

**SHINING A LIGHT ON THE.....  
BNY Mellon Sustainable Real Return Fund**

**AT A GLANCE**

| Investment Objective   |
|--|
| The Fund seeks to achieve a rate of return in sterling terms that is equal to or above the return from cash (SONIA (30 day compounded)) +4% per annum over five years before fees. In doing so, it aims to achieve a positive return on a rolling three year basis (meaning a period of three years, no matter which day you start on). However, capital is in fact at risk and there is no guarantee that this will be achieved over that, or any, time period. To achieve its investment objective, the Fund will invest predominantly, meaning at least 75%, in a portfolio of UK and international securities across a broad diversified range of asset classes. |

| Fund Factsheet Link   |
|---|
| <a href="https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000013TD3">https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000013TD3</a> |

| Management      |             |
|-----------------|-------------|
| Manager Name    | Start Date  |
| Matthew Brown   | 2 July 2018 |
| Phil Shucksmith | 2 July 2018 |

**FUND PERFORMANCE**

Performance from 1<sup>st</sup> January 2019 to 31<sup>st</sup> January 2022:

|  | 2019   | 2020  | 2021  | 2022   |
|--|--------|-------|-------|--------|
| <b>BNY Mellon Sustainable Real Return Fund</b> | 12.12% | 9.78% | 7.89% | -5.42% |
| <b>SONIA</b>                                   | 0.71%  | 0.19% | 0.05% | 0.02%  |

Performance over 12 months, 3 years, and since launch:

|  | 1 year | 3 years    | Since Launch |
|--|--------|------------|--------------|
| <b>BNY Mellon Sustainable Real Return Fund</b> | 2.24%  | 7.16% p.a. | 6.87% p.a.   |
| <b>SONIA</b>                                   | 0.07%  | 0.30% p.a. | 1.40% p.a.   |

*You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.*

| Tracking Error | Information Ratio | Active Share | Upside Capture Ratio | Downside Capture Ratio | Batting Average | Beta | Alpha | Equity Style |
|----------------|-------------------|--------------|----------------------|------------------------|-----------------|------|-------|--------------|
| 4.97           | 1.38              | -            | 79.32                | 57.29                  | 52.78           | 0.87 | 1.02  | Blend /Large |

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| Volatility Measurements    |       |
|----------------------------|-------|
| 3-Yr Std Dev (volatility)  | 8.10% |
| 3-Yr Mean Return (average) | 7.17% |

| Investment Style Details |        |
|--------------------------|--------|
| Giant                    | 22.78% |
| Large                    | 22.26% |
| Medium                   | 11.44% |
| Small                    | 2.03%  |
| Micro                    | 0.00%  |

| Top 5 Holdings – 90 Equity Holdings |                 |       |
|-------------------------------------|-----------------|-------|
| ILF GBP Liquidity 5                 | -               | 8.96% |
| BNP Paribas Issuance B.V.           | -               | 2.18% |
| Barclays Bank plc                   | -               | 1.96% |
| Barclays Bank plc                   | -               | 1.94% |
| Linde PLC                           | Basic Materials | 1.89% |

| Top 5 Sectors      |        |
|--------------------|--------|
| Technology         | 19.39% |
| Industrials        | 16.29% |
| Financial Services | 15.05% |
| Consumer Cyclical  | 13.46% |
| Healthcare         | 12.34% |

| Top 5 Regions    |        |
|------------------|--------|
| North America    | 38.61% |
| United Kingdom   | 20.34% |
| Europe Developed | 20.08% |
| Asia Emerging    | 8.82%  |
| Asia Developed   | 5.34%  |

## UPDATE....

The strategy is looking to deliver good upside and downside protection, to deliver positive outcomes for investors.

It uses a mix of return seeking assets (equities, equity synthetic exposure, corporate bonds, EM debt and alternatives), and stabilising and hedging assets (cash, derivative instruments, government bonds, index linked and precious metals).

They take an active approach to multi asset allocation, moving across the different areas of return. They see 2022 as a more volatile year with risks coming across different areas – inflation, omicron, central bank tightening and geopolitical tensions. To counter this, they are using more defensive assets, meaning the equity exposure has come down from 68% to 55%.

Areas of interest include solar, battery storage, biofuels, and animal health.

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In summary, this strategy should be seen as an alternative to other asset classes and aims to deliver a positive return, although this is not guaranteed. It does this using a sustainable framework. Performance has been consistent and strong since launch, although this has dropped back this year. The move to more defensive assets reflects concerns of greater volatility to come in 2022.

*The source of information in this note has been provided by BNY and is correct as of January 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.*