

**SHINING A LIGHT ON THE.....
BNY Mellon Sustainable Global Dynamic Bond Fund**

AT A GLANCE

Investment Objective
The objective of the Fund is to maximize the total return from income and capital growth by investment primarily (meaning at least three-quarters of the Fund's Net Asset Value) in a globally diversified portfolio of debt and debt-related securities issued by companies and governments that demonstrate attractive investment attributes and are deemed to be sustainable.

Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F000013EFC
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Management	
Manager Name	Start Date
Paul Brain	25 th February 2019

FUND PERFORMANCE

Performance from 25th February 2019 to 28th February 2022:

	2019	2020	2021	2022
BNY Mellon Sustainable Global Dynamic Bond Fund	0.94%	8.15%	-7.50%	-2.55%
Bloomberg Global Aggregate TR Hdg Eur	1.59%	10.11%	-8.29%	-3.31%

Performance over 12 months, 3 years, 5 years and since launch:

	1 year	3 years	Since launch
BNY Mellon Sustainable Global Dynamic Bond Fund	-5.93%	-0.25%	-1.59%
Bloomberg Global Aggregate TR Hdg Eur	-6.50%	0.89%	-0.80%

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	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Credit Quality
2.54	74.75	75.48	58.33	0.68	0.39	-

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Volatility Measurements	
3-Yr Std Dev (volatility)	6.13%
3-Yr Mean Return (average)	-0.08%

Credit Quality	
AAA	-
AA	-
A	-
BBB	-
BB	-
B	-
Below B	-
Not Rated	-

Top 5 Holdings		
United States Treasury Notes	-	5.71%
Canada Housing Trust No.1 2.35%	-	3.99%
United States Treasury Notes 1.5%	-	3.47%
United States Treasury Notes 1.125%	-	2.04%
Australia (Commonwealth of) 5.5%	-	1.97%

Fixed Income	
Effective Maturity	-
Effective Duration	-

UPDATE....

This strategy was launched in 2019 and follows the same approach as the Global Strategy that was launched in 2006. Much of the team is the same and it is the team approach that is important to how this operates. They have red lines in terms of avoiding companies / countries which violate the UN global compact rules, aren't committed to the 2-degree world and certain sectors like tobacco.

A great deal of work is done around the sovereign side. There are certain states which don't pass their tests or require further work. This means the sustainable strategy has no exposure to Brazil, Russia, Qatar, and China in terms of government bonds.

In terms of companies, the test is whether there is government involvement. If there is, then they will not hold it if the state is one that does not pass their tests. Even if there is no involvement then they may not hold it if they are uncomfortable with the country.

They invest across government, high yield, investment grade and emerging markets. The team have specialists across these areas, and this is a team approach where Paul makes the end decision, but the team can make decisions when he is not available. This works because 2/3rds of the decision making is on a top down perspective, so there is a general view and everything feeds into this.

The strategy is looking to deliver cash plus 2%, and liquidity within the bond market is key to delivering this. If they don't like something they won't hold it. We discussed green bonds as an example, and they explained that engagement is really important. Money is needed to enable the transition to happen to a better world and green bonds are one means to achieve this. However, they need to

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understand if the company has a proper plan in place for this capital, and whether the commitment to change is from the top.

For all ideas they have a separate responsible investment team who review research and will veto where necessary.

In summary, this ultimately is looking to achieve a positive outcome through a dynamic investment process moving risk across the fixed income market. They want the strategy to be transparent so investors can see what is happening. In the sustainable space there are very few dynamic bond funds. At this stage the performance has been patchy and therefore it may be worth reviewing the main strategy to compare. One area of interest is that they actively engage with companies and countries, even though with companies they have no voting rights.

The source of information in this note has been provided by BNY Mellon and is correct as of March 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 decide based on these notes we cannot take responsibility for this, and you should carry out your own research before deciding. We would also recommend that you receive advice before following up on any decision.