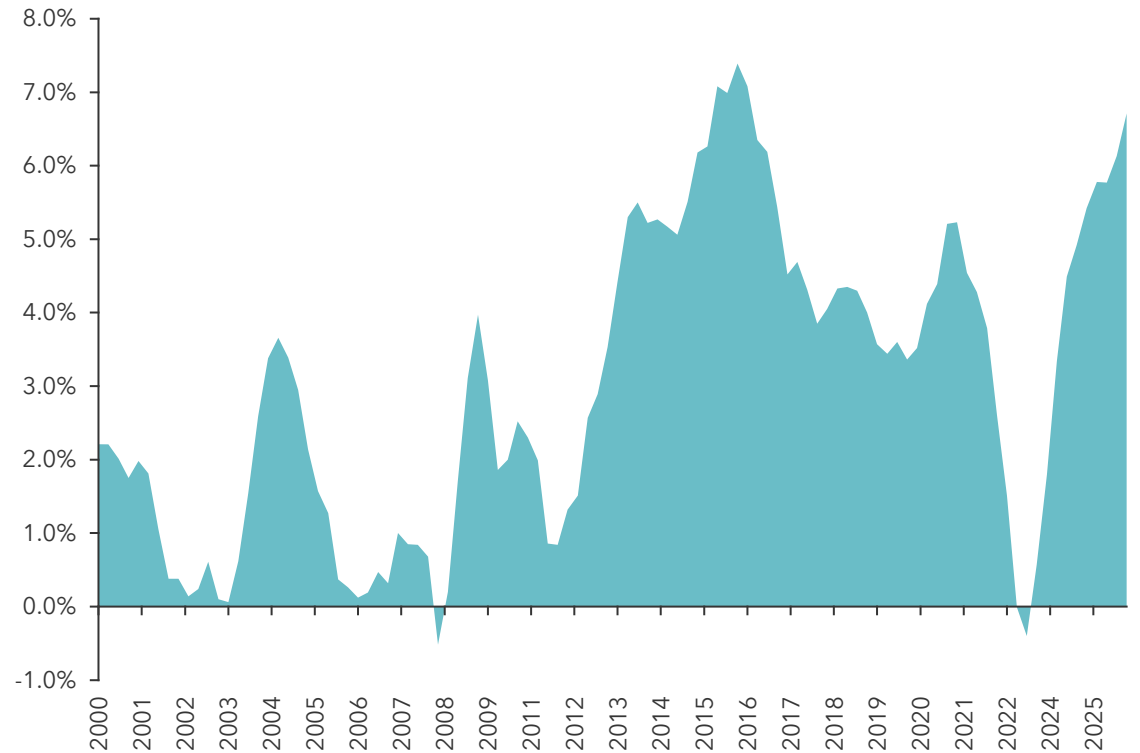
CAPEX for hyperscalers = sales for Asia

A transfer of cash from US companies to Asian companies

Taiwan Current Account Balance % GDP



South Korea Current Account Balance % GDP



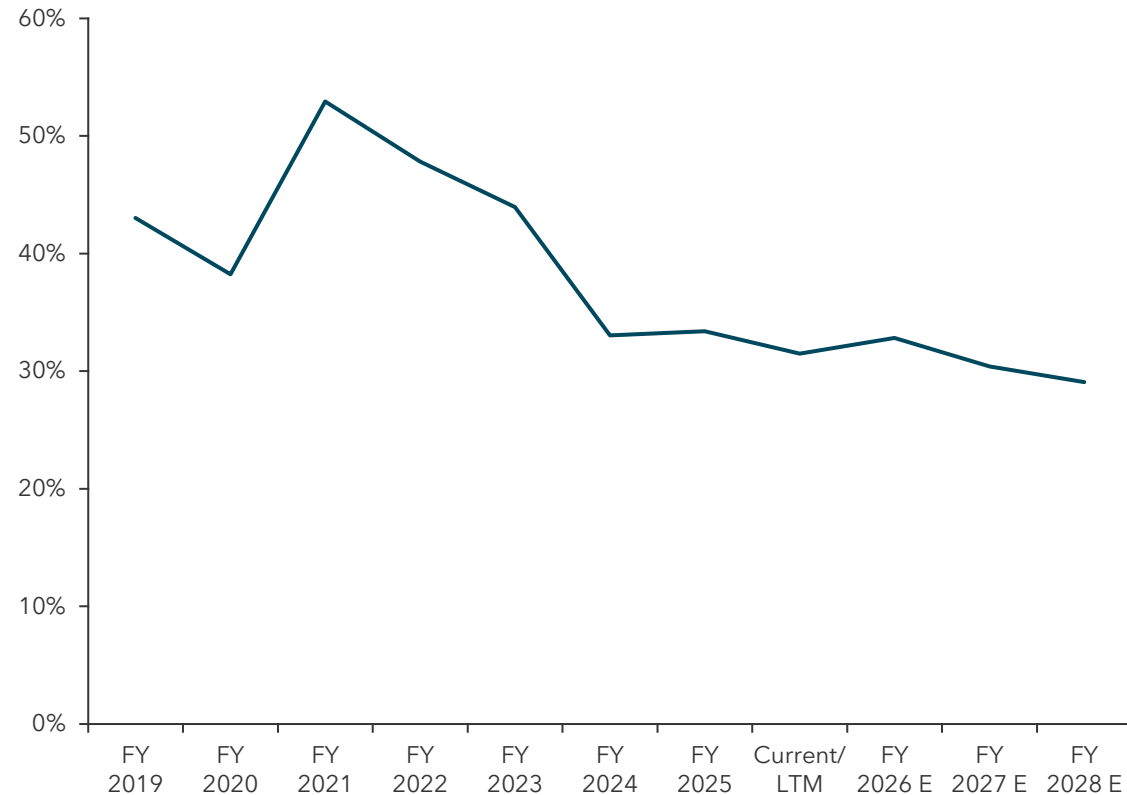
Source: Bloomberg, 31 December 2025.

\$600bn and \$425bn in FX Reserves respectively

How Asia's tech champions are delivering sustainable dividends

Taiwan's leading semiconductor supplier

TSMC Capex (as % of revenue)



TSMC Forward P/E Ratio

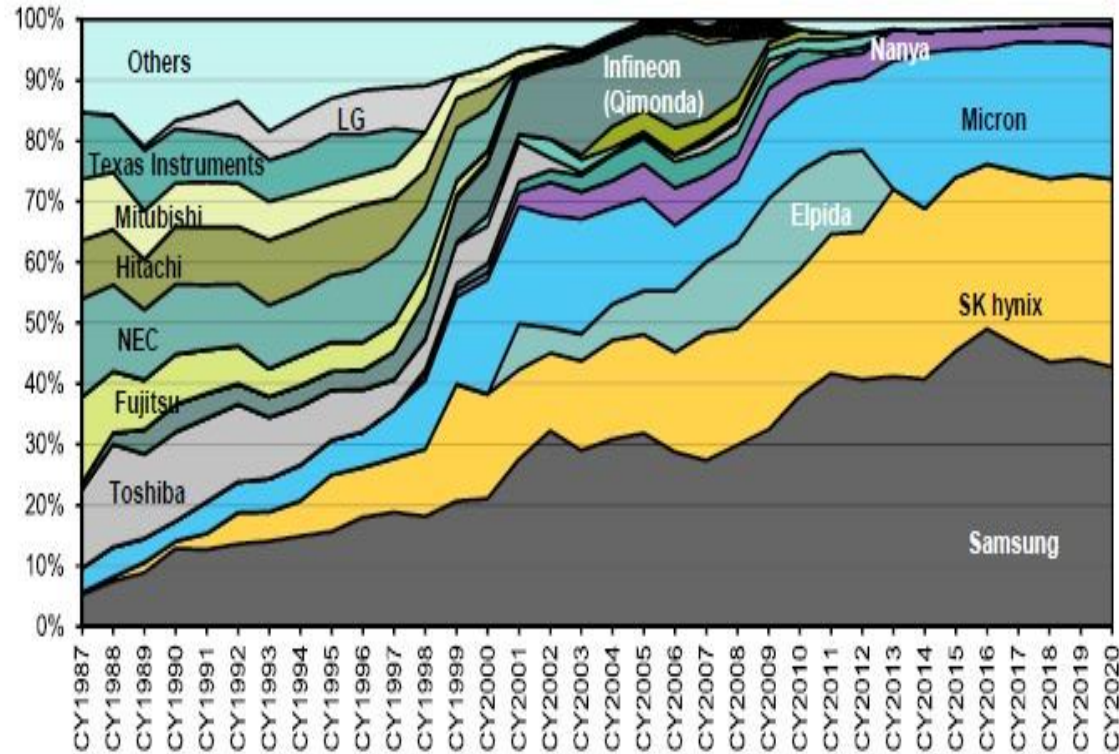


Source: Bloomberg, April 2026.

South Korean DRAM: cyclical vs structural trends

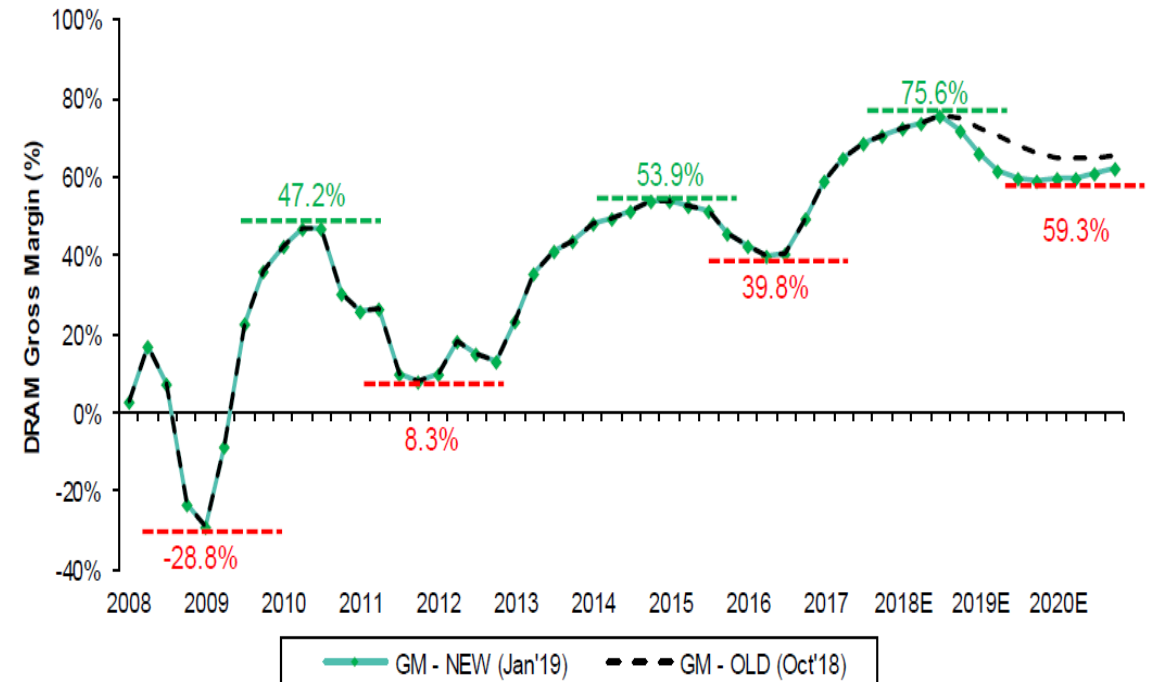
Supply side consolidation leading to higher profits and sustainable dividends

DRAM market share by player (revenue basis)¹



DRAM gross margin²

Evidence of the new memory paradigm for DRAM: Although some cyclical volatility is inevitable, sustainable earnings have improved substantially, with higher highs, higher lows and less volatile cycles



¹ Source: Gartner, DRAMeXchange, company reports, and Bernstein analysis.

² Source: Company filings, Bernstein estimates and analysis.

...Datacentres space race

Google Suncatcher / SpaceX / Amazon / Ada Space / Axiom Space / Starcloud / Rocket Labs / Microsoft Azure Space...

Cost comparison for a 10-year cycle: Terrestrial vs orbital data centres¹

Cost item	Terrestrial (Earth based)	Space (orbital-based)
Energy (10 years)	\$140m at \$0.04 per kWh	\$2m cost of solar array
Launch	None	\$5m single launch of compute module, solar & radiators
Cooling (chiller energy cost)	\$7m at 5% of overall power usage	More efficient cooling architecture taking advantage of higher ΔT in space
Water usage	1.7m tons (consumption at 0.5L/kWh ²)	Not required
Enclosure (satellite Bus/Building)	Approximately equivalent cost	
Backup power supply	\$20m (commercial equipment pricing)	Not required
All other data center hardware	Approximately equivalent cost	
Radiation shielding	Not required	\$1.2m at 1kg of shielding per kW of compute and \$30/kg launch cost
Cost balance	\$167m	\$8.2m

~20x cheaper in space

Sources:

¹ Cost comparison adapted from Lumen Orbit/Starcloud Table 1 (cost comparison for 10 years). <chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://starcloudinc.github.io/wp.pdf>

² Sourced from Ranboll.com. <https://www.ranboll.com/en-us/insights/decarbonise-for-net-zero/how-should-data-centers-be-designed-to-be-future-proof>

Image source: AdobeStock.



Lessons from the past: Ofo - from IPO dreams to collapse

C(r)ash and burn



Source: AdobeStock.

\$150-462 Enterprise value Per Bike vs \$20-50 cost per bike

Our process in this fast-paced game

What we look for

1. Company quality and duration of moats

Industry degree of concentration, disruption threats

Business model Capex and working capital intensity, structural trends vs cyclical

Moat type qualities technology and cost leadership, customer stickiness, innovation



2. Balance sheet strength

Resilience through technology cycles and industry downturns

Consolidating market share in the industry

Allowing companies to invest ahead of competition



3. Capital allocation

Dividend payout track record

Governance and conservative management mindset

Profitability and **Returns** focus - investing for growth and dividends



4. Valuations

Dividend yields impose a valuation discipline

Anchor against narrative and sentiment driven moves

Provides valuation support in market drawdown



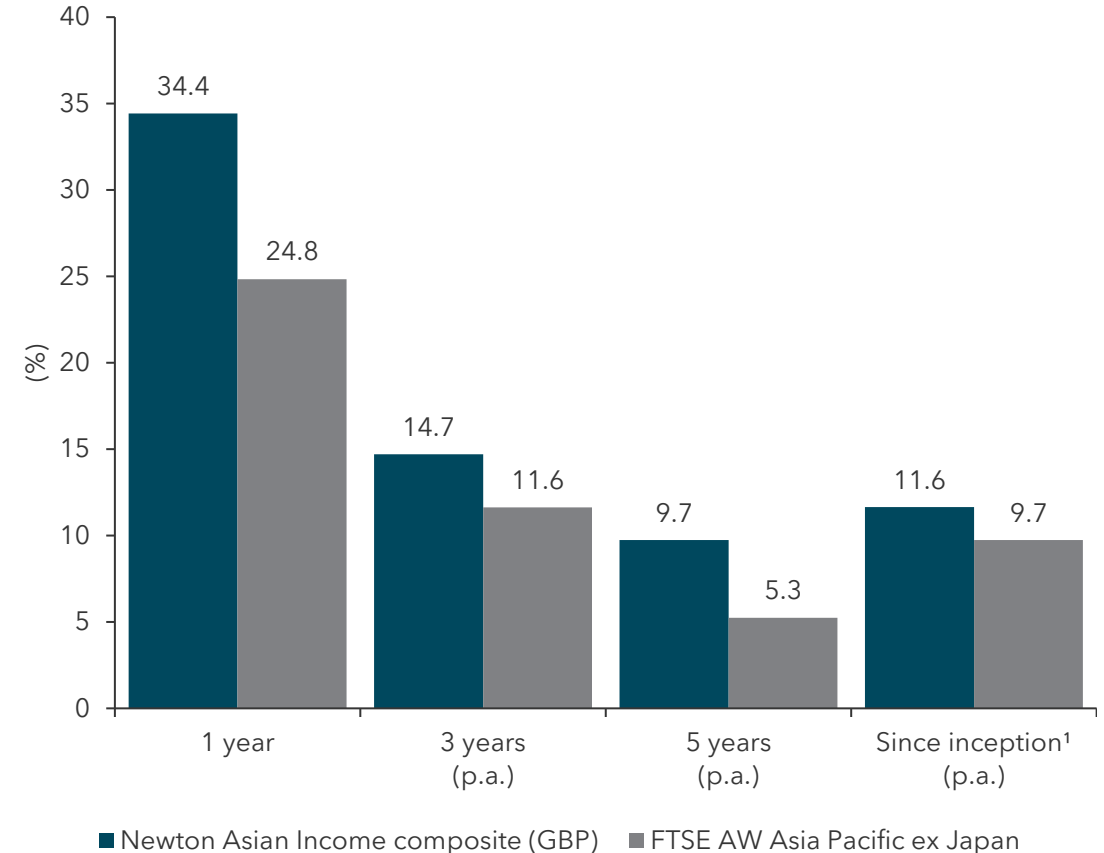
Source: Icons generated using Microsoft Copilot (AI image generation).

Future proofing client portfolios

Newton Asian Equity Income Strategy

<h2>OBJECTIVE</h2>	<ul style="list-style-type: none"> The strategy seeks to outperform the FTSE Asia Pacific ex-Japan TR index over rolling 5-year periods, by achieving income and capital growth from a portfolio comprised of companies that must yield at least 85% of the performance benchmark yield, which are predominantly from Asia Pacific markets, including Australia and New Zealand, but excluding Japan.
<h2>PERFORMANCE BENCHMARK¹</h2>	<ul style="list-style-type: none"> FTSE Asia Pacific ex-Japan TR Index
<h2>PHILOSOPHY</h2>	<ul style="list-style-type: none"> Harnessing the compounding power of dividends from Asia's growth prospects through a consistent process throughout time
<h2>PROCESS</h2>	<ul style="list-style-type: none"> Stock level yield criteria Strategy level yield target Disciplined approach encompassing fundamentals, industry perspective and valuations
<h2>PORTFOLIO</h2>	<ul style="list-style-type: none"> Committed portfolio of 40-70 stocks High degree of differentiation from index and peers Long track record - strategy launched November 2005

Long-Term Performance (% p.a.)



Notes: ¹ The FTSE Asia Pacific ex-Japan TR Index performance benchmark is used as a comparator for this strategy. The strategy does not aim to replicate either the composition or the performance of the performance benchmark.

² Inception date: 30 November 2005.

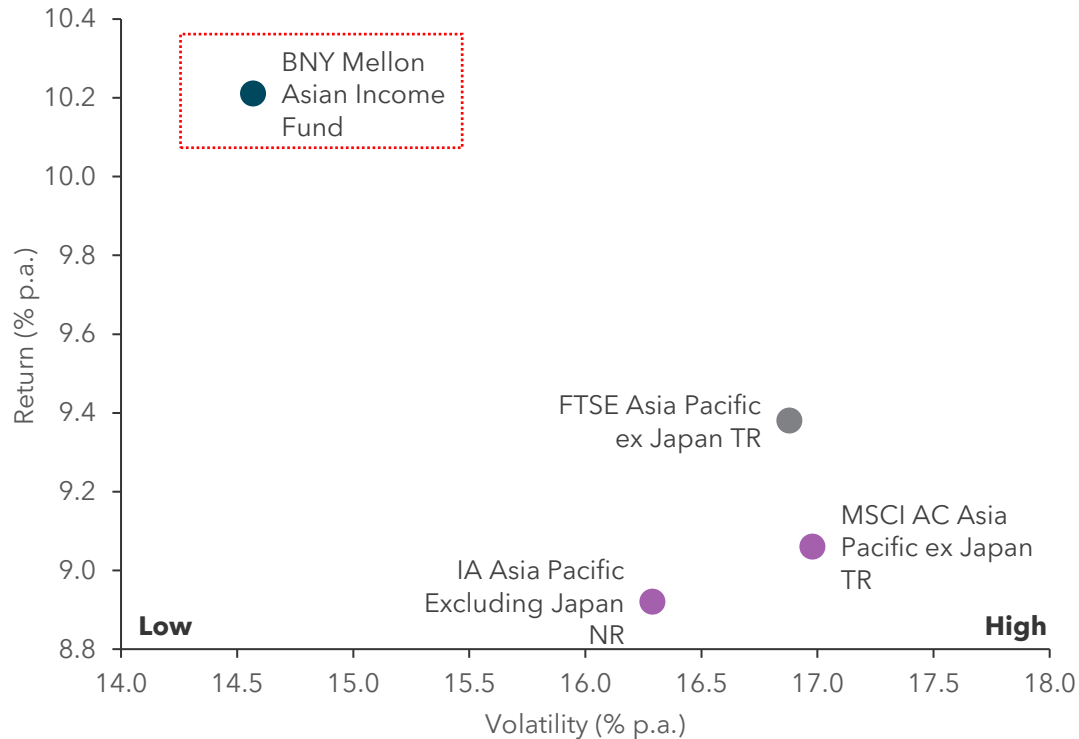
Source: Newton, 31 March 2026. Performance calculated as total return, income reinvested, gross of fees. All figures are in GBP terms. Ongoing charges vary between share classes. Fees and charges apply and can have a material effect on the performance of your investment. Newton claims compliance with the Global Investment Performance Standards (GIPS). Please see appendix for GIPS compliant presentation

Lower volatility achieved with dividend strategy

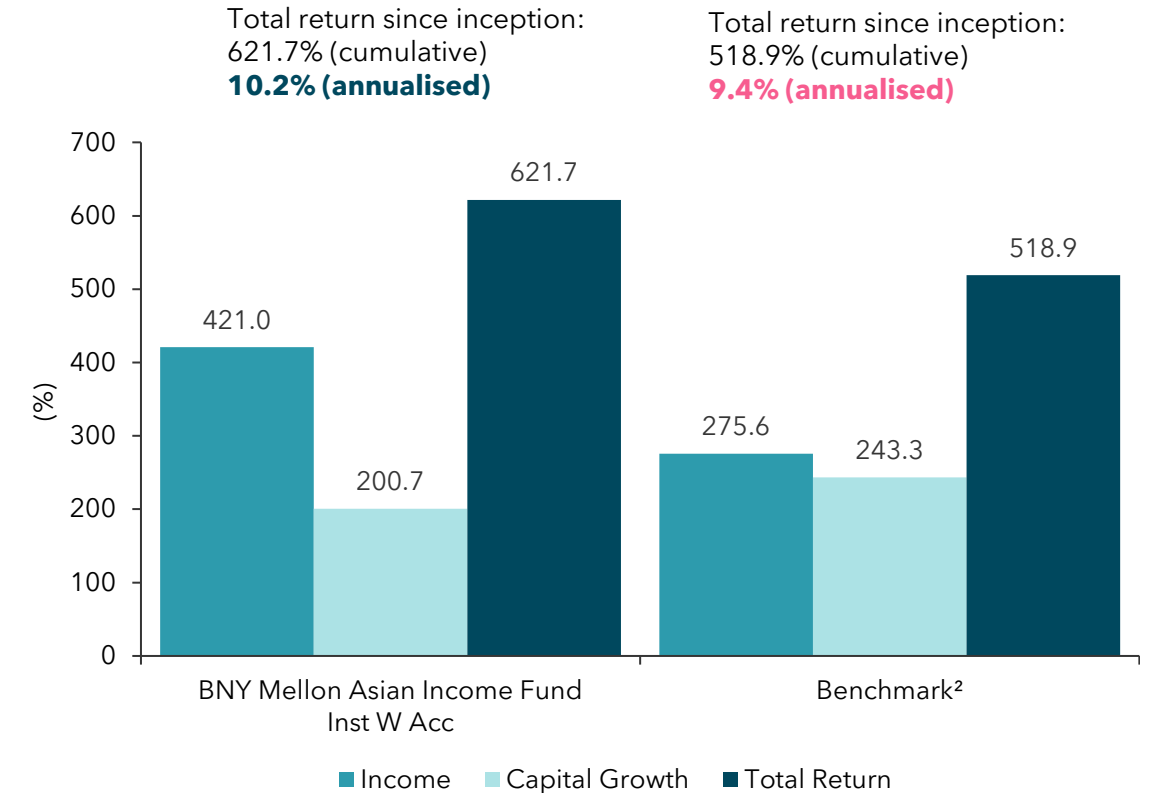
BNY Mellon Asian Income Fund

Risk Versus Return

30 November 2005 to 31 March 2026



Cumulative Return Since Inception³ by Components (%)

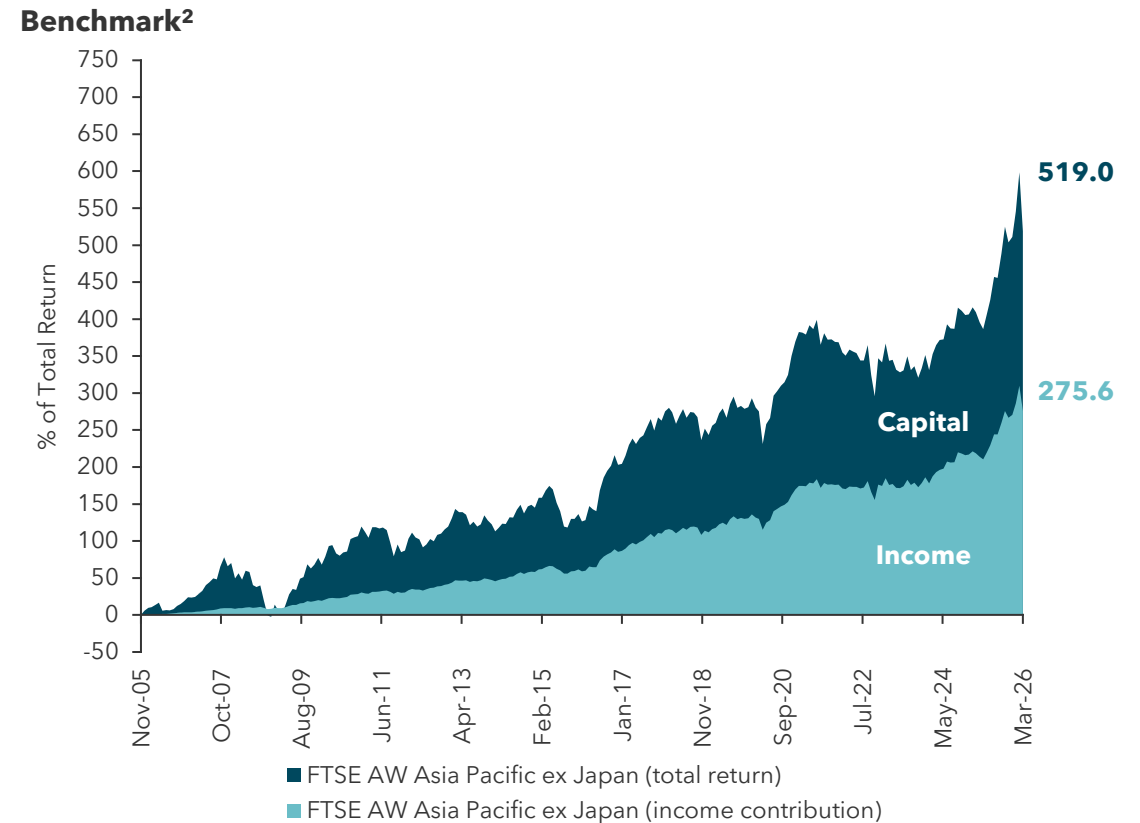
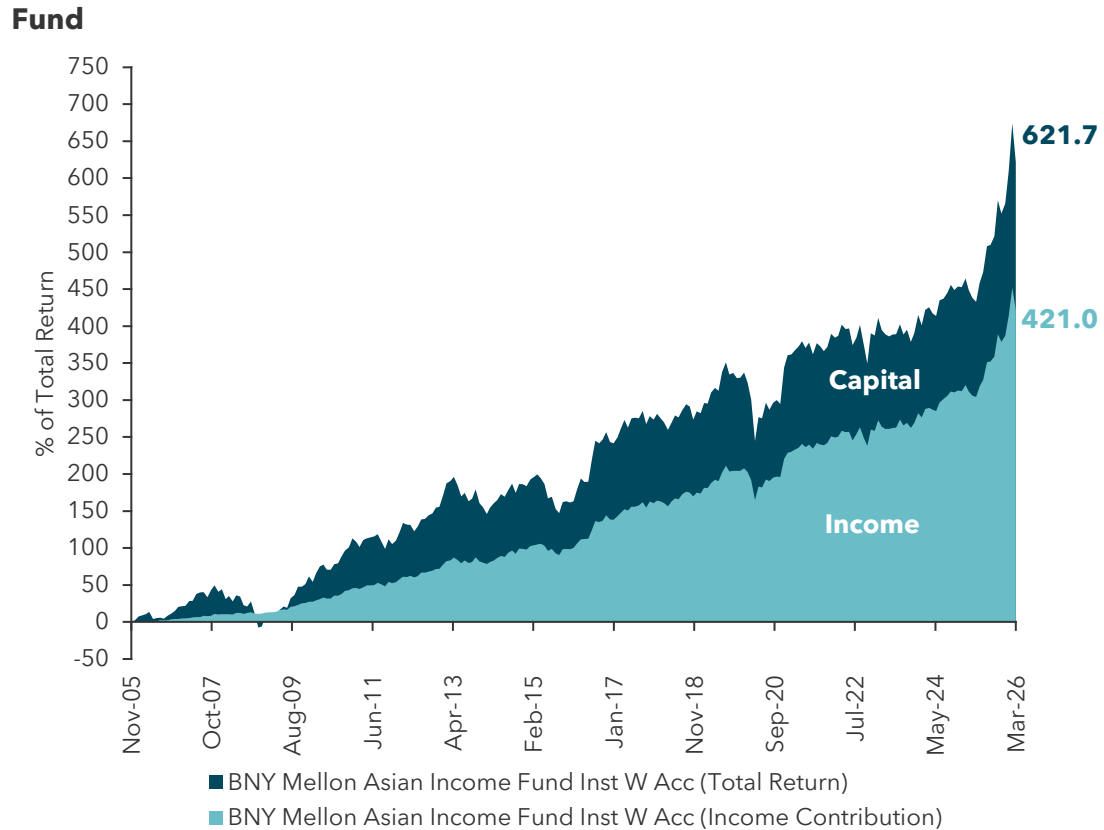


Notes: ¹ Asset class statistics relate to the following measures FTSE Asia Pacific ex-Japan TR Index, IA Asia Pacific Excluding Japan. ² The FTSE Asia Pacific ex-Japan TR Index performance benchmark is used as a comparator for this fund. The fund does not aim to replicate either the composition or the performance of the performance benchmark. Comparisons are made to demonstrate volatility only and are for illustrative purposes only. Total return numbers may not add up due to rounding. ³ Inception date: 30 November 2005.

Source: Lipper, 31 March 2026. Fund performance Institutional W (Accumulation) calculated as total return, including reinvested income net of applicable UK tax and charges, (0.75% annual management charges), based on net asset value. All figures are in GBP terms.

Compounding returns through income and capital growth

BNY Mellon Asian Income Fund - since inception¹ to 31 March 2026



Notes: ¹ Fund inception: 30 November 2005. ² The FTSE Asia Pacific ex-Japan TR Index performance benchmark is used as a comparator for this fund. The fund does not aim to replicate either the composition or the performance of the performance benchmark.

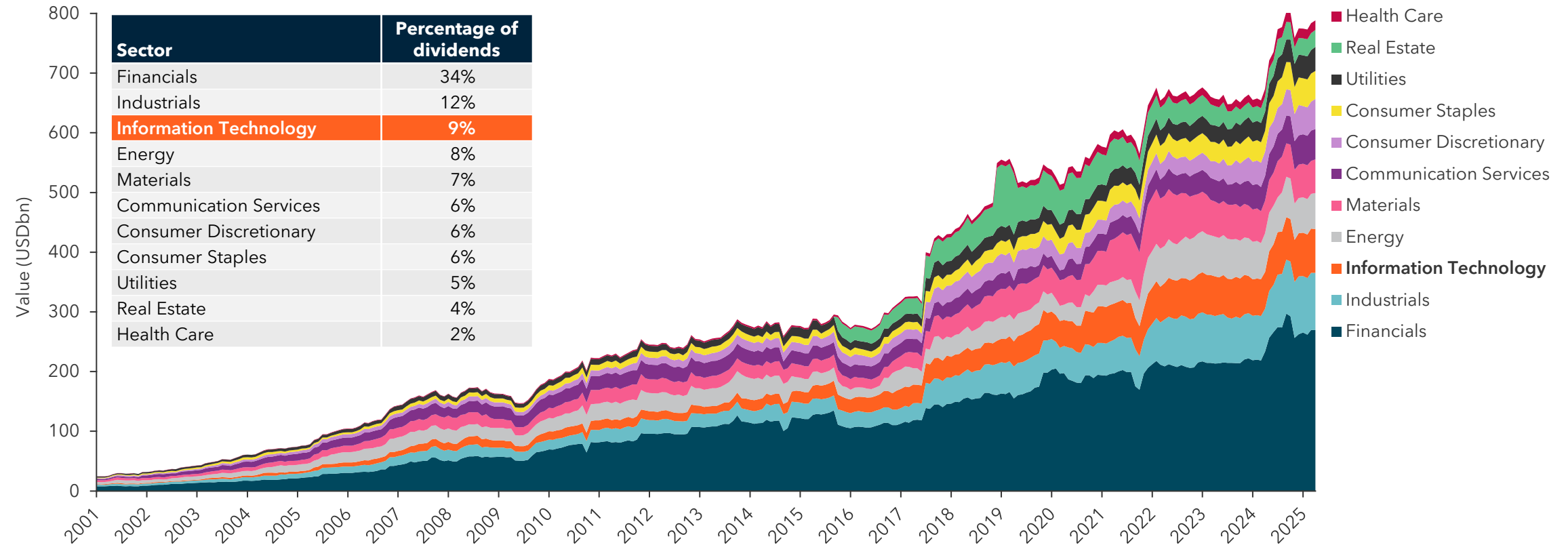
Source: Lipper, 31 March 2026. Fund performance Institutional W (Accumulation) calculated as total return, including reinvested income net of applicable UK tax and charges, (0.75% annual management charges), based on net asset value. All figures are in GBP terms.

The role of technology in Asian income investing

Technology complements Asia's traditional income base

Tech's share of dividends is growing

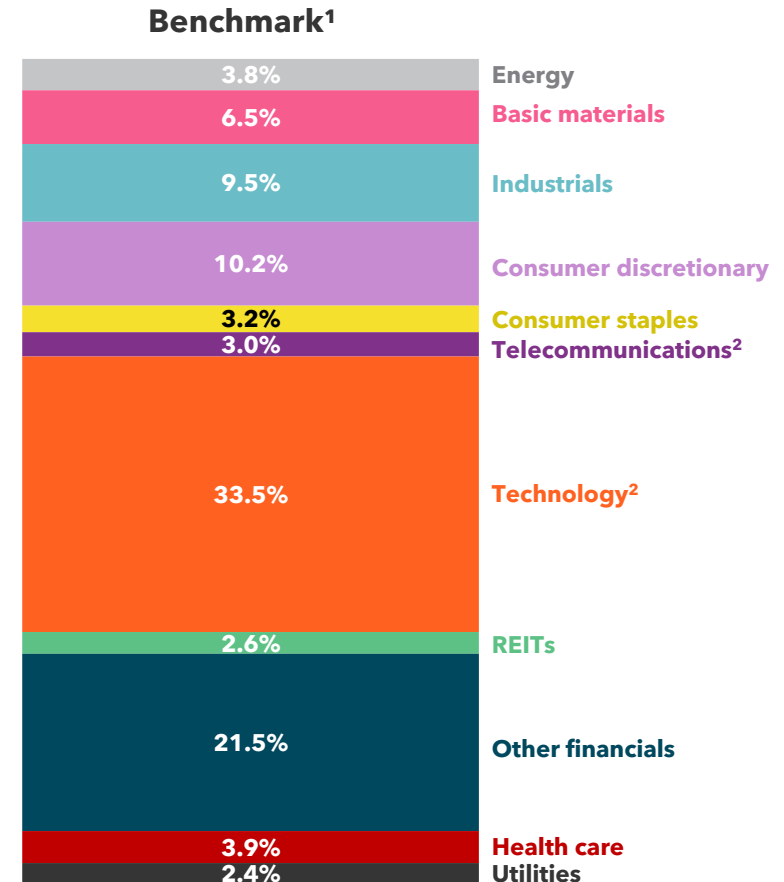
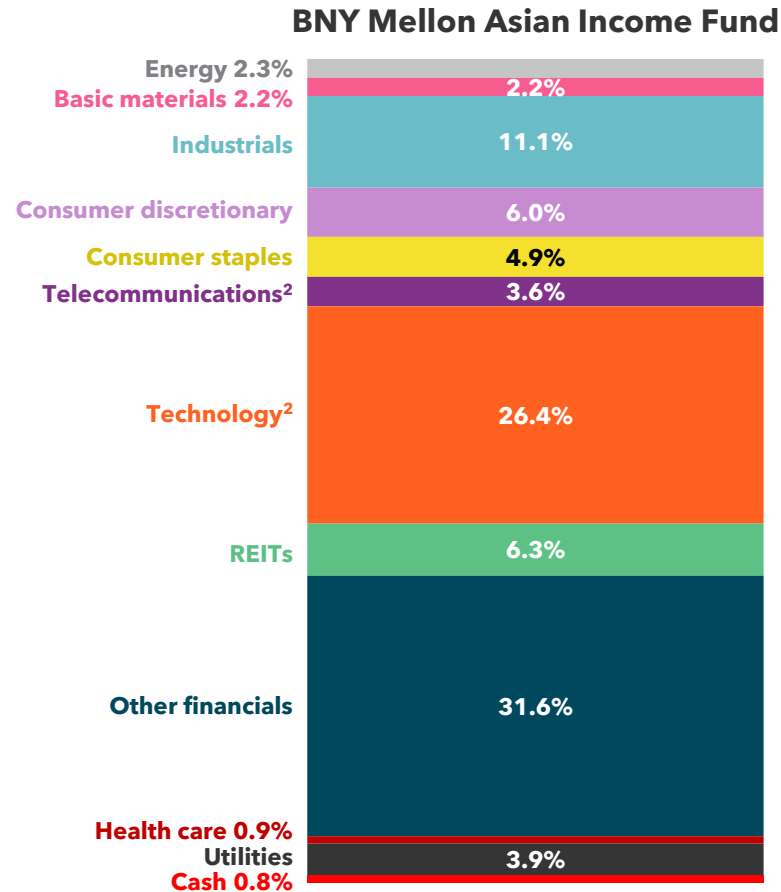
Dividends paid by MSCI Asia ex Japan companies (USDbn)



Source: Newton, 31 March 2026.

BNY Mellon Asian Income Fund vs Industry index weightings

BNY Mellon Asian Income Fund vs MSCI AC Asia Pacific ex Japan Index



Notes:
¹ The FTSE Asia Pacific ex-Japan TR Index performance benchmark is used as a comparator for this fund. The fund does not aim to replicate either the composition or the performance of the performance benchmark.
² Samsung Electronics weighting moved from Telecommunications sector to Technology.
 Source: Newton, 31 March 2026.

Asian tech dividends are increasing but so are other areas

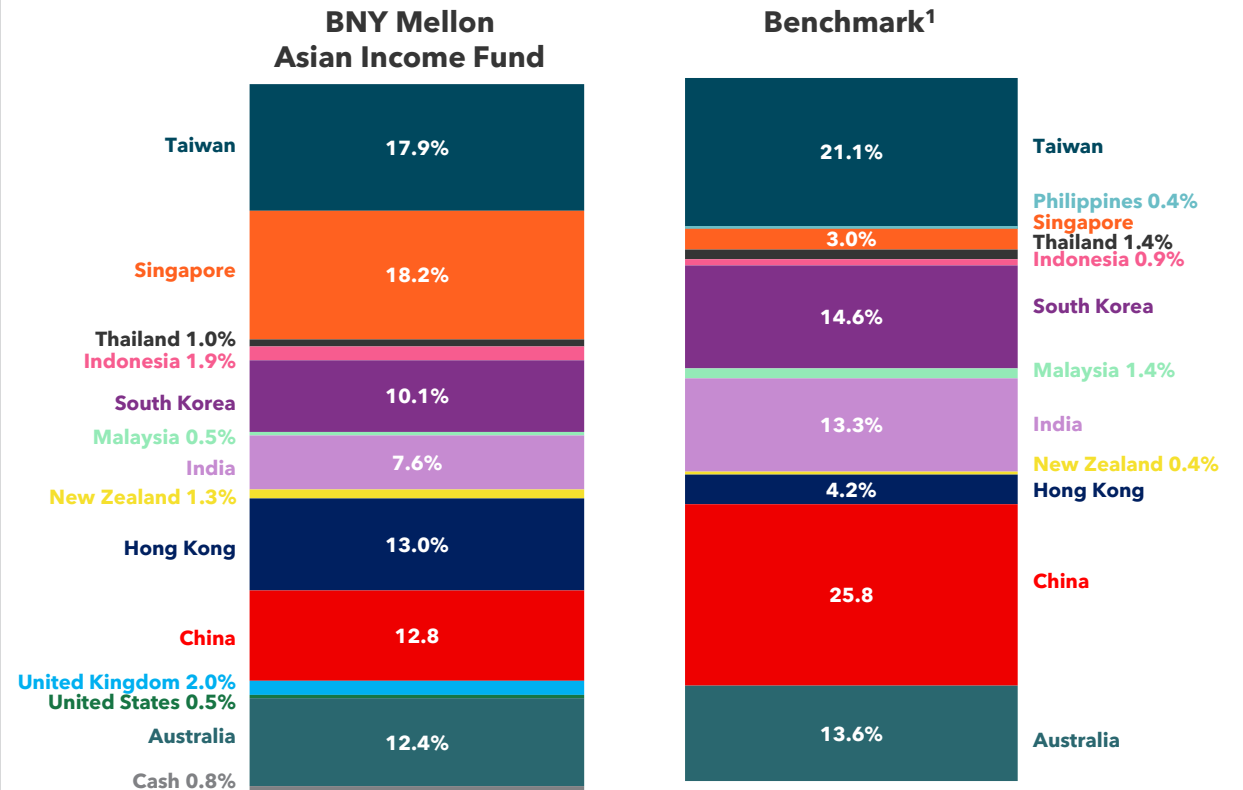
Concentration risks

From one concentration risk to another – diversification is key

MSCI emerging market contribution



How we are positioned by country for income and growth



¹ Source: UBS, January 2026.

¹ Source: Newton, 31 March 2026. The FTSE Asia Pacific ex-Japan TR Index performance benchmark is used as a comparator for this fund. The fund does not aim to replicate either the composition or the performance of the performance benchmark.

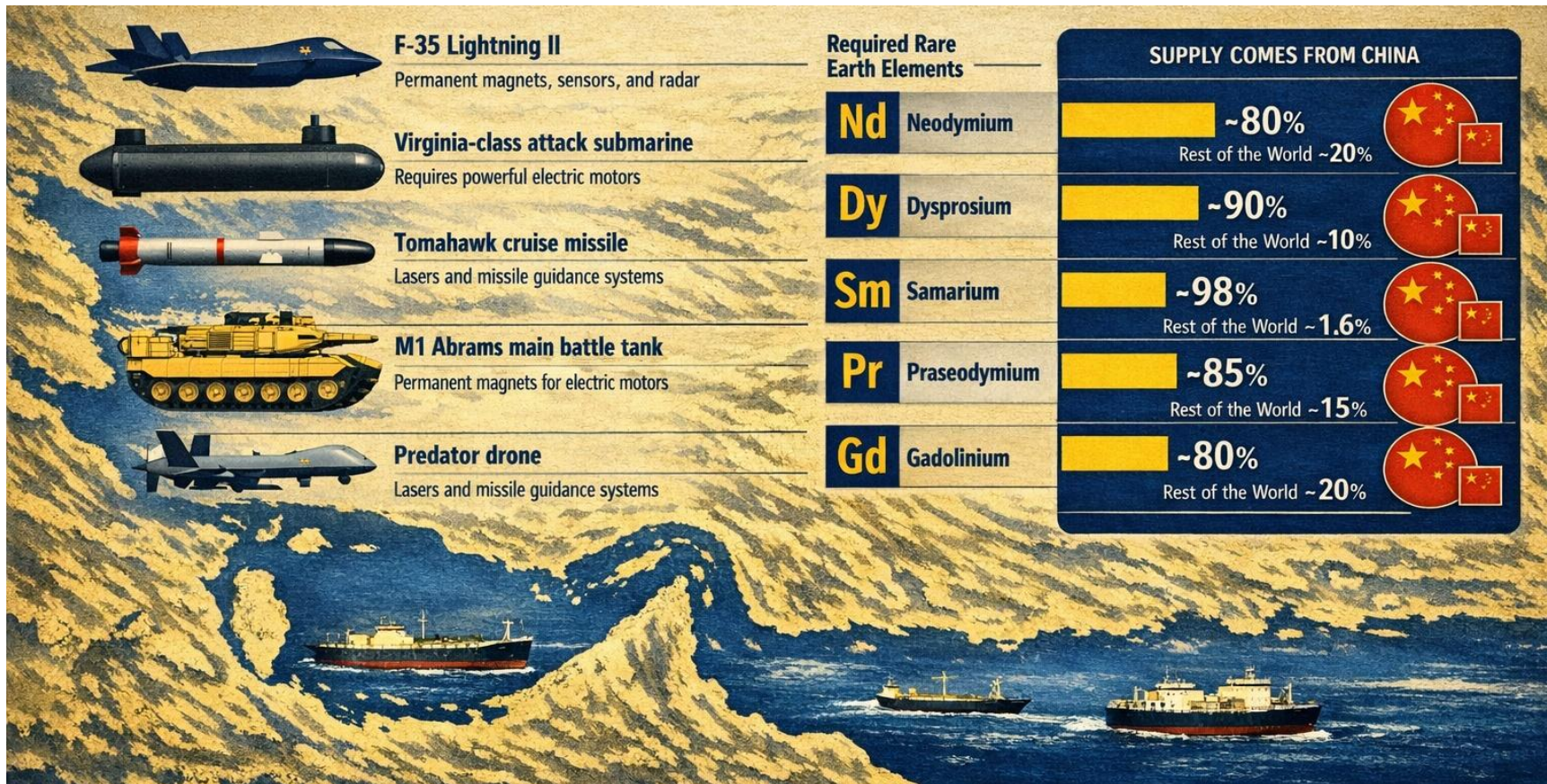
And finally...could Hyperscalers become Hyperfailures?



Source: Image generated using ChatGPT. Illustrative only. April 2026.

Geopolitical significance of Asian supply chains

US weapons systems and the rare earth supply chain: China's dominance



Challenges and initiatives

Geopolitical risks

Supply chain vulnerability

Investments in mining and processing

Domestic production efforts

Source: Image generated using Microsoft Copilot (AI image generation). US Geological Survey (USGS); Congressional Research Service (CRS); US Department of Defense. Data adapted from USGS Mineral Commodity Summaries - Rare Earths and CRS reports on defence supply-chain dependencies. Illustration is conceptual.

Rare earths a key chokehold not just for tech

LEARNING OUTCOMES

By the end of this presentation, you will be able to:

- 01** Articulate how investing in high growth technology in Asia can be best achieved using investment disciplines centred around dividends.
- 02** Understand how Asia plays a critical role in this AI super cycle.
- 03** Review lessons from the past, and why diversification and guardrails are important.



Source: Google Gemini

Newton Asian Equity Income (GBP) Composite

Annual disclosure

Year end	Total firm assets (GBP millions)	Composite assets			Annual performance (in GBP terms)				3-year ex-post risk statistics (gross of fees)		
		GBP (millions)	% of firm assets	Number of accounts	Composite total return, gross %	Composite total return, net %	Primary benchmark total return %	Composite dispersion %	Composite standard deviation %	Benchmark standard deviation %	Information ratio
2016	52,466	1,997	3.81	5 or fewer	30.31	29.47	28.66	-	12.42	14.62	0.01
2017	53,846	1,544	2.87	5 or fewer	12.89	12.16	23.37	-	12.29	14.51	-0.55
2018	46,714	1,225	2.62	5 or fewer	1.27	0.61	-8.51	-	11.01	13.73	0.14
2019	49,794	1,215	2.44	5 or fewer	14.81	14.07	14.48	-	8.67	10.99	0.10
2020	45,984	1,105	2.40	5 or fewer	5.95	5.26	19.42	-	14.61	14.05	-0.08
2021	47,934	988	2.06	5 or fewer	6.95	6.26	-0.10	-	14.26	13.06	-0.27
2022	39,882	918	2.30	5 or fewer	0.84	0.19	-5.88	-	15.67	16.00	0.08
2023	36,831	945	2.57	5 or fewer	6.95	6.26	2.29	-	10.71	13.70	1.10
2024	32,518	749	2.30	5 or fewer	8.28	7.59	12.15	-	10.90	13.98	0.46
2025	31,910	798	2.50	5 or fewer	21.04	20.26	20.70	-	9.90	11.46	0.09

The Firm

For GIPS® purposes, Newton, ('the Firm'), includes all the assets managed by Newton Investment Management Limited ('NIM') which is a wholly owned subsidiary of The Bank of New York Mellon Corporation ('BNY'). For period 1 March 2023 to 30 September 2025, the Firm additionally included all the assets managed by Newton Investment Management Japan Limited ('NIMJ') a wholly owned subsidiary of BNY and affiliate of NIM. In the United Kingdom, Newton Investment Management Limited is authorised and regulated by the Financial Conduct Authority ('FCA'), 12 Endeavour Square, London, UK, E20 1JN, in the conduct of investment business. Registered in England no. 01371973. Further, NIM is registered as an investment advisor with the Securities & Exchange Commission ('SEC') to offer investment advisory services in the United States. NIM's investment business in the United States is described in Form ADV, Part 1 and 2, which can be obtained from the SEC.gov website or obtained upon request. NIMJ was licensed as a discretionary investment manager and investment advisor by the Japanese Financial Services Agency ('JFSA') until it terminated its licence on 30 November 2025. NIMJ's assets are included in the Firm's assets under management for the years ended 31 December 2023 and 31 December 2024 only.

Compliance statement

Newton claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS

standards. Newton Investment Management Limited ('NIM') has been independently verified for the periods 1 January 1996 to 31 December 2024, and Newton Investment Management Japan Ltd ('NIMJ') has been independently verified for the periods 1 July 2009 to 31 December 2024. The verification reports are available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

Composite

Newton Asian Equity Income Composite contains fully discretionary portfolios which invest in high yielding securities (securities which have a yield higher than the yield on the FTSE Asia Pacific ex-Japan TR Index) in the Asia Pacific region (with the exception of Japan) and for comparison purposes is measured against the FTSE Asia Pacific ex-Japan TR Index.

Benchmark

The FTSE Asia Pacific ex-Japan TR Index comprises large and mid-cap stocks providing coverage of the developed and emerging markets in Asia Pacific excluding Japan.

Calculation methodology

Returns are presented gross of fees. Gross returns are gross of management fees, custodial fees, and net of withholding taxes and all trading expenses. All returns are net of withholding taxes. Past performance does not guarantee future results. Further information regarding the exchange rates used is available upon request.

Fees

Model fees are applied. The fee schedule appropriate for this presentation starts at 0.65%, however, individual fees are negotiated on an account-by-account basis.

Dispersion

Dispersion is calculated using the equal weighted standard deviation of annual gross fund returns included in the composite where there are six or more composite members for the entire year.

List of composites

A list of composite descriptions as well as a list of broad distribution pooled funds and additional information regarding the firm's policies and procedures for valuing investments, calculating performance and preparing GIPS reports are available upon request.

Past performance is not a guide to future performance

Composite inception date: 31 August 2005. Composite creation date: 31 August 2005. - = Not statistically meaningful due to insufficient number of portfolios in the composite for the entire year.

Source: Newton, 31 December 2025. Composite performance calculated as close of business prices, total return, income reinvested, gross of fees, in GBP. Net of fees performance quoted with 0.65% annual management charges. Performance is stated gross of management fees. The impact of management fees can be material. A fee schedule providing further detail is available on request. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

BNY Mellon Asian Income Fund

Investment objective, annual performance and key risks

Investment objective

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

Performance Benchmark

The Fund uses the FTSE Asia Pacific ex-Japan TR Index (the "Benchmark") as a reference index as it is broadly representative of the investment universe, and it forms the basis of the Fund's income objective which is a part of the Fund's overall objective. The Fund's performance is measured against the Benchmark. However, due to the Fund's minimum yield thresholds, performance may differ and, in certain conditions, underperform the Benchmark.

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 election 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.

Performance - 12 month returns (%)

	Mar 2021	Mar 2022	Mar 2023	Mar 2024	Mar 2025
	Mar 2022	Mar 2023	Mar 2024	Mar 2025	Mar 2026
Fund	6.26	-2.53	7.35	2.53	34.02
Performance Benchmark	-4.3	-2.99	4.47	6.66	24.84

Calendar Performance (%)

	2021	2022	2023	2024	2025
Fund	6.36	-0.49	5.69	7.30	20.50
Performance Benchmark	-0.10	-5.88	2.29	12.15	20.70

Source: Lipper as at 31 March 2026. Fund performance Institutional Shares W (Accumulation) calculated as total return, including reinvested income net of applicable UK tax and charges, based on net asset value. All figures are in GBP terms.

Past performance is not a guide to future performance.

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

Key Risks associated with this Fund

- **Objective/Performance Risk:** There is no guarantee that the Fund will achieve its objectives.
- **Currency Risk:** This Fund invests in international markets which means it is exposed to changes in currency rates which could affect the value of the Fund.
- **Geographic Concentration Risk:** Where the Fund invests significantly in a single market, this may have a material impact on the value of the Fund.
- **Derivatives Risk:** 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 Risk:** Emerging Markets have additional risks due to less-developed market practices.
- **Concentration Risk:** 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.
- **Liquidity Risk:** 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.
- **Charges to Capital Risk:** 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.
- **Share Class Currency Risk:** Where a share class is denominated in a different currency from the base currency of the Fund, changes in the exchange rate between the share class currency and the base currency may affect the value of your investment.
- **Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect ("Stock Connect") Risk:** The Fund may invest in China A shares through Stock Connect programmes. These may be subject to regulatory changes and quota limitations. An operational constraint such as a suspension in trading could negatively affect the Fund's ability to achieve its investment objective.
- **Counterparty 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.
- **High Yield Companies Risk:** 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.

PAST PERFORMANCE IS NOT A GUIDE TO FUTURE PERFORMANCE. THE VALUE OF INVESTMENTS AND THE INCOME RECEIVED CAN FALL AS WELL AS RISE AND INVESTORS MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

Important Information

For Professional Clients only. This is a financial promotion. Please refer to the prospectus, KIID where applicable and other fund documents for a full list of risks and before making any investment decisions. Go to bny.com/investments.

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