

# REASONS WHY: BNY MELLON FUTURELEGACY RANGE

This document is designed to support financial advisers when recommending the BNY Mellon FutureLegacy range to a client. It may be useful for helping your client understand more about what they will be investing in and how their investment will be managed. The full fund literature including the prospectus and KIID can also be found at [www.bnymellonim.com](http://www.bnymellonim.com)

## Why Multi-Asset?

Multi-asset funds are a well-established, convenient way for investors to save for and during retirement. They combine a mix of assets, including equities, bonds and cash, with investments spread across a range of countries and business sectors. This wide diversification helps reduce risk as investors are not “putting all their eggs in one basket”.

## Why invest in the BNY Mellon FutureLegacy funds?

It's important to focus on risk as well as reward when investing your hard-earned savings for and during retirement. This is especially the case in today's uncertain world.

The BNY Mellon FutureLegacy fund range seeks to provide attractive returns while firmly controlling risk.

There are five funds in the range. Invested globally in a mix of shares, bonds and cash for capital growth and income potential over the long term, each Fund is managed to a different risk level.

The percentage of shares, bonds and cash in each Fund depends on the targeted risk level. Shares are generally riskier than bonds which in turn are riskier than cash.

So, if you're comfortable taking more risk to achieve potentially higher returns, a FutureLegacy fund with a higher percentage of shares in its investment mix may be appropriate. Or, if you prefer to take less risk, even if this results in potentially lower returns, a FutureLegacy fund with more bonds and cash in its mix may be appropriate.

## What do the funds invest in?

The FutureLegacy funds invest globally in a mix of shares of individual companies, government and corporate bonds, and cash. The funds invest a minimum of 70% of their portfolios in securities with sustainability (i.e. positive environmental and/or social) characteristics.

## FUTURELEGACY RANGE FEATURES AT-A- GLANCE:

- **Actively managed by multi-asset experts at Newton**  
The FutureLegacy funds seek to outperform markets through expert stock-picking, rather than just tracking an index.
- **Sustainable investment approach**  
The funds invest in businesses that are both financially attractive and helping to create a better world.
- **Directly invested in a mix of global equities, bonds and cash**  
Unlike some strategies, FutureLegacy doesn't invest in other funds, saving investors the extra fund charges.
- **Rigorously risk managed**  
FutureLegacy has a dedicated team focused on managing the risk levels of the funds, ensuring they remain appropriate to your needs.
- **Competitively priced**  
Annual management charges compare well with many active competitors and are little more than the charges of passive strategies.

## How do the FutureLegacy funds ensure their investments meet sustainable criteria?

Responsibility for stock selection in the FutureLegacy funds lies with portfolio managers at Newton who are specialists in sustainable investments. Newton is an established sustainable investor, with £3.5bn (as at 31 March 2025) assets under management in sustainable strategies.

At least 70% of the funds' portfolios are invested in securities with sustainability characteristics. These investments are selected using Newton's longstanding proprietary sustainable investment framework.

### Corporate sustainable investment framework

Companies which are eligible for inclusion in the funds' portfolios must have material involvement in at least one of the funds' sustainable investment themes (combatting climate change, responsible use of natural resources, human and economic development, and health and wellness) and at least one associated activity. These issuers will be either:

- **Contributors:** Companies which are solving sustainability issues by providing products and/or services which benefit the environment and/or society. These businesses will have at least 30% of revenues derived from sustainable activities or 30% of their operational or capital expenditure focused on sustainable activities.
- **Aligners:** Companies demonstrating strong sustainability practices, within their internal operations and value chain, across the most material areas of activities for the company. These businesses will typically have strong management programmes linked to sustainable activities. For example, efficiently using key resources, having credible commitments to carbon emissions reduction or prioritising employee health and wellbeing.

### Sustainable investment restrictions

Newton's sustainable investment restrictions are built on a combination of exclusions that avoid investments in security issuers involved in or associated with areas of activity that Newton deems to be harmful from either a social or environmental perspective.

To ensure no investments are made in activities Newton deems to be harmful from an environmental or social perspective, the following exclusionary screens are applied to the funds' investment universe:

- Issuers in breach of UN Global Compact principles (including human rights, labour, environment and anti-corruption)
- Issuers producing tobacco products
- Issuers involved in the manufacture of controversial weapons
  - Sale of tobacco products
  - Adult entertainment
  - Production of alcoholic beverages
  - Gambling operations
  - Extraction of thermal coal
  - Extraction and/or production of oil and gas
  - Extraction and/or production of oil and gas in offshore Arctic regions
  - Extraction and/or production of oil sands
  - Extraction and/or production of shale energy (fracking)

### Sovereign sustainable investment framework

Newton determines whether sovereign issuers demonstrate sustainability characteristics by using data points sourced from international organisations. Each issuer is assessed against four pillars (institutional capital, natural capital, human capital and economic capital) to determine how well it is performing from a sustainability perspective and how its management of key sustainability factors are progressing. These indicators are then combined to determine whether the issuer's securities are suitable for investment.

## WHO IS BNY INVESTMENTS?

BNY Investments is a leading investment manager with US\$2.1 trillion of assets under management (as at 30 June 2025). It is the investment arm of BNY, one of the world's largest financial services groups.

BNY owns a range of specialist investment brands, including Newton Investment Management, which offer investment solutions across all the major asset classes. BNY's organisational model enables each of its specialist brands to maintain their own investment philosophy, process and culture, while benefitting from the operational infrastructure and stability of a much larger organisation.

## WHY NEWTON?

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.

### BNY MELLON FUTURELEGACY 3 FUND

**OBJECTIVE:** To achieve capital growth and potential for income over the long term (5 years or more) while being managed to a pre-defined level of risk. The Fund will aim to maintain a risk profile classification of 3 from a scale of 1 (lowest) to 10 (highest) which is assessed against the risk ratings scale provided by an external third-party risk rating agency.

**BENCHMARK:** The Fund is actively managed without benchmark- related constraints. The Fund will measure its performance against the Investment Association's Mixed Investment 0-35% 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.

**Note:** Effective 1 August 2025, The comparator benchmark changed from 15% SONIA GBP, 55% ICE BofA Global Broad Index GBP Hedged, 30% MSCI ACWI GBP NR to Investment Association's Mixed Investment 0-35% Shares NR Sector Average.

### BNY MELLON FUTURELEGACY 4 FUND

**OBJECTIVE:** To achieve capital growth and potential for income over the long term (5 years or more) while being managed to a pre-defined level of risk. The Fund will aim to maintain a risk profile classification of 4 from a scale of 1 (lowest) to 10 (highest) which is assessed against the risk ratings scale provided by an external third-party risk rating agency.

**BENCHMARK:** The Fund is actively managed without benchmark- related constraints. The Fund will measure its performance against the Investment Association's Mixed Investment 20-60% 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.

**Note:** Effective 1 August 2025, The comparator benchmark changed from 10% SONIA GBP, 45% ICE BofA Global Broad Index GBP Hedged, 45% MSCI ACWI GBP NR to Investment Association's Mixed Investment 20-60% Shares NR Sector Average.

### BNY MELLON FUTURELEGACY 5 FUND

**OBJECTIVE:** To achieve capital growth and potential for income over the long term (5 years or more) while being managed to a pre-defined level of risk. The Fund will aim to maintain a risk profile classification of 5 from a scale of 1 (lowest) to 10 (highest) which is assessed against the risk ratings scale provided by an external third-party risk rating agency.

**BENCHMARK:** The Fund is actively managed without benchmark- related constraints. The Fund will measure its performance against the Investment Association's 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.

**Note:** Effective 1 August 2025, The comparator benchmark changed from 10% SONIA GBP, 45% ICE BofA Global Broad Index GBP Hedged, 45% MSCI ACWI GBP NR Investment Association's Mixed Investment 40-85% Shares NR Sector Average.

### BNY MELLON FUTURELEGACY 6 FUND

**OBJECTIVE:** To achieve capital growth and potential for income over the long term (5 years or more) while being managed to a pre-defined level of risk. The Fund will aim to maintain a risk profile classification of 6 from a scale of 1 (lowest) to 10 (highest) which is assessed against the risk ratings scale provided by an external third-party risk rating agency.

**BENCHMARK:** The Fund is actively managed without benchmark- related constraints. The Fund will measure its performance against the Investment Association's 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.

**Note:** Effective 1 August 2025, The comparator benchmark changed from 25% ICE BofA Global Broad Index GBP Hedged, 75% MSCI ACWI GBP NR to Investment Association's Mixed Investment 40-85% Shares NR Sector Average.

### BNY MELLON FUTURELEGACY 7 FUND

**OBJECTIVE:** To achieve capital growth and potential for income over the long term (5 years or more) while being managed to a pre-defined level of risk. The Fund will aim to maintain a risk profile classification of 7 from a scale of 1 (lowest) to 10 (highest) which is assessed against the risk ratings scale provided by an external third-party risk rating agency.

**BENCHMARK:** The Fund is actively managed without benchmark- related constraints. The Fund will measure its performance against the Investment Association's Flexible Investment 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.

**Note:** Effective 1 August 2025, The comparator benchmark changed from 10% ICE BofA Global Broad Index GBP Hedged, 90% MSCI ACWI GBP NR to Investment Association's Flexible Investment NR Sector Average.

The BNY Mellon FutureLegacy funds are actively managed typically by using forward-looking expectations of volatility. In doing so, the Investment Manager uses its own internal risk model, whilst also considering external independent risk profiling methodologies. Based on a risk profile scale of 1 (lowest) to 10 (highest), the funds target risk profiles of 3, 4, 5, 6 and 7 but this is not guaranteed. The risk profile targeted by each of the BNY Mellon FutureLegacy funds can be identified through the number included in the respective fund's name. This risk profile is not the same as the risk and reward category shown in the funds' Key Investor Information Document(s). The risk profiles of the funds are currently assessed against the risk ratings scale provided by Dynamic Planner, but is subject to change at the ACD's discretion.

## KEY INVESTMENT RISKS

- **Objective/Performance Risk:** There is no guarantee that the funds will achieve their objectives.
- **Currency Risk:** These funds invest in international markets which means they are exposed to changes in currency rates which could affect the value of the funds.
- **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 funds can lose significantly more than the amount they have invested in derivatives.
- **Changes in Interest Rates & Inflation Risk:** Investments in bonds/money market securities are affected by interest rates and inflation trends which may negatively affect the value of the funds.
- **Credit Ratings and Unrated Securities Risk:** Bonds with a low credit rating or unrated bonds have a greater risk of default. These investments may negatively affect the value of the funds.
- **Credit Risk:** The issuer of a security held by the funds may not pay income or repay capital to the funds when due.
- **Emerging Markets Risk:** Emerging Markets have additional risks due to less-developed market practices.
- **Shanghai-Hong Kong Stock Connect and/or the Shenzhen- Hong Kong Stock Connect ('Stock Connect') Risk:** The funds 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 funds' ability to achieve their investment objectives.
- **Volcker Rule Risk:** The Bank of New York Mellon Corporation or one of its affiliates ("BNYM") has invested in the funds. As a result of restrictions under the "Volcker Rule," which has been adopted by U.S. Regulators, BNYM must reduce its shareholding percentage so that it constitutes less than 25% of the funds within, generally, three years of the funds' establishment (which starts when the funds' manager begins making investments for the funds). Risks may include: BNYM may initially own a proportionately larger percentage of the funds, and any mandatory reductions may increase fund portfolio turnover rates, resulting in increased costs, expenses and taxes. Details of BNYM's investment in the funds are available upon request.
- **CoCos Risk:** Contingent Convertible Securities (CoCos) convert from debt to equity when the issuer's capital drops below a pre-defined level. This may result in the security converting into equities at a discounted share price, the value of the security being written down, temporarily or permanently, and/or coupon payments ceasing or being deferred.
- **Sustainable Funds Risk:** The funds follow a sustainable investment approach, which may cause them to perform differently than funds that have a similar objective but which do not integrate sustainable investment criteria when selecting securities. The funds will not engage in stock lending activities and, therefore, may forego any additional returns that may be produced through such activities.
- **Investment in Infrastructure Companies Risk:** The value of investments in Infrastructure Companies may be negatively impacted by changes in the regulatory, economic or political environment in which they operate.
- **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 funds to financial loss.



## GLOSSARY

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

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

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

**ASSET ALLOCATION** An investment strategy that aims to balance risk and reward by apportioning a portfolio's assets according to an individual's goals, risk tolerance, and investment horizon.

**AUTHORISED CORPORATE DIRECTOR (ACD)** Is responsible for the running of an investment fund. They have a duty to act in the best interests of the fund's investors, and ensure that the fund is well managed in line with regulations and with the investment objectives and policies set out in its prospectus.

**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 EXPENDITURE** The expenses a company incurs to create future benefit by investing in long-term fixed assets.

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

**CONTROVERSIAL WEAPONS** Weapons that cause indiscriminate or disproportionate harm. For example, anti-personnel landmines, cluster munitions, chemical, biological and nuclear weapons.

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

**DERIVATIVES** Financial contracts, set between two or more parties, that derive their value from an underlying asset, group of assets, or benchmark.

**DIVERSIFIED/DIVERSIFICATION/DIVERSIFIERS** Investing in a variety of companies or financial instruments, which typically perform differently from one

another.

**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.

**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.

**MULTI-ASSET** An investment containing more than one asset class, such as cash, equity or bond.

**OPERATIONAL EXPENDITURE** The day-to-day expenses that a company incurs to keep its business running.

**PASSIVE** An investment strategy, which tries to replicate the behaviour of a specified index.

**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.

**REVENUE** 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.

**SECURITY/SECURITIES** A tradable financial asset such as a share in a company or a fixed income security also known as a bond.

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

**SOVEREIGN** A national government that issues debt securities (e.g. government bonds).

**SUSTAINABLE INVESTING** The practice of investing in companies managing long-term outcomes for society and/or the environment.

**UN GLOBAL COMPACT** A strategic initiative led by the United Nations (UN) that supports global companies that are committed to responsible business practices in the areas of human rights, labour, the environment and corruption.

**VOLATILE/VOLATILITY** Large and/or frequent moves up or down in the price or value of an investment or market.

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

### IMPORTANT INFORMATION

**For Professional Clients only. This is a financial promotion.**

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

Any views and opinions are those of the investment manager, unless otherwise noted and is not investment advice. BNY, BNY Mellon and Bank of New York Mellon are the corporate brands of The Bank of New York Mellon Corporation and may be used to reference the corporation as a whole and/or its various subsidiaries generally. The Funds are sub-funds 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. Newton global assets under management (AUM) is the combined total assets under management of Newton Investment Management Limited ('NIM'), Newton Investment Management North America LLC ('NIMNA') and Newton Investment Management Japan Limited ('NIMJ'). 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. Document ID: 2596300. Expiry: 30 September 2026.