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Income from investments may vary and is not guaranteed.

BNY MELLON UK INCOME FUND

Seeking to deliver income and growth from UK-focused investing

BNY | INVESTMENTS

NEWTON Investment Management

IMPORTANT INVESTOR INFORMATION

For definitions of the investment-related terms included in this document, please refer to the glossary on page 12.

BNY Mellon UK Income Fund

FUND OBJECTIVE

To achieve income over an annual period together with capital growth over the long term (5 years or more).

FUND BENCHMARK

A benchmark is a metric or baseline to judge a fund's performance against. The BNY Mellon UK Income Fund uses the FTSE All-Share Total Return Index as an appropriate benchmark for comparison. The Fund uses this benchmark because the Investment Manager uses it to measure the level of income received from the Fund's investments.

The FTSE All-Share Total Return Index tracks the performance of company shares listed on the London Stock Exchange. The index is representative of the UK equity market.

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. The Fund's investment strategy does not restrict the extent to which the Fund's investments may deviate from the Benchmark.

FUND CHARGES

INSTITUTIONAL SHARES W (ACCUMULATION) SHARE CLASS

One-off charges taken before or after you invest

Below are the maximum amounts that might be taken out of your money before it is invested and before the proceeds of your investment are paid out.

	%	Per £1,000 invested
Entry charge	0.00	–
Exit charge	None	–

Charges taken from the Fund over a year

So long as you hold an investment in the Fund you will pay the ongoing charges, which cover the costs of running the Fund. Ongoing charges are deducted from the Fund and, as such, are reflected in its performance. The below ongoing charges are based on expenses calculated on 31 December 2024. They may vary from year to year.

	%	Per £1,000 invested
Ongoing charges	0.81	£8.10

Other fees

In addition to ongoing charges, the expenses that arise from selling or buying investments in the Fund will also be deducted from the Fund and reflected in its performance. These costs will vary from year to year.

When investing in the Fund through a platform or financial adviser, investors may have to pay additional fees. Please ask your financial adviser for details.

Contents

Introduction

The BNY Mellon UK Income Fund seeks to help investors grow their capital while earning an annual income mainly from companies domiciled here at home.

The Fund is managed by Newton Investment Management, one of BNY's specialist investment managers. Newton has been managing income-focused portfolios for individual investors, charities and institutions for over four decades.

The Fund primarily invests in equities that Newton's investment team believes will generate attractive returns over the long term, but which also pay dividends, thereby offering the potential to grow overall earnings via a process known as compounding. Investors in the Fund can choose to receive quarterly income payments or to reinvest these into the Fund to increase the value of their investment.

While the Fund has a UK equities bias, its managers have the flexibility to invest up to 30% of the Fund's portfolio in stocks from overseas. UK stocks currently look to be of good value versus their historical prices. Newton believes this makes them somewhat less risky relative to history with potential for significant benefit.

As a long term investor, Newton prefers to focus on identifying and selecting company shares it believes will perform well over the long term. Newton conducts thorough research and chooses holdings on a stock-by-stock basis with the aim of investing in them for at least three to five years.

Here, we'll summarise the features and benefits of the BNY Mellon UK Income Fund and explain its investment process.

Your financial adviser, using their knowledge of your savings goals and appetite for risk, will be able to suggest if this is an appropriate fund for your needs.

This Fund can invest significantly in a single market, for example specific countries or regions, which may have an impact on the value of the Fund.

This Fund invests in international markets. This means it is exposed to changes in currency rates, which could affect the value of the Fund.

How do equities work?

When new companies start up, they usually need to raise money in order to get their business going. Things like office space, licensing fees, and equipment and supplies can incur significant costs.

One way for a business to secure the money needed to get things off the ground is to sell shares in the company. These shares are what people are buying when they invest in equities. This arrangement is mutually beneficial: the company gets the funding it needs, and the investor owns a small part of the company.

When a company sells its goods or services, any of the money that is left over after it has met its costs, such as supplies, wages for employees and taxes, is the company's profit. There are two things a company can do with those profits:

Firstly, they can reinvest them into the business. This means the company can keep expanding by say hiring more staff or introducing a new product, without seeking more funding, either from a bank or by selling more shares. This can be an appealing approach for shareholders too, because over the long term, reinvesting profits back into the business should help the company grow and become more profitable.

Or, a company could choose to distribute its profits, or at least some of them, in the form of dividend payments to shareholders.

Naturally, investors will be drawn to the most profitable companies, or to those companies they believe to have the best prospects. The goal is to generate the best returns, either by investing in a steadily growing business or by receiving a portion of the profits in the form of dividends.

THE POWER OF COMPOUNDING

Part of the appeal of investing in equities that pay dividends is the ability to use those dividend payments to buy more shares in the company. Reinvesting the money you earn from being a shareholder can significantly increase the value of your original investment over the long term. This is because it allows you to benefit from "compounding". Compounding is a term used to describe how those reinvested earnings have the potential to generate further earnings in the future.

The goal is to generate the best returns, either by investing in a steadily growing business or by receiving a portion of the profits in the form of dividends.

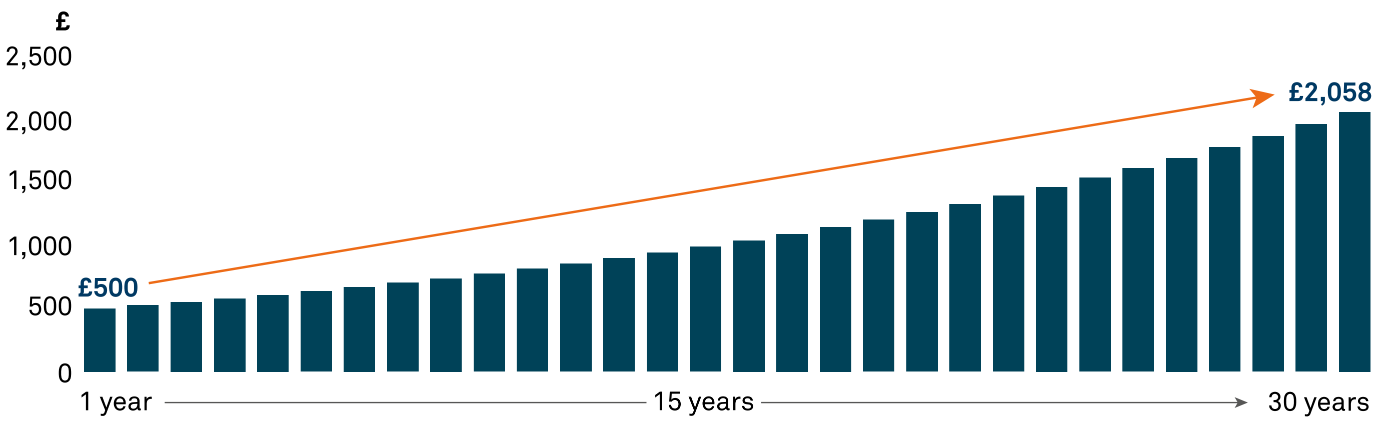
The total earned by reinvesting the dividends was more than the total earned from just keeping the dividends.

The chart below shows how compounding works. In this example, an investor bought 50 shares in a company 30 years ago, when the price of each share was £10. In each of the 30 years since the investor bought those 50 shares, the company paid its investors a dividend of £0.50 per share. The investor in our example used all of the dividends received each year to buy more shares in the same company but did not invest any new money in the company.

For the sake of clarity, we have assumed that the company's share price remained entirely static over the 30 years, and that the dividend paid to investors each year also remained unchanged. In reality, share prices and dividends will change and may fall as well as rise. We've also ignored the effects of inflation, which will negatively affect the value of an investment over time.

EXAMPLE:

- The example shows that the value of the investment rises from £500 when our investor first buys shares in the company to £2,058 after 30 years – an increase of £1,558.
- However, if the investor in the example had spent the dividends received each year instead of reinvesting them back into the company, he or she would have earned just £25 in each one of the 30 years for a grand total of £750.
- This shows that re-investing the dividends received each year boosted the total value of the investment by £808.
- In other words, the total earned by reinvesting the dividends was more than the total earned from just keeping the dividends.



Source: BNY Investments. For illustrative purposes only.

BNY Mellon UK Income Fund at a glance

THE PURSUIT OF BOTH INCOME AND GROWTH

The BNY Mellon UK Income Fund aims to invest in stocks that are worth holding on to. Newton seeks to identify companies with the ability to repeatedly increase their returns over the long term while paying an annual dividend, which can allow investors to benefit from compounding.

ACTIVE, DIRECT INVESTMENT

The Fund's managers select each investment on a case-by-case basis. The focus is on how stocks are performing, not on what the benchmark is doing. Nor do the managers invest by sector. Rather, the choice of stocks determines which sectors the portfolio is invested in. This active approach to investing allows the flexibility to pursue the best businesses and ideas.

A UK FOCUSED FUND WITH A GLOBAL REACH

The Fund's managers seek to take advantage of the value they see as inherent in the home market by investing most of the Fund in UK equities. Up to 30% of the Fund can be invested in overseas equities, but typically this does need exceed 20%. This gives the managers the freedom to access opportunities that might not be available in the UK. It also provides important diversification, which can lead to better returns and help protect against market wobbles.

AN EXPERIENCED, EQUITIES-FOCUSED TEAM

The BNY Mellon UK Income Fund is run by the London-based UK equities team at Newton. The team takes a collaborative approach in which the Fund's managers and the broader income team discuss ideas thoroughly, incorporating input from Newton's research team. The managers keep in close contact with the invested companies, engaging with them directly rather than relying on news flow or market analysis opinions to determine whether they'd make a worthwhile addition to the Fund's portfolio.

WHO IS NEWTON?

Newton Investment Management is a multi-award winning, global investment manager owned by BNY. Founded in 1978, Newton has more than 45 years of experience investing across multiple asset classes.

Newton's purpose is to unlock investment opportunity so that its clients achieve their goals in the vibrant world we all want to see. In doing so Newton takes a future-facing approach through active, multidimensional and engaged investment.

NEWTON
Investment Management

How the Fund works

The aim is to find, buy and hold 30 to 50 stocks that pay a regular dividend and also have the potential to generate long-term, compounded growth. The Fund's managers pick each holding on an individual basis after careful analysis of its attributes and potential. The Fund doesn't simply invest where the benchmark does.

STEP 1:

DAILY DISCUSSION

Newton values open communication and debate, so the investment team meets daily to discuss everything from world economics to company developments on a stock-by-stock basis. Newton makes sure to include global trends among its investment themes, which represent the firm's best ideas about the key drivers of long-term change around the world.

STEP 2:

IDENTIFYING DURABLE DIVIDEND STREAMS

The team will examine the stability of each company's dividends and consider the amount the company's share price may fall in comparison to the price paid. This is viewed by the managers as the stock's 'margin of safety'.

Will the company pay a fair dividend each year? Will it increase the dividend? The Fund also has a strict yield discipline, meaning companies that aren't delivering are sold.

STEP 3:

PICKING THE RIGHT INVESTMENTS

Sector allocation is determined by the stocks chosen to invest in, and not the other way around. The team keeps an awareness of the bigger picture, like geopolitics or global economics, but the primary focus is on which stocks look poised to produce reliable returns.

The Fund is primarily invested in company shares, and will typically own between 30 and 50 stocks at a time. While the managers' focus is on the businesses here at home, up to 30% of the Fund's portfolio can be invested in overseas stocks. This diversification can help to achieve better returns and help mitigate against volatility in the UK equity market.

STEP 4:

STAYING FLEXIBLE

As the Fund is actively managed, the investment team is constantly keeping an eye on the companies it holds to make sure they are performing well. If the team loses conviction in a stock and stops believing in its ability to generate good returns over the long term, or the dividend yield is not high enough, it will be sold.

The investment process

1. The investment universe

The investment team's primary focus is a UK domestic bias with a philosophy that is rooted in the knowledge that markets typically react to short term news but rarely reflect potential long term developments. The managers seek to identify those companies that are poised to perform well for years to come, because the aim is to hold them over an extended time frame.

As an income and growth fund, the team is focused on UK equities that pay dividends above the UK FTSE All-Share Index's average annually while earning steady profits. Every stock should make a meaningful contribution.

2. Desirable traits

The investment team targets companies, not sectors, and doesn't track an index. Newton conducts in-depth company research and analysis to identify businesses that:

- Have a resilient and reliable dividend stream. The team works to identify long-term headwinds – or tailwinds – that could affect a company's ability to deliver its dividend.
- Are expected to remain attractive investments. The team seeks out companies that have maintained a strong market position and boast historically robust balance sheets. These characteristics suggest a company has the ability to grow dividends, even in challenging economic environments.

3. A distilled portfolio of 30 to 50 stocks

After careful, collaborative research and a thorough examination of each stock's potential risks and rewards, the managers select the ones they believe are most likely to provide growth and income for the next three to five years. Purchases are made once the Fund's managers are confident in the company's potential to generate ongoing value for shareholders.

Source: Newton. For illustrative purposes only.

The team looking after your investment

NEWTON'S UK INCOME TEAM

DAVID CUMMING, HEAD OF UK EQUITIES

David joined Newton as head of UK equities in March 2022. He heads up Newton's UK equity strategies and is lead portfolio manager of the UK Equity Income strategy.

David has been an active UK equity manager for more than 40 years. He was most recently Chief Investment Officer of Equities at Aviva Investors. Before that, he was Head of Equities at Standard Life Investments, and prior to that was a portfolio manager at Morgan Grenfell, Manufacturers Life and Edinburgh Fund Managers, having begun his career as an investment analyst at Royal London Mutual. He has an MA (Hons) in Economics and Accounting.

Joined Newton: 2022
Joined industry: 1983

TIM LUCAS, PORTFOLIO MANAGER

Tim is the lead portfolio manager for Newton's UK Equity and Sustainable UK Opportunities strategies. Tim joined Newton in 2004, and prior to his current role, was a global research analyst for 16 years, after which he co-managed the UK Equity Income strategy.

Prior to joining Newton, Tim worked as an equity analyst at Insight Investment, covering the chemicals and support services sectors. Tim has a Master of Chemistry degree from the University of Oxford and is a CFA[1] charterholder.

Joined Newton: 2004
Joined industry: 2000

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Why invest with us?

BNY Investments is a leading investment manager. It is the investment arm of BNY, one of the world's largest financial services companies.

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

WHERE TO FIND OUT MORE

Further information on the BNY Mellon UK Income Fund, including the key investor information document and fund factsheet, can be obtained from the BNY Investments website at www.bny.com/investments/uk/en/individual/funds-centre/. Here you will be able to find details such as the Fund's past performance, ongoing charges and current portfolio positioning.

If you have additional questions about the Fund, please speak to a 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.

Find out more about BNY Investments online by visiting www.bny.com/investments.

Alternatively, you can visit the website by scanning the QR code on the left with your mobile phone camera.

WHY THIS FUND MAY BE OF INTEREST TO YOU

- You are willing and able to accept investment risk in pursuit of potential return.
- You are investing for the long term (typically five years or more).
- You are either looking to take an ongoing income from your investments or value an income-oriented investment approach.
- You want to be able to primarily invest in the UK with some flexibility to invest overseas.
- You want your investments to be actively managed by experts.

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

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.

BALANCE SHEETS: A financial statement that reports a company's assets, liabilities, and shareholder equity.

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

BUY-AND-HOLD: An investment strategy in which an investor buys stocks (or other types of securities) and holds them for a long period regardless of fluctuations in the market.

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.

COMPOUNDING: The ability of an asset to generate earnings, which are then reinvested in order to generate their own earnings. In other words, compounding refers to generating earnings from previous earnings.

DIVERSIFICATION: Investing in a variety of companies or financial instruments, which typically perform differently from one another.

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

EARNINGS: Money obtained in return for labour or services.

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

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: 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.

ONGOING CHARGES: The amount an investor will pay for the service provided by a fund. The ongoing charges are made up of the manager's fees along with other costs, such as administration. Ongoing charges are meant to be used as a standardised method to compare the costs of funds.

PORTFOLIO: A collection of investments.

RETURN(S): 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.

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.

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

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

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

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.

IMPORTANT INFORMATION

This is a financial promotion.

Doc ID: 2372053. Exp: 18 September 2025. T12917 03/25