



**BNY MELLON**  
INVESTMENT MANAGEMENT

**BNY Mellon Fund Managers Limited**

Client Service Centre  
PO Box 366  
Darlington  
DL1 9RF

Tel: 0344 892 0149/ +44 (0)20 3528 4157

Fax: 0844 892 2716/ +44 (0)20 7964 2708

Email: institutions@bnymellon.com

21 March 2022

Allfunds Bank International SA  
30, Boulevard Royal  
L-2449  
Luxembourg

0000007

Dear Sir/Madam,

**This letter contains important information about your investment in one or more of the sub-funds referenced below, all of which are sub-funds of BNY Mellon Investment Funds.**

**No action is required from you for the changes below to take effect.**

The UK regulator, the Financial Conduct Authority (FCA), has published a letter to chairs of authorised fund managers. In it, the FCA sets out its expectations on the design, delivery and disclosure of environmental, social and governance (ESG) and sustainable investment funds. The guidance is designed to improve the quality, comparability and robustness of information available to investors in funds which make specific ESG or sustainability-related claims.

In light of the guidance, BNY Mellon Fund Managers Limited, in consultation with the investment manager, Newton Investment Management Limited, is clarifying the investment policies further of those sub-funds with a sustainability focus:

- BNY Mellon Sustainable Global Dynamic Bond Fund
- BNY Mellon Sustainable Global Emerging Markets Fund
- BNY Mellon Sustainable Global Equity Income Fund
- BNY Mellon Sustainable Global Equity Fund
- BNY Mellon Sustainable Real Return Fund
- BNY Mellon Sustainable Sterling Bond Fund

There will be no change to the way the sub-funds are managed and their risk profiles are not expected to change because of these clarifications.

The comparison tables in the Appendix overleaf set out the full text of the revised investment policies for each of these sub-funds. The FCA confirmed the clarifications do not affect the sub-funds ongoing authorisation.

The updates to these sub-funds will take effect on or around 22 April 2022. At which time, copies of the revised Prospectus and Key Investor Information Documents incorporating the updates to the sub-funds will be available on request and from our website, [www.bnymellonim.com](http://www.bnymellonim.com) from the effective date.

If you have any questions, please contact our client service centre, which is open Monday to Friday, 8.30am until 5.30pm, excluding bank holidays.

Yours faithfully,

*Gerald Rehn*

Director

For and on behalf of BNY Mellon Fund Managers Limited

To help us continually improve our service and in the interest of security, we may monitor and/or record your telephone calls with us.

Appendix:

Comparison of the investment policy for the BNY Mellon Sustainable Global Dynamic Bond Fund

Current policy	Revised policy
<p>The Sub-Fund is actively managed and invests at least 75% of the portfolio in global fixed interest securities (bonds) issued by governments, other public entities and companies (together the "issuers") that demonstrate attractive investment attributes and sustainable business or operating practices, which positively manage the material impacts of an issuer's operations and products on the environment and society.</p> <p>The Sub-Fund adopts a policy of making no direct investment in issuers that derive more than 10% of turnover from the production and sale of tobacco.</p> <p>The Sub-Fund may also invest in deposits, cash and near cash. Exposure to these asset classes will be achieved through investment in money market instruments, warrants, derivatives (including but not limited to currency-related derivatives), transferable securities (such as bonds, convertible bonds, contingent convertible bonds, debentures, notes, asset backed securities and mortgage backed securities) and collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds).</p> <p>The Sub-Fund may invest in any geographic or economic sector of the world, including emerging markets.</p> <p>The Sub-Fund may invest more than 35% of its assets in government and public securities (those issued or guaranteed by a single state, local authority or public international body).</p> <p>The Sub-Fund may invest in bonds rated below investment grade (BBB-) by Standard &amp; Poor's (or equivalent recognised rating agency).</p> <p>The Sub-Fund could invest a significant portion of the portfolio in cash/cash-like securities during extreme market conditions.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.</p> <p>The Sub-Fund uses sterling cash (SONIA (30-day compounded)) + 2% per annum over five years before fees as a target set for the Sub-Fund's performance to match or exceed. The ACD considers SONIA (30-day compounded) + 2% per annum over five years before fees to be an appropriate target because SONIA (30-day compounded) is representative of cash and the Sub-Fund's investment objective is to seek a minimum return of sterling cash + 2% per annum.</p>	<p>The Sub-Fund is actively managed and invests at least 75% of the portfolio in global fixed interest securities (bonds) issued by governments, other public entities and companies (together the "issuers") that meet the Investment Manager's sustainability criteria, where environmental, social and governance ("ESG") considerations are an integral part of the criteria. The Investment Manager focuses on identifying issuers that demonstrate sustainable business practices and an ability to generate returns consistent with the Sub-Fund's objective. Sustainable business practices are those which positively manage the material impacts of an issuer's operations and products on the environment and society.</p> <p>When determining whether an issuer meets the Investment Manager's sustainability criteria, the Investment Manager considers whether the issuer: (i) engages in sustainable business practices in an economic sense (e.g., the issuer's strategy, operations and finances are stable and durable), and (ii) takes appropriate measures to manage any material consequences or impact of its policies and operations in relation to ESG matters (e.g., the issuer's environmental footprint, labour standards, board structure).</p> <p>The Investment Manager's sustainability criteria incorporate elements of negative screening alongside other general and issuer level ESG-related analysis of an issuer's activities. Specifically, the Investment Manager, seeks to:</p> <p>Identify and avoid issuers that participate in specific areas of activity that the Investment Manager deems to be harmful from an environmental or social perspective or which do not follow good governance practices. As an example, the Investment Manager could deem issuers that have large carbon footprints or companies with poor labour standards ineligible for investment. It will also exclude issuers in breach of the UN Global Compact principles which includes principles relating to human rights, labour, environment and anti-corruption.</p> <p>Identify and invest in issuers that are proactively seeking to manage environmental and/or social factors well, which in turn should support long-term financial returns. This may also include those issuers that are contributing to the development of solutions that will contribute towards addressing environmental and/or social issues, examples of which could include more efficient or reduced use of natural resources or accessibility to healthcare.</p> <p>Issuers engaged in sustainable business practices may also include companies that have committed explicitly to improving their environmental and/or social impacts leading to a transformation of their business models. There may be situations where the Sub-Fund will invest in an issuer that has been identified as having involvement in potentially harmful activities from an environmental or social perspective. This may arise for certain issuers whose activities or operations, typically due to a legacy business mix, may have historically created poor environmental or social outcomes, but that are now investing in and positively adapting to future needs (for example, this may include energy companies that are preparing for a transition to a lower carbon world). Similarly, in some instances, the Sub-Fund may invest in an issuer where the Investment Manager determines through engagement with the issuer that prevailing ESG information and data provided by external ESG ratings providers have not fully captured positive environmental or social initiatives of the issuer.</p>

00000000/000007/002/007/0000/0/0

When determining whether an issuer meets the Investment Manager's sustainability criteria the Investment Manager uses a combination of external and internal data, research and ratings which are qualitative and quantitative in nature.

The Sub-Fund may also invest in deposits, cash and near cash. Exposure to these asset classes will be achieved through investment in money market instruments, warrants, derivatives (including but not limited to currency-related derivatives), transferable securities (such as bonds, convertible bonds, contingent convertible bonds, debentures, notes, asset backed securities and mortgage backed securities) and collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds).

The Sub-Fund may invest in any geographic or economic sector of the world, including emerging markets.

The Sub-Fund may invest more than 35% of its assets in government and public securities (those issued or guaranteed by a single state, local authority or public international body).

The Sub-Fund may invest in bonds rated below investment grade (BBB-) by Standard & Poor's (or equivalent recognised rating agency).

The Sub-Fund could invest a significant portion of the portfolio in cash/cash-like securities during extreme market conditions.

Further details in relation to the current sustainability criteria may be obtained by contacting the ACD. Investors should be aware that these criteria may change over time.

Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.

The Sub-Fund uses sterling cash (SONIA (30-day compounded)) + 2% per annum over five years before fees as a target set for the Sub-Fund's performance to match or exceed. The ACD considers SONIA (30-day compounded) + 2% per annum over five years before fees to be an appropriate target because, while it does not take ESG factors into account, SONIA (30-day compounded) is representative of cash and the Sub-Fund's investment objective is to seek a minimum return of sterling cash + 2% per annum.



<p>Further details in relation to the current sustainability criteria may be obtained by contacting the ACD. Investors should be aware that these criteria may change over time.</p> <p>The Sub-Fund may also invest in collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds), derivatives (including but not limited to equity and currency-related derivatives), money market instruments, deposits, cash and near cash.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.</p>	<p>include energy companies that are preparing for a transition to a lower carbon world). Similarly, in some instances, the Sub-Fund may invest in a company where the Investment Manager determines through engagement with the company, that prevailing ESG information and data provided by external ESG ratings providers have not fully captured positive environmental, or social initiatives of the company.</p> <p>When determining whether a company meets the Investment Manager's sustainability criteria the Investment Manager uses a combination of external and internal data, research and ratings which are qualitative and quantitative in nature.</p> <p>Further details in relation to the current sustainability criteria may be obtained by contacting the ACD. Investors should be aware that these criteria may change over time.</p> <p>The Sub-Fund may also invest in collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds), derivatives (including but not limited to equity and currency-related derivatives), money market instruments, deposits, cash and near cash.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.</p>
--	---

## Comparison of the investment policy for the BNY Mellon Sustainable Global Equity Income Fund

Current policy	Revised policy
<p>The Sub-Fund is actively managed and invests at least 75% of the portfolio in equities (company shares) issued by companies located anywhere in the world, including ordinary shares, preference shares and other equity-related securities.</p> <p>The Sub-Fund aims to invest in shares with income prospects, meaning a yield (this is the income from an investment, usually stated as a percentage of the value of the investment) in excess of the FTSE World TR Index (the "Index") at the time of purchase. There is no guarantee that the Sub-Fund will achieve its investment objective. The Sub-Fund is not constrained by any Index weightings and will not concentrate on any particular country, sector or market capitalisation. The Sub-Fund may also invest in emerging markets, meaning countries which are progressing toward becoming advanced, usually displayed by some development in financial markets, the existence of some form of stock exchange and a regulatory body.</p> <p>All investments will be expected to conform to the Investment Manager's sustainability criteria, where environmental, social, governance ("ESG") is an integral part of the criteria.</p> <p>The Investment Manager focuses on companies that demonstrate sustainable business practices and an ability to generate returns consistent with the Sub-Fund's objective. Sustainable business practices are those which positively manage the material impacts of a company's operations and products on the environment and society.</p> <p>The Sub-Fund adopts a policy of making no direct investment in companies that derive more than 10% of turnover from the production and sale of tobacco.</p> <p>The Sub-Fund typically invests directly in the shares of fewer than 70 companies.</p> <p>The Sub-Fund may also invest in collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds), derivatives (including but not limited to currency-related derivatives), money market instruments, deposits, cash and near cash.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the risk profile of the Sub-Fund.</p>	<p>The Sub-Fund is actively managed and invests at least 75% of the portfolio in equities (company shares) issued by companies located anywhere in the world (including ordinary shares, preference shares and other equity-related securities) that meet the Investment Manager's sustainability criteria, where environmental, social and governance ("ESG") considerations are an integral part of the criteria.</p> <p>The Sub-Fund aims to invest in shares with income prospects, meaning a yield (this is the income from an investment, usually stated as a percentage of the value of the investment) in excess of the FTSE World TR Index (the "Index") at the time of purchase. There is no guarantee that the Sub-Fund will achieve its investment objective.</p> <p>The Investment Manager focuses on companies that demonstrate sustainable business practices and an ability to generate returns consistent with the Sub-Fund's objective. Sustainable business practices are those which positively manage the material impacts of a company's operations and products on the environment and society.</p> <p>When determining whether a company engages in sustainable business practices and meets the Investment Manager's ESG and sustainability criteria, the Investment Manager considers whether the company (i) engages in such practices in an economic sense (e.g. the durability of the company's strategy, operations and finances are stable and durable), and (ii) takes appropriate measures to manage any material consequences or impact of its policies and operations in relation to ESG matters (e.g., the company's environmental footprint, labour standards, board structure).</p> <p>The Investment Manager's sustainability criteria incorporate elements of negative screening alongside other general and company level ESG-related analysis of a company's activities. Specifically, the Investment Manager, seeks to:</p> <p>Identify and avoid companies that participate in specific areas of activity that the Investment Manager deems to be harmful from an environmental or social perspective or which do not follow good governance practices. As an example, the Investment Manager could deem companies that have large carbon footprints or companies with poor labour standards ineligible for investment. It will also exclude companies in breach of the UN Global Compact principles which includes principles relating to human rights, labour, environment and anti-corruption.</p> <p>Identify and invest in companies that are proactively seeking to manage environmental and/or social factors well, which in turn should support long-term financial returns. This may also include those companies that are contributing to the development of solutions that will contribute towards addressing environmental and/or social issues, examples of which could include more efficient or reduced use of natural resources or accessibility to healthcare.</p> <p>Companies engaged in sustainable business practices may also include companies that have committed explicitly to improving their environmental and/or social impacts leading to a transformation of their business models. There may be situations where the Sub-Fund will invest in a company that has been identified as having involvement in potentially harmful activities from an environmental or social perspective. This may arise for certain companies whose activities or operations, typically due to a legacy business mix, may have historically created poor environmental or social outcomes, but that are now investing in and positively adapting to future needs (for example, this may</p>

include energy companies that are preparing for a transition to a lower carbon world). Similarly, in some instances, the Sub-Fund may invest in a company where the Investment Manager determines through engagement with the company, that prevailing ESG information and data provided by external ESG ratings providers have not fully captured positive environmental or social initiatives of the company.

When determining whether a company meets the Investment Manager's sustainability criteria the Investment Manager uses a combination of external and internal data, research and ratings which are qualitative and quantitative in nature.

Further details in relation to the current sustainability criteria may be obtained by contacting the ACD. Investors should be aware that these criteria may change over time.

The Sub-Fund typically invests directly in the shares of fewer than 70 companies.

The Sub-Fund may also invest in collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds), derivatives (including but not limited to currency-related derivatives), money market instruments, deposits, cash and near cash.

The Sub-Fund is not constrained by any Index weightings and will not concentrate on any particular country, sector or market capitalisation. The Sub-Fund may also invest in emerging markets, meaning countries which are progressing toward becoming advanced, usually displayed by some development in financial markets, the existence of some form of stock exchange and a regulatory body.

Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the risk profile of the Sub-Fund.

## Comparison of the investment policy for the BNY Mellon Sustainable Global Equity Fund

Current policy	Revised policy
<p>The Sub-Fund is actively managed and invests at least 75% of its assets in a concentrated portfolio of global equities (company shares). The companies selected will demonstrate attractive investment attributes and sustainable business practices which positively manage the material impacts of a company's operations and products on the environment and society.</p> <p>The Sub-Fund may also invest in collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds), derivatives (including but not limited to currency-related derivatives), money market instruments, deposits, cash and near cash.</p> <p>All investments will be expected to conform to the Investment Manager's sustainability criteria, which includes consideration of environmental, social and governance (ESG) risks, opportunities and issues.</p> <p>The Sub-Fund adopts a policy of making no direct investment in companies that derive more than 10% of turnover from the production and sale of tobacco.</p> <p>The Sub-Fund may invest in any geographic or economic sector, including emerging markets.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.</p>	<p>The Sub-Fund is actively managed and invests at least 75% of its assets in a concentrated portfolio of global equities (company shares) that meet the Investment Manager's sustainability criteria, where environmental, social and governance ("ESG") considerations are an integral part of the criteria. The Investment Manager focuses on identifying companies that demonstrate sustainable business practices and an ability to generate returns consistent with the Sub-Fund's objective. Sustainable business practices are those which positively manage the material impacts of a company's operations and products on the environment and society.</p> <p>When determining whether a company engages in sustainable business practices and meets the Investment Manager's sustainability criteria, the Investment Manager considers whether the company (i) engages in such practices in an economic sense (e.g. the company's strategy, operations and finances are stable and durable), and (ii) takes appropriate measures to manage any material consequences or impact of its policies and operations in relation to ESG matters (e.g., the company's environmental footprint, labour standards, board structure).</p> <p>The Investment Manager's sustainability criteria incorporate elements of negative screening alongside other general and company level ESG-related analysis of a company's activities. Specifically, the Investment Manager, seeks to:</p> <p>Identify and avoid companies that participate in specific areas of activity that the Investment Manager deems to be harmful from an environmental or social perspective or which do not follow good governance practices. As an example, the Investment Manager could deem companies that have large carbon footprints or companies with poor labour standards ineligible for investment. It will also exclude companies in breach of the UN Global Compact principles which includes principles relating to human rights, labour, environment and anti-corruption.</p> <p>Identify and invest in companies that are proactively seeking to manage environmental and/or social factors well, which in turn should support long-term financial returns. This may also include those companies that are contributing to the development of solutions that will contribute towards addressing environmental and/or social issues, examples of which could include more efficient or reduced use of natural resources or accessibility to healthcare.</p> <p>Companies engaged in sustainable business practices may also include companies that have committed explicitly to improving their environmental and/or social impacts leading to a transformation of their business models. There may be situations where the Sub-Fund will invest in a company that has been identified as having involvement in potentially harmful activities from an environmental or social perspective. This may arise for certain companies whose activities or operations, typically due to a legacy business mix, may have historically created poor environmental or social outcomes, but that are now investing in and positively adapting to future needs (for example, this may include energy companies that are preparing for a transition to a lower carbon world). Similarly, in some instances, the Sub-Fund may invest in a company where the Investment Manager determines through engagement with the company, that prevailing ESG information and data provided by external ESG ratings providers have not fully captured positive environmental or social initiatives of the company.</p> <p>When determining whether a company meets the Investment Manager's sustainability criteria the Investment Manager uses a</p>

	<p>combination of external and internal data, research and ratings which are qualitative and quantitative in nature.</p> <p>Further details in relation to the current sustainability criteria may be obtained by contacting the ACD. Investors should be aware that these criteria may change over time.</p> <p>The Sub-Fund may also invest in collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds), derivatives (including but not limited to currency-related derivatives), money market instruments, deposits, cash and near cash.</p> <p>The Sub-Fund may invest in any geographic or economic sector, including emerging markets.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.</p>
--	---

## Comparison of the investment policy for the BNY Mellon Sustainable Real Return Fund

Current policy	Revised policy
<p>To achieve its investment objective, the Sub-Fund will invest predominantly, meaning at least 75%, in a portfolio of UK and international securities across a broad diversified range of asset classes.</p> <p>The Sub-Fund may invest directly or indirectly in equities, fixed interest securities, currencies, cash, near cash, deposits, warrants, infrastructure, renewable energy, property, commodities and approved money market instruments. Exposure to these asset classes is expected to be achieved through a combination of transferable securities (such as company shares, convertible bonds, contingent convertible bonds, listed investment trusts, REITs, bonds, structured notes), collective investment schemes (which may include those managed or operated by the ACD or an associate of the ACD) and derivatives. Exposure to infrastructure, renewable energy, property or commodities may be gained through exchange listed securities and/or collective investment schemes.</p> <p>Companies eligible for investment are expected to demonstrate an ability to generate returns consistent with the Sub-Fund's objective and sustainable business practices. Sustainable business practices are those which positively manage the material impacts of a company's operations and products on the environment and society. All investments will be expected to conform to the Investment Manager's sustainability criteria, where environmental, social, governance (ESG) is an integral part of the criteria. The Sub-Fund adopts a policy of making no direct investment in companies that derive more than 10% of turnover from the production and sale of tobacco.</p> <p>The Sub-Fund may invest more than 35% of its assets in government and public securities issued or guaranteed by a single state, local authority or public international body. Subject to FCA regulations, the relative exposure between these asset classes will be actively managed and will be varied as deemed necessary in order to achieve the investment objective. This may result in the Sub-Fund having no exposure to particular asset classes. The Sub-Fund may invest in any geographic or economic sectors of the world.</p> <p>Derivatives may be used with a view to generating investment returns in pursuit of the Sub-Fund's investment objective, and for Efficient Portfolio Management. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.</p> <p>The Sub-Fund uses SONIA (30-day compounded) + 4% per annum over five years before fees as a target set for the Sub-Fund's performance to match or exceed. The ACD considers SONIA (30-day compounded) + 4% per annum over five years before fees to be an appropriate target because the ACD believes in typical market conditions that it represents a target that will be equal to or greater than UK inflation rates over the same period and is commensurate with the Investment Manager's approach.</p>	<p>To achieve its investment objective, the Sub-Fund will invest predominantly, meaning at least 75%, in a portfolio of UK and international securities across a broad diversified range of asset classes.</p> <p>The Sub-Fund may invest directly or indirectly in equities, fixed interest securities, currencies, cash, near cash, deposits, warrants, infrastructure, renewable energy, property, commodities and approved money market instruments. Exposure to these asset classes is expected to be achieved through a combination of transferable securities (such as company shares, convertible bonds, contingent convertible bonds, listed investment trusts, REITs, bonds, structured notes), collective investment schemes (which may include those managed or operated by the ACD or an associate of the ACD) and derivatives. Exposure to infrastructure, renewable energy, property or commodities may be gained through exchange listed securities and/or collective investment schemes.</p> <p>Issuers eligible for investment are expected to demonstrate an ability to generate returns consistent with the Sub-Fund's objective and sustainable business practices. Sustainable business practices are those which positively manage the material impacts of an issuer's operations and products on the environment and society. All investments will be expected to conform to the Investment Manager's sustainability criteria, where environmental, social and governance (ESG) considerations are an integral part of the criteria.</p> <p>When determining whether an issuer meets the Investment Manager's sustainability criteria, the Investment Manager considers whether the issuer: (i) engages in such practices in an economic sense (e.g., the issuer's strategy, operations and finances are stable and durable), and (ii) takes appropriate measures to manage any material consequences or impact of its policies and operations in relation to ESG matters (e.g., the issuer's environmental footprint, labour standards, board structure).</p> <p>The Investment Manager's sustainability criteria incorporate elements of negative screening alongside other general and issuer level ESG-related analysis of an issuer's activities. Specifically, the Investment Manager, seeks to:</p> <p>Identify and avoid issuers that participate in specific areas of activity that the Investment Manager deems to be harmful from an environmental or social perspective or which do not follow good governance practices. As an example, the Investment Manager could deem issuers that have large carbon footprints or companies with poor labour standards ineligible for investment. It will also exclude issuers in breach of the UN Global Compact principles which includes principles relating to human rights, labour, environment and anti-corruption.</p> <p>Identify and invest in issuers that are proactively seeking to manage environmental and/or social factors well, which in turn should support long-term financial returns. This may also include those issuers that are contributing to the development of solutions that will contribute towards addressing environmental and/or social issues, examples of which could include more efficient or reduced use of natural resources or accessibility to healthcare.</p> <p>Issuers engaged in sustainable business practices may also include companies that have committed explicitly to improving their environmental and/or social impacts leading to a transformation of their business models. There may be situations where the Sub-Fund will invest in an issuer that has been identified as having involvement in potentially harmful activities</p>

from an environmental or social perspective. This may arise for certain issuers whose activities or operations, typically due to a legacy business mix, may have historically created poor environmental or social outcomes, but that are now investing in and positively adapting to future needs (for example, this may include energy companies that are preparing for a transition to a lower carbon world). Similarly, in some instances, the Sub-Fund may invest in an issuer where the Investment Manager determines through engagement with the issuer that prevailing ESG information and data provided by external ESG ratings providers have not fully captured positive environmental or social initiatives of the issuer.

When determining whether an issuer meets the Investment Manager's sustainability criteria the Investment Manager uses a combination of external and internal data, research and ratings which are qualitative and quantitative in nature.

The Sub-Fund may invest more than 35% of its assets in government and public securities issued or guaranteed by a single state, local authority or public international body. Subject to FCA regulations, the relative exposure between these asset classes will be actively managed and will be varied as deemed necessary in order to achieve the investment objective. This may result in the Sub-Fund having no exposure to particular asset classes. The Sub-Fund may invest in any geographic or economic sectors of the world.

Derivatives may be used with a view to generating investment returns in pursuit of the Sub-Fund's investment objective, and for efficient portfolio management. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.

The Sub-Fund uses SONIA (30-day compounded) + 4% per annum over five years before fees as a target set for the Sub-Fund's performance to match or exceed. The ACD considers SONIA (30-day compounded) + 4% per annum over five years before fees to be an appropriate target because, whilst it does not take ESG factors into account, the ACD believes in typical market conditions that it represents a target that will be equal to or greater than UK inflation rates over the same period and is commensurate with the Investment Manager's approach.

Further details in relation to the current sustainability criteria may be obtained by contacting the ACD. Investors should be aware that these criteria may change over time.

## Comparison of the investment policy for the BNY Mellon Sustainable Sterling Bond Fund

Current policy	Revised policy
<p>The Sub-Fund is actively managed and invests at least 75% of the portfolio in fixed income securities (bonds) issued by governments, public entities and companies that demonstrate attractive investment attributes and sustainable business practices, which positively manage the material impacts of a company's operations and products on the environment and society. The bonds selected will be denominated in sterling or hedged back to sterling.</p> <p>The Sub-Fund adopts a policy of making no direct investment in companies that derive more than 10% of turnover from the production and sale of tobacco.</p> <p>The Sub-Fund may also invest in collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds), derivatives (including but not limited to currency-related derivatives), convertible bonds, contingent convertible bonds, money market instruments, deposits, cash and near cash.</p> <p>The Sub-Fund may invest up to 50% in bonds rated below investment grade (BBB-) by Standard &amp; Poor's (or equivalent recognised rating agency).</p> <p>The Sub-Fund may invest more than 35% of its assets in government and public securities issued or guaranteed by a single state, local authority or public international body.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.</p>	<p>The Sub-Fund is actively managed and invests at least 75% of the portfolio in fixed income securities (bonds) issued by governments, public entities and companies that meet the Investment Manager's sustainability criteria, where environmental, social and governance ("ESG") considerations are an integral part of the criteria. The Investment Manager focuses on identifying issuers that demonstrate sustainable business practices and an ability to generate returns consistent with the Sub-Fund's objective. Sustainable business practices are those which positively manage the material impacts of a company's operations and products on the environment and society. The bonds selected will be denominated in sterling or hedged back to sterling.</p> <p>When determining whether an issuer meets the Investment Manager's sustainability criteria, the Investment Manager considers whether the issuer: (i) engages in such practices in an economic sense (e.g., the issuer's strategy, operations and finances are stable and durable), and (ii) takes appropriate measures to manage any material consequences or impact of its policies and operations in relation to ESG matters (e.g., the issuer's environmental footprint, labour standards, board structure).</p> <p>The Investment Manager's sustainability criteria incorporate elements of negative screening alongside other general and issuer level ESG-related analysis of an issuer's activities. Specifically, the Investment Manager, seeks to:</p> <p>Identify and avoid issuers that participate in specific areas of activity that the Investment Manager deems to be harmful from an environmental or social perspective or which do not follow good governance practices. As an example, the Investment Manager could deem issuers that have large carbon footprints or companies with poor labour standards ineligible for investment. It will also exclude issuers in breach of the UN Global Compact principles which includes principles relating to human rights, labour, environment and anti-corruption.</p> <p>Identify and invest in issuers that are proactively seeking to manage environmental and/or social factors well, which in turn should support long-term financial returns. This may also include those issuers that are contributing to the development of solutions that will contribute towards addressing environmental and/or social issues, examples of which could include more efficient or reduced use of natural resources or accessibility to healthcare.</p> <p>Issuers engaged in sustainable business practices may also include companies that have committed explicitly to improving their environmental and/or social impacts leading to a transformation of their business models. There may be situations where the Sub-Fund will invest in an issuer that has been identified as having involvement in potentially harmful activities from an environmental or social perspective. This may arise for certain issuers whose activities or operations, typically due to a legacy business mix, may have historically created poor environmental or social outcomes, but that are now investing in and positively adapting to future needs (for example, this may include energy companies that are preparing for a transition to a lower carbon world). Similarly, in some instances, the Sub-Fund may invest in an issuer where the Investment Manager determines through engagement with the issuer that prevailing ESG information and data provided by external ESG ratings providers have not fully captured positive environmental or social initiatives of the issuer.</p> <p>When determining whether an issuer meets the Investment Manager's sustainability criteria the Investment Manager uses a</p>

000000000000007/007/007/000000/00

	<p>combination of external and internal data, research and ratings which are qualitative and quantitative in nature.</p> <p>The Sub-Fund may also invest in collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Company or other BNY Mellon funds), derivatives (including but not limited to currency-related derivatives), convertible bonds, contingent convertible bonds, money market instruments, deposits, cash and near cash.</p> <p>The Sub-Fund may invest up to 50% in bonds rated below investment grade (BBB-) by Standard &amp; Poor's (or equivalent recognised rating agency).</p> <p>The Sub-Fund may invest more than 35% of its assets in government and public securities issued or guaranteed by a single state, local authority or public international body.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management and hedging. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-Fund.</p>
--	--