

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 to advise on investments of the type referred to in this document such as a stockbroker, tax adviser, accountant or other financial adviser.

**PROPOSAL FOR THE SCHEME OF ARRANGEMENT
FOR THE MERGER OF**

**NEWTON MANAGED INCOME FUND
(a sub-fund of BNY Mellon Managed Funds I,
an umbrella investment company with variable capital incorporated in England and Wales,
authorised by the FCA as a UCITS scheme)**

WITH

**NEWTON MULTI-ASSET INCOME FUND
(a sub-fund of BNY Mellon Investment Funds,
an umbrella investment company with variable capital incorporated in England and Wales,
authorised by the FCA as a UCITS scheme)**

Dated: 27 November 2017

This document contains a notice of Meeting of Shareholders of Newton Managed Income Fund, a sub-fund of BNY Mellon Managed Funds I. The meeting is to be held at the offices of BNY Mellon Fund Managers Limited at BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA on 11 January 2018 at 11.00am.

Please complete and return the enclosed Form of Proxy or if you hold shares through a BNY Mellon ISA, the enclosed Form of Direction in the reply-paid envelope provided as soon as possible and in any event so that the Form of Proxy and/or Form of Direction arrive at least 48 hours before the time fixed for the meeting, i.e. by 11:00am on 09 January 2018. Completion of the form(s) will not prevent holders attending and voting at the meeting in person.

Contents

GLOSSARY	3
SUMMARY OF KEY DATES	5
Letter to Shareholders.....	7
1 BACKGROUND	6
2 ABOUT YOUR OPTIONS	7
3 COMPARISON BETWEEN THE MERGING FUND AND THE RECEIVING FUND	8
4 DEALINGS IN SHARES	10
5 TERMS OF THE MERGER.....	10
6 COSTS.....	11
7 PROCEDURE	11
8 TAXATION	12
9 MANDATES AND OTHER INSTRUCTIONS	12
10 ACTION	12
11 INFORMATION ON VOTING FOR HOLDERS THROUGH A BNY MELLON INDIVIDUAL SAVINGS ACCOUNT.....	13
12 ADDITIONAL INFORMATION	13
Appendices.....	14
1 Comparison of the main features of the Merging Fund and the Receiving Fund.....	14
2 Scheme of arrangement for the Merger.....	18
3 Procedure.....	22
4 Consents.....	23
5 Notice of Meeting of Shareholders	25

GLOSSARY

"ACD", "our", "us", "we"	BNY Mellon Fund Managers Limited, the authorised corporate director of the Receiving Company and the Merging Company;
"Auditor"	Ernst & Young LLP, the auditor to the Receiving Company and to the Merging Company, as the context demands;
"COLL"	the rules contained in the Collective Investment Schemes Sourcebook which forms part of the FCA Handbook of Rules and Guidance as amended or re-enacted from time to time;
"Effective Date"	27 January 2018 or such other date as may be agreed by the ACD and NatWest;
"Effective Merger Date"	12.01am on 27 January 2018, or such other date as may be agreed by the ACD and NatWest;
"FCA"	the Financial Conduct Authority;
"FCA Rules"	the FCA Handbook of Rules and Guidance (as amended);
"fraction"	one one-thousandth of a Share;
"Funds"	the Merging Fund and the Receiving Fund;
"ICVC"	an investment company with variable capital;
"ISA"	Individual Savings Account;
"Merger"	the merger of the Merging Fund with the Receiving Fund in accordance with the Merger Scheme;
"Merger Scheme"	the scheme of arrangement for the merger of the Merging Fund with the Receiving Fund which is set out in Appendix 2 to this document;
"Merging Company"	BNY Mellon Managed Funds I (an investment company with variable capital incorporated in England and Wales, authorised by the FCA as a UCITS scheme), of which the Merging Fund is a sub-fund;
"Merging Fund"	Newton Managed Income Fund, a sub-fund of the Merging Company;
"Merging Fund Value"	the value of the property of the Merging Fund calculated in accordance with its instrument of incorporation as at 12:00 midnight at the beginning of the Effective Date based on the valuation of the Merging Fund at 12:00 noon on the day before the Effective Date and adjusted to include any income allocated to accumulation Shares for the accounting period ending at 11.59pm on the day before the Effective Date, less the Retained Amount. In the event that the value of the scheme property of the Merging Fund moves significantly (as judged by the ACD and NatWest as depositary of the Merging Fund) between 12:00 noon on the day before the Effective Merger Date and the Effective Merger Date, the Merging Fund Value will be adjusted accordingly;
"Merging Property"	the scheme property of the Merging Fund on the Effective Merger Date which will transfer to the Receiving Fund pursuant to the terms of the Merger Scheme;
"NatWest"	National Westminster Bank Plc, acting either in its capacity as the depositary of the Merging Company or in its capacity as the depositary of the Receiving Company, as the context demands;

"New Share"	a share of the appropriate type and class in the Receiving Fund to be issued to Shareholders pursuant to the Merger Scheme;
"Newton"	Newton Investment Management Limited, the investment manager of the Merging Fund and the Receiving Fund;
"OEIC Regulations"	the Open-Ended Investment Companies Regulations 2001 (as amended);
"Receiving Company"	BNY Mellon Investment Funds (an umbrella investment company with variable capital incorporated in England and Wales, authorised by the FCA as a UCITS scheme) of which the Receiving Fund is a sub-fund;
"Receiving Fund"	Newton Multi-Asset Income Fund, a sub-fund of the Receiving Company;
"Regulations"	the FCA Rules and the OEIC Regulations;
"Retained Amount"	an amount which is calculated by the ACD (after consultation with NatWest in its capacity as depositary of the Merging Fund and the Auditor) to be necessary to meet the actual and contingent liabilities of the Merging Fund after its merger, and which is to be retained by NatWest (as the depositary of the Merging Fund) for the purpose of discharging those liabilities;
"Share"	a share in the Merging Fund;
"Shareholder"	a holder of Shares; and
"UCITS scheme"	a UCITS scheme constituted in accordance with the UCITS Directive (a European Directive relating to undertakings for collective investment in transferable securities which has been adopted in the UK).

In addition, where relevant in the context, terms which are defined in the FCA Rules shall have the same meaning in this document and the Merger Scheme.

All references in this document to times refer to London time, unless specifically stated otherwise.

SUMMARY OF KEY DATES

Action	Date
Qualification date for Shareholders	20 November 2017
Mailing to Shareholders	27 November 2017
Forms of Proxy and/or Form of Direction to be returned by	11:00am on 09 January 2018
Meeting of Shareholders	11:00am on 11 January 2018
Results of Meeting of Shareholders to be published on the website of the Merging Fund	By 5:00pm on 11 January 2018

Subject to the approval of the Merger at the Meeting of Shareholders on 11 January 2018

Latest time for receipt of instructions to convert Shares and instructions to transfer to another ISA manager before the Merger	10:00am on 19 January 2018
Latest time for receipt of instructions to switch, buy or redeem Shares before the Merger	10:00am on 25 January 2018
End of accounting period of the Merging Fund	11:59pm on 26 January 2018
Valuation used for the purpose of the Merger Scheme (by reference to a special valuation at 12:00 noon on 26 January 2018)	12:00 midnight at the beginning of 27 January 2018
Effective Merger Date	12:01am on 27 January 2018
Open for dealing in New Shares	9:00am on 29 January 2018

Date: 27 November 2017

To: The Shareholders in the Newton Managed Income Fund, a sub-fund of BNY Mellon Managed Funds I

Dear Shareholder

Recommended proposal for a scheme of arrangement to merge the Newton Managed Income Fund, a sub-fund of BNY Mellon Managed Funds I, with the Newton Multi-Asset Income Fund, a sub-fund of BNY Mellon Investment Funds

In this document, unless the context requires otherwise, the terms shall have the meaning set out in the Glossary.

We are writing to you as a shareholder of the Newton Managed Income Fund (the "**Merging Fund**"), which is a sub-fund of BNY Mellon Managed Funds I (the "**Merging Company**").

The purpose of this document is to describe the proposal to merge the Merging Fund with the Newton Multi-Asset Income Fund (the "**Receiving Fund**"), a sub-fund of BNY Mellon Investment Funds (the "**Receiving Company**") on the 27 January 2018 (the "**Effective Date**") by way of a Merger. It is proposed to merge the Funds in accordance with the Scheme of Arrangement set out in Appendix 2.

Both Funds are managed by BNY Mellon Fund Managers Limited, which acts as ACD for both the Merging Company and the Receiving Company. Newton Investment Management Limited ("**Newton**") acts as the investment manager for both Funds.

This document sets out the reasons for and the details of the Merger proposal, the differences between the two Funds and the procedure by which the Merger will be effected. It also explains the benefits and implications for you as a Shareholder, as well as the action you should take.

To be effective, the implementation of the Merger Scheme requires the approval of the Extraordinary Resolution of the Shareholders of the Merging Fund. Accordingly, Notice of Meeting of Shareholders of the Merging Fund to be held at **11:00am** on **11 January 2018** is set out at Appendix 5 of this document.

The action you are required to take is set out on page 13 of this document.

We would encourage you to vote in favour of the Merger. We believe the Merger is in your best interests as a Shareholder. It is important that you exercise your right to vote.

1. Background to and reasons for the proposed Merger

Why are we proposing the Merger?

In order to ensure that we continue to meet the needs and expectations of all shareholders in our funds we are always looking for ways to improve or update our range of funds and to adapt to changing markets and investor requirements. We have concluded that the merger of the Newton Managed Income Fund with the Newton Multi-Asset Income Fund will simplify and consolidate the multi-asset funds in our range and benefit Shareholders in the following ways:

• A directly invested and fully flexible global multi-asset strategy provides greater potential to provide income with the potential for capital growth

The Merging Fund invests predominantly in a mixed portfolio of funds for which Newton is the investment manager, whereas the Receiving Fund has the flexibility to invest directly in securities as well as in other funds. The Merging Fund and Receiving Fund are also subject to different investment exposure limits and reside in different Investment Association "sectors". The Merging Fund must gain an exposure through its investment in funds of between 20% and 60% of its assets in equities and at least 30% in fixed income investments (for example, corporate and government bonds) and/or cash investments. On the other hand, the Receiving Fund has no minimum or maximum equity or fixed income exposure limits.

As a result, we believe that the greater flexibility available to the Receiving Fund to target the most attractive income-generating investment opportunities across all asset classes in all market

conditions gives it greater potential to provide income with the potential for capital growth than the Merging Fund.

- **The Receiving Fund provides monthly income distributions**

The Merging Fund makes income allocations four times a year. This contrasts with the Receiving Fund which aims to pay a stable, regular monthly income through eleven smoothed monthly payments with the remaining balance paid in the twelfth month. We believe that the greater frequency of income distributions by the Receiving Fund is of benefit to Shareholders.

Further details of the income allocation for the Merging Fund and Receiving Fund are set out in Appendix 1.

- **Economies of scale**

We believe that by bringing the two funds together, the overall costs to investors will reduce due to the economies of scale and efficiencies that can be obtained from the management of a larger combined fund which has greater prospects for growing assets under management.

We do not believe the Merger Scheme will change the existing risk profile for Shareholders in the Merging Fund or that the performance of the Receiving Fund will be adversely affected by the Merger.

A comparison and summary of the main features of the Merging Fund and the Receiving Fund, including details of their investment objectives and policies is set out below and in Appendix 1.

What is different to the previous merger proposal put forward to Shareholders in March 2016?

On 10 March 2016, we first wrote to Shareholders to propose the merger (being the "**Original Merger Proposal**") of the Merging Fund with the Receiving Fund. This Original Merger Proposal was not, however, approved at the Meeting of Shareholders on 14 April 2016.

Following that Meeting, we have carefully considered the options available to the Newton Managed Income Fund and what would be in the best interests of Shareholders in these circumstances. Based on those discussions, we believe that the strategic rationale for the proposed Merger remains highly compelling, offers greater potential to provide income with the potential for capital growth and cost savings.

We have concluded, therefore, that the proposed Merger is in the best interest of all Shareholders.

We believe that the key concern under the Original Merger Proposal regarded the plan for the Merging Fund to bear all the related costs and expenses of implementing the Merger. To address this concern, these costs and expenses will not be borne by the Merging Fund. Rather, we have agreed as the ACD to cover voluntarily all such related costs and expenses of the proposed Merger. We believe that by absorbing these costs this offers superior value to Shareholders while allowing them to take advantage of the benefits of the Merger. Further details regarding the costs of the Merger are set out in section 6 of this document.

2. Your options

We would encourage you to vote in favour of the proposed Merger in light of the information set out in the paragraphs above.

We have set out the detail of the Merger below. If you are uncertain as to how to respond to this document, you should consult a financial or tax adviser.

Each of the options set out below assumes that the Merger is approved by Shareholders. If the Merger is not approved by Shareholders, then the Merger will not take place and we will continue to operate the Merging Fund in its current form. However, please note that in these circumstances the ACD may in future consider other proposals for the Merging Fund.

Option One: You may participate in the Merger

The Merger requires the passing of an extraordinary resolution at a Meeting of Shareholders of the Merging Fund. If the Merger is approved it will be binding on all Shareholders at the Effective Date

(whether or not they voted in favour of it, or voted at all). If the Merger is approved and you wish to participate in the Merger, you will not need to take any further action.

Option Two: You may redeem your Shares

If you do not wish to participate in the Merger, you may redeem all or part of your Shares at any time provided instructions to redeem are received by us before **10:00am** on **25 January 2018**. Instructions received after this time will be deemed to the extent practicable to apply to your New Shares. We will not make a charge for redeeming your Shares.

If you wish to redeem your Shares prior to the Merger please contact our Client Service Centre in the UK on 0800 614 330 or from overseas on +44 (0) 20 3528 4002.

Please note that a redemption will be treated as a disposal of shares for tax purposes and you may be liable to capital gains tax on any gains arising from the redemption of your Shares. Please note that if you hold Shares through a BNY Mellon Individual Savings Account ("ISA") that any redemption of Shares may cause you to lose the ISA tax advantages in respect of those Shares.

It is therefore important that you take professional advice from a tax or financial adviser before deciding to redeem your Shares, including any redemption of Shares held within an ISA. If you wish to redeem any Shares prior to the Merger please contact our Client Service Centre in the UK before 10:00am on 25 January 2018.

Option Three: You may switch your Shares

If you do not wish to participate in the Merger, you may switch your Shares before the Merger into another fund managed by BNY Mellon Fund Managers Limited, subject to restrictions as set out in the relevant prospectus.

If you require details of any funds managed by BNY Mellon Fund Managers Limited prior to the Merger please contact our Client Service Centre in the UK on 0800 614 330 or from overseas on +44 (0) 20 3528 4002.

We must receive your instructions to switch before **10:00am** on **25 January 2018**. Instructions received after this time will be deemed to the extent practicable to apply to your New Shares. We will not make a charge for switching your Shares.

Please note that a switch will be treated as a disposal of shares for tax purposes and you may be liable to capital gains tax on any gains arising from the switch of your Shares. If you wish to switch any Shares held within your ISA prior to the Merger please contact our Client Service Centre in the UK before 10:00am on 25 January 2018.

Option Four: If you are an ISA holder, you may transfer your holdings to another ISA manager of your choice

If you are an ISA holder and you do not wish to take part in the Merger Scheme you may transfer your ISA holding into another fund managed by BNY Mellon Fund Managers Limited (see Option Three above) or may transfer to another ISA manager.

If you wish to transfer your ISA holdings to another ISA manager, you should contact your new ISA manager who will provide you with any relevant application form(s). You will need to instruct your new ISA manager to begin the transfer process as soon as possible so that we receive transfer instructions before **10:00am** on **19 January 2018**.

3. Comparison between the Merging Fund and the Receiving Fund

A comparison and summary of the main features of the Merging Fund and the Receiving Fund, including details of their investment objectives and policies is set out in Appendix 1. Copies of the key investor information document(s) for the relevant class(es) of New Shares that you would receive under the Merger, giving further details of the Receiving Fund, are enclosed.

3.1 Investment objectives and policies

The investment objectives of the Merging Fund and the Receiving Fund, as mentioned above, are similar, as each Fund aims to achieve income and capital growth. However, each Fund aims to achieve its investment objective in different ways.

The Merging Fund seeks to achieve its investment objective by investing predominantly (by which it means at least 75% of the Merging Fund's assets) in other collective investment schemes managed by Newton. In contrast, the Receiving Fund seeks to achieve its investment objective by investing in a diversified range of asset classes, including equities, fixed interest securities, currencies, cash, near cash and deposits, warrants, property, commodities and approved money market instruments. Exposure to these asset classes is achieved through investment in transferable securities, collective investment schemes (including other sub-funds of the Receiving Company, or other collective investment schemes managed by the ACD) and derivatives. The Receiving Fund may gain exposure to property or commodities indirectly through investment in exchange listed securities and collective investment schemes.

The Merging Fund uses derivatives for the purposes of efficient portfolio management. The Receiving Fund may use derivatives for investment purposes as well as for the purposes of efficient portfolio management. The use of derivatives for investment purposes affords the investment manager additional means of investment potentially enabling greater flexibility, investment opportunity and risk diversification, and may enhance returns, as well as losses, by the effect of leverage. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of a derivative investment. Investments in derivative instruments are subject to normal market fluctuations and other risks inherent in the investment in securities.

The Merging Fund and the Receiving Fund have the same risk profile. Synthetic Risk and Reward Indicators for the Funds are set out in Appendix 1.

You should bear in mind that all investment carries risks and as with your existing investment in the Merging Fund, you should take into account the risk factors set out in the enclosed key investor information document(s) for the relevant class(es) of New Shares that you would receive under the Merger when considering the proposals set out in this document.

3.2 Charges

The rate of annual management charges for each equivalent class and type of share in issue in the Receiving Fund is the same as, or lower than, the annual management charges for the equivalent class and type of share in the Merging Fund. The annual management charges for both the Receiving Fund and the Merging Fund are taken from capital. The ACD pays the fees and expenses of the investment manager (in the case of both the Merging Fund and the Receiving Fund) out of its own assets.

In the Merging Fund, the maximum level of management fees that may be charged is 3% per annum. No such maximum applies to the Receiving Fund.

In addition, in respect of both the Merging Fund and the Receiving Fund, the ACD is permitted to take a further administration charge from the scheme property of each Fund to cover registration duties and general expenses. This administration charge for each equivalent class and type of share in issue in the Receiving Fund is the same as for the equivalent class and type of share in the Merging Fund.

Appendix 1 sets out a detailed comparison of the ongoing charges figures for each equivalent class and type of share in issue in the Receiving Fund and the equivalent class and type of share in the Merging Fund.

The ongoing charges for each equivalent class and type of share in issue in the Receiving Fund is expected to be lower than for the equivalent in the Merging Fund as result of the increase in fund size post-merger. In the event, however, that the ongoing charges for the Receiving Fund are higher than those for the Merging Fund, we will cap from and including the Effective Merger Date the ongoing charges (for each relevant class) of the Receiving Fund at the current level of the Merging Fund by the ACD itself paying part of the Receiving Fund's expenses. This is so that the ongoing charges of the

Receiving Fund are in practice no higher than those of the Merging Fund immediately prior to the Effective Merger Date.

3.3 Periodic reports, income allocation and income distribution dates

You will see from Appendix 1 that the Merging Fund and the Receiving Fund have different accounting dates and income allocation dates. This means that if the Merger proceeds the annual and interim accounts for the Receiving Fund will be available at the end of October and February respectively, rather than the end of January and end of May as is the case with the Merging Fund.

The Merging Fund currently makes four income allocations a year. The Receiving Fund aims to make eleven smoothed income allocations on the second to last business day of every month. Dividends are calculated on the last calendar day of each month and paid during the following month and any remaining income will be paid during the twelfth month (declared in June and paid in July). This means that if you participate in the Merger Scheme you will be invested in a fund that aims to pay monthly distributions of income rather than quarterly distributions as is the case with the Merging Fund.

As with the Merging Fund, the Receiving Fund offers the opportunity to re-invest income distributions for income Shares.

4. Dealings in Shares

Any requests for conversions of Shares held in the Merging Fund received by **10:00am** on **19 January 2018** will be dealt with in the usual way. Any requests for switches, subscriptions or redemptions in the Merging Fund received by **10:00am** on **25 January 2018** will also be dealt with in the usual way. Requests for conversions, switches, subscriptions or redemptions received after these respective times will to the extent practicable be deemed to apply to shares in the Receiving Fund and will be carried over until the next valuation point of the Receiving Fund, which will be 12:00 noon on 29 January 2018.

Dealings in New Shares are expected to commence at 9:00am on Monday 29 January 2018, being the next business day following the Effective Date. You will receive confirmation of the Merger and of the New Shares issued to you, and it is intended that this confirmation will be sent within 14 days of the Effective Date. You may deal in your New Shares from this time, and before you receive the letter of notification confirming the allocation of New Shares to you.

The procedures for buying and redeeming New Shares are the same as those relating to Shares in the Merging Fund, except that dealing requests in the Receiving Fund can be received on a dealing day up to the 12:00 noon cut-off point rather than 10:00am as is the case for the Merging Fund.

5. Terms of the Merger

If the Merger is approved, Shareholders will receive New Shares in the Receiving Fund in exchange for the transfer of the property of the Merging Fund (less the Retained Amount) to the Receiving Fund on the terms set out in the Merger Scheme. New Shares will be issued to you of an equivalent value to that of your Shares.

No initial charge will be paid in respect of New Shares. Shares will be deemed to have been cancelled and will cease to be of any value and the Merging Fund will be wound up once all of its liabilities have been discharged.

New Shares will be issued under the Merger as follows:

Share class and type (Merging Fund)	New Shares: relevant class and type to be issued in the Receiving Fund under the Merger
Institutional Income Shares	Institutional Shares (Income)
Institutional Accumulation Shares	Institutional Shares (Accumulation)

Institutional Shares W (Income)	Institutional Shares W (Income)
Institutional Shares W (Accumulation)	Institutional Shares W (Accumulation)
Retail Income Shares	Sterling Income Shares
Retail Accumulation Shares	Sterling Accumulation Shares
Retail Advised Shares B (Income)	Retail Advised Shares B (Income)
Retail Advised Shares B (Accumulation)	Retail Advised Shares B (Accumulation)

In order to simplify the process for the Merger, an additional interim accounting date ending at 11.59pm on the day before the Effective Date will be introduced in respect of the Merging Fund.

For accumulation Shares, any income available for allocation from the end of the previous accounting period to 11:59pm on the day before the Effective Date will be transferred to the capital account of the Merging Fund, as appropriate and will be reflected in the value of New Shares issued to holders of accumulation Shares.

For income Shares, any income available for distribution from the end of the previous accounting period to 11:59pm on the day before the Effective Date will be transferred to the distribution account of the Merging Fund as appropriate and will be distributed to holders of income Shares within two months. Where the reinvestment option applies to such income, the income will be reinvested through the purchase of further New Shares in the Receiving Fund.

Further details of the Merger are contained in the Merger Scheme set out in Appendix 2.

6. Costs

All costs and expenses of the Merger will be met by the ACD and not by the Shareholders in the Merging Fund. Such costs and expenses include, but are not limited to, the costs of convening and holding the Meeting of Shareholders and any adjourned Meeting of Shareholders (including, but not limited to, the costs and expenses of preparing, printing and mailing this document), implementing the Merger, including, but not limited to, costs of any dilution adjustment in respect of the sale of holdings in collective investment schemes and any costs associated with reinvesting the proceeds realised from the sale of holdings in collective investment schemes, in the Receiving Fund.

7. Procedure

The proposed Merger requires the passing of an extraordinary resolution at a Meeting of Shareholders. If the Merger is approved it will be binding on all Shareholders at the Effective Date (whether or not they voted in favour of it, or voted at all).

As the Receiving Fund invests directly, it is intended that if the Merger is approved, the investments of the Merging Fund will be realised before the Merger and the Merging Fund will transfer cash or other liquid assets only to the Receiving Fund pursuant to the Merger. To facilitate this, Shareholders should note that the investment manager may proceed to move positions in the Merging Fund to cash or other liquid assets following the Meeting of Shareholders to facilitate the Merger if approved.

If the Merger is not approved, the Merging Fund will not be merged with the Receiving Fund and we will continue to operate the Merging Fund in its current form. However, please note that in these circumstances we may in future consider other proposals for the Merging Fund.

The procedure for the Meeting of Shareholders is set out in Appendix 3. Details of the various consents to the Merger and a list of the documents which are available for inspection, are also set out in Appendix 4.

The extraordinary resolution to enable the implementation of the Merger is set out in the Notice of a Meeting of Shareholders in Appendix 5. If approved, the Merger will be effected on the Effective Date. Details of the outcome of the Meeting of Shareholders will be available from www.bnymellonim.com/merger-mi shortly after the meeting. Subject to approval of the Merger, details of the Merger ratio calculations used to calculate the number of New Shares to be issued to each Shareholder will also be made available to view from here after the Effective Date.

8. Taxation

UK Shareholders

We do not expect that the tax treatment for investors in respect of their New Shares will differ from the treatment currently applying to their Shares in the Merging Fund. Furthermore, the tax position of the Merging Fund and the Receiving Fund should not differ either. Based on our understanding of the tax legislation and the tax clearances that have been obtained, the Merger should not involve a disposal of Shares for capital gains tax purposes regardless of the size of your holding. New Shares issued to you under the Merger Scheme should have the same acquisition cost and acquisition date for capital gains tax purposes as your existing Shares. New Shares issued to ISA holders will continue to be held within a BNY Mellon ISA, and the Merger will not have any impact on the tax status of the ISA.

Details of the tax clearances which have been obtained are set out in Appendix 4.

It is not anticipated that UK stamp duty reserve tax or stamp duty or equivalent overseas taxes should be payable in respect of the transfer of the property of the Merging Fund to the Receiving Fund as part of the Merger. If any UK or other taxes or duties are incurred by the Funds as a result of the Merger, they will in any case be borne by the ACD.

This is a summary of our understanding of the current UK legislation and HM Revenue & Customs' practice relevant to UK resident investors regarding the issue of New Shares under the Merger. It may be subject to change.

Non-UK Shareholders

The tax consequences of the Merger Scheme may vary depending on the law and regulations of your country of residence, citizenship or domicile. If you are in any doubt about your potential liability to tax, you should consult an independent professional adviser.

Further information for ISA holders

Please note that if the Merger Scheme is implemented, the tax status of your ISA will remain unaffected, and there will be no change to your ISA terms and conditions or your ISA Manager. If you do not wish to take part in the Merger Scheme, please see the sub-sections setting out your options.

9. Mandates and other instructions

Any mandates or other instructions which you have given in relation to your Shares will automatically apply to the New Shares issued to you following the Merger. If you do not want these mandates to be carried forward, please let us know. You may, of course, change these mandates or instructions at any time by contacting our Client Service Centre in the UK.

10. Action

It is important that you read this document and appendices carefully. We would encourage you to vote in favour of the Merger. To be passed, the extraordinary resolution requires a majority in favour of not less than 75% of the total number of votes cast, so it is important that you exercise your right to vote.

A Form of Proxy is enclosed for your use if you invest outside of an ISA in the Merging Fund (if you invest through a BNY Mellon ISA, please see below).

Please complete and return the enclosed Form of Proxy in the envelope provided to BNY Mellon Fund Managers Limited to reach us at least 48 hours before the time of the Meeting, i.e. by **11:00am** on **09 January 2018**.

Completion of a Form of Proxy will not prevent you attending and voting at the Meeting in person. In these circumstances, your Form of Proxy will be set aside and you should, if you wish, cast your votes when the vote is taken.

We recommend that you attend the Meeting of Shareholders and/or arrange for a proxy to attend the meeting in your place.

11. Information on voting for holders through a BNY Mellon Individual Savings Account

For administration purposes, your ISA holdings are registered in the name of BNY MFM Nominees Limited, as nominee of your plan manager. As the beneficial owner of Shares you have the right to instruct BNY MFM Nominees Limited to vote for or against the resolution approving the Merger and to cast votes in respect of the Shares you own beneficially. If you would like to exercise your right to vote you should complete and return the enclosed Form of Direction in the reply-paid envelope provided to BNY Mellon Fund Managers Limited as soon as possible and in any event so that it arrives at least 48 hours before the time fixed for the meeting, i.e. by **11:00am** on **09 January 2018**.

If you hold investments directly and also through an ISA then you will receive a Form of Proxy and a Form of Direction. The Form of Proxy and Form of Direction must be returned to us 48 hours before the time appointed for holding the Meeting, i.e. by **11:00am** on **09 January 2018**.

Completion of a Form of Direction will not prevent you attending the Meeting in person and instructing BNY Mellon Fund Managers Limited as to how you wish to vote in respect of the Shares beneficially owned by you. In these circumstances, your Form of Direction will be set aside and you should instruct BNY Mellon Fund Managers Limited accordingly when the vote is taken.

12. Additional information

If, having completed and returned a Form of Proxy and/or a Form of Direction, you redeem any of your Shares before the Meeting of Shareholders, then in respect of those Shares, the Form of Proxy and/or Form of Direction will not be counted and you will not be able to vote in respect of those Shares at the meeting.

If you are uncertain as to how to respond to this document, you should consult a financial or tax adviser. If you have any questions concerning the Merger Scheme please contact our Client Service Centre in the UK between 8:30am and 5:30pm on 0800 614 330 or from overseas on +44 (0)20 3528 4002.

Please note that although we are happy to take your calls and can give general information regarding the Merger Scheme, we are not able to provide you with financial or tax advice.

Yours faithfully

David Turnbull

David Turnbull
Director

BNY Mellon Fund Managers Limited
(as ACD of Newton Managed Income Fund, a sub-fund of BNY Mellon Managed Funds I)
Encs.

APPENDIX 1

Comparison of the main features of the Merging Fund and the Receiving Fund

For further details of the Receiving Fund, please see the enclosed Key Investor Information Document(s)

	The Merging Fund			The Receiving Fund		
Investment objective and policy	<p>The objective of the Merging Fund is to achieve income together with capital growth predominantly through investment in a portfolio of funds for which Newton Investment Management Limited is the investment manager.</p> <p>The Merging Fund may also invest in deposits, fixed interest instruments, approved money market instruments and units in collective investment schemes (including another Sub-Fund or Sub-Funds of the Merging Company). Derivatives may be used for efficient portfolio management.</p>			<p>The investment objective is to provide income with the potential for capital growth over the longer term.</p> <p>The investment policy of the Receiving Fund is to gain exposure through a flexible asset allocation to a broad diversified range of asset classes including, without limitation, equities, fixed interest securities, currencies, cash, near cash and deposits, warrants, property, commodities and approved money market instruments. Exposure to these asset classes is expected to be achieved through investment in a combination of transferable securities, collective investment schemes (including but not limited to another Sub-Fund or Sub-Funds of the Receiving Company) and derivatives. To the extent the Receiving Fund gains exposure to property or commodities, such exposure may be through exchange listed securities and/or collective investment schemes.</p> <p>The Receiving Fund will not have any restrictions on the proportion of the Receiving Fund allocated to any of these asset classes. The Receiving Fund may invest in any geographic or economic sectors of the world.</p> <p>Derivatives may be used for investment purposes as well as for efficient portfolio management.</p>		
Type of fund	UCITS			UCITS		
Available share classes and charges in Merging Fund and corresponding share classes in Receiving Fund		Annual Management Charge	Initial Charge		Annual Management Charge	Initial Charge
	Institutional Income Shares	1.00%	0%	Institutional Shares (Income)	0.75%	0%
	Institutional Accumulation Shares	1.00%	0%	Institutional Shares (Accumulation)	0.75%	0%
	Institutional Shares W (Income)	0.625%	0%	Institutional Shares W (Income)	0.625%	0%
	Institutional Shares W (Accumulation)	0.625%	0%	Institutional Shares W (Accumulation)	0.625%	0%

	The Merging Fund			The Receiving Fund		
	Retail Income Shares	1.25%	0%	Sterling Income Shares	1.25%	0%
	Retail Accumulation Shares	1.25%	0%	Sterling Accumulation Shares	1.25%	0%
	Retail Advised Shares B (Income)	0.75%	0%	Retail Advised Shares B (Income)	0.75%	0%
	Retail Advised Shares B (Accumulation)	0.75%	0%	Retail Advised Shares B (Accumulation)	0.75%	0%
Charges taken from	The ACD and NatWest have agreed that 100% of the annual management charge may be charged to capital. The annual management charge may be discounted at the ACD's discretion.			The ACD and NatWest have agreed that 100% of the annual management charge and other fees and expenses may be charged to capital.		
Synthetic Risk and Reward Indicator (SRRI)	4			4		
Depositary charges	0.025% per annum of the first £40 million of the scheme property, 0.015% per annum of the next £40 million of the scheme property, 0.005% per annum of the next £420 million of the scheme property and 0.0020% per annum of the balance of the scheme property. Depositary charges are capped at 0.5% per annum of the value of the scheme property of the fund.			0.025% per annum of the first £40 million of the scheme property, 0.015% per annum of the next £40 million of the scheme property, 0.005% per annum of the next £420 million of the scheme property and 0.0020% per annum of the balance of the scheme property.		
Custody charges	Custody charges vary from country to country depending on the markets and the value of the stock involved, and, where levied currently range from 0.003% per annum to 0.40% per annum.			Custody charges again vary from country to country depending on the markets and the value of the stock involved, and, where levied currently range from 0.002% per annum to 0.35% per annum.		
Transaction charges	Transaction charges vary from country to country, dependent on the markets and value of the stock involved, and, where levied, currently range from £8.50 to £45.			Transaction charges vary from country to country, dependent on the markets and value of the stock involved, and, where levied, currently range from £8.50 to £45 for existing Sub-Funds and for new Sub-Funds investing in emerging markets the maximum charge will be £74 per transaction.		
Registration and general expenses charge	Retail Income Shares, Retail Accumulation Shares: 0.10% per annum Retail Advised Shares B: 0.08% per annum Other classes of Shares:0.03% per annum			Sterling Income Shares, Sterling Accumulation Shares: 0.10% per annum Retail Advised Shares B: 0.08% per annum Other classes of Shares:0.03% per annum		

Ongoing charges figures for launched share classes	The Merging Fund		The Receiving Fund		
		Current ongoing charges*		Estimated ongoing charges post-Merger (based on an estimated fund size of £120 million)	Current ongoing charges* (based on fund size of £32 million)
Institutional Income Shares		1.16%	Institutional Shares (Income)	0.82%	1.02%
Institutional Accumulation Shares		1.16%	Institutional Shares (Accumulation)	0.82%	1.02%
Institutional Shares W (Income)		0.78%	Institutional Shares W (Income)	0.70%	0.89%
Institutional Shares W (Accumulation)		0.78%	Institutional Shares W (Accumulation)	0.70%	0.89%
Retail Income Shares		1.40%	Sterling Income Shares	1.39%	1.58%
Retail Accumulation Shares		1.40%	Sterling Accumulation Shares	1.39%	1.58%
Retail Advised Shares B (Income)		0.90%	Retail Advised Shares B (Income)	0.87%	1.06%
Retail Advised Shares B (Accumulation)		0.90%	Retail Advised Shares B (Accumulation)	0.87%	1.06%
<p>*These ongoing charges figures are expressed as at 03 February 2017. As at the date of this document, there has been no material change to these figures.</p>					
			<p>In the event that the ongoing charges for the Receiving Fund are higher than for the Merging Fund, we will cap from and including the Effective Merger Date the ongoing charges (for each relevant class) of the Receiving Fund at the current level of the Merging Fund by the ACD itself paying part of the Receiving Fund's expenses.</p> <p>This is so that the ongoing charges of the Receiving Fund are in practice no higher than those of the Merging Fund immediately prior to the Effective Merger Date.</p>		

	The Merging Fund	The Receiving Fund
Valuation point	12:00 noon	12:00 noon
Cut off for receipt of dealing requests	10:00am	12:00 noon
Accounting dates	Annual: 30 September Interim: 31 March	Annual: 30 June Interim: 31 December
Income allocation and distribution dates	Annual: 30 November Interim: 28 February, 31 May, 31 August	Annual: 31 July Interim: The second last business day of each month
Size of funds as at 31 October 2017	£67.24 million	£70.37 million

APPENDIX 2

Scheme of arrangement for the Merger

1. Definitions and Interpretation

- 1.1 In this Merger Scheme, unless the context otherwise requires, the terms shall have the meaning set out in the Glossary. In addition, where relevant in the context, terms which are defined in the Regulations shall have the same meaning in this Merger Scheme.
- 1.2 References to paragraphs are to paragraphs of the Merger Scheme.
- 1.3 If there is any conflict between the Merger Scheme, the instrument of incorporation or the prospectus of the Merging Fund, then the instrument of incorporation will prevail. If there is any conflict between the Merger Scheme and the Regulations, then the Regulations will prevail.

2. Approval of Shareholders

- 2.1 The Merger Scheme is conditional upon the passing of an extraordinary resolution at a Meeting of Shareholders, by which the Shareholders approve the Merger Scheme and authorise the implementation of the Merger of the Merging Fund with the Receiving Fund.
- 2.2 If the extraordinary resolution is passed, the Merger will be binding on all Shareholders as at the day before the Effective Date (whether or not they voted in favour of it, or voted at all) and the Merger Scheme will be implemented as set out in the following paragraphs.

3. Suspension of dealings in the Merging Fund

- 3.1 The last dealing for conversions of Shares will be at 10:00am five days before the Effective Date. Conversion instructions received after 10:00am five days before the Effective Date will be held over until the next valuation point of the Receiving Fund after the Effective Date (which is expected to be 12:00 noon on 29 January 2018) and to the extent practicable will be deemed to apply to the New Shares issued following the Merger.
- 3.2 The last dealing for subscriptions and redemptions of Shares will be at 10:00am two days before the Effective Date. Instructions received after 10:00am two days before the Effective Date will be held over until the next valuation point of the Receiving Fund after the Effective Date (which is expected to be 12:00 noon on 29 January 2018) and to the extent practicable will be deemed to apply to the New Shares issued following the Merger.

4. Income allocation arrangements

- 4.1 The then current interim accounting period of the Merging Fund will end at 11:59pm on the day before the Effective Date.
- 4.2 The actual and estimated income (if any) available for allocation in respect of the period from the end of the previous accounting period accruing to accumulation Shares shall be transferred to the capital account of the Merging Fund and allocated to accumulation Shares and shall be reflected in the value of those Shares. The income so allocated to those Shares shall be included in the Merging Fund Value which is used to calculate the number of New Shares to be issued under the Merger Scheme.
- 4.3 The actual and estimated income (if any) available for distribution in respect of the then current accounting period accruing to income Shares will be allocated to income Shares and transferred to the distribution account of the Merging Fund. Within two months of the Effective Date, this income will be distributed to Shareholders. Where the reinvestment option applies to such income, the income will be reinvested through the purchase of further New Shares in the Receiving Fund.

4.4 Any distributions (together with any interest arising on the distributions) attributable to Shares deemed in issue immediately before the Effective Merger Date which are unclaimed after the expiry of six years from the date of payment shall revert to the Receiving Fund.

5. Calculation of the Merging Fund Value

5.1 The Merging Fund Value will be calculated as at 12:00 midnight at the beginning of the Effective Date based on the valuations of the scheme property of the Merging Fund at 12:00 noon on the day before the Effective Date.

5.2 The Merging Fund Value will be used to calculate the number of New Shares to be issued to each Shareholder (under paragraphs 6 and 7 below).

5.3 Details of the Merger ratio calculations used to calculate the number of New Shares to be issued to each Shareholder will be available to view at www.bnymellonim.com/merger-mi or by calling our client service centre after the Effective Date.

6. Transfer of property from the Merging Fund to the Receiving Fund and issue of New Shares

6.1 The property of the Merging Fund will become part of the property of the Receiving Fund in exchange and in full payment for the issue of New Shares. NatWest, in its capacity as depositary of the Merging Fund shall cease to hold the property of the Merging Fund, less the Retained Amount and, in its capacity as depositary of the Receiving Fund shall hold the property as attributable to the Receiving Fund, and NatWest shall make or ensure the making of such transfers and re-designations as may be necessary as a result.

6.2 The ACD will arrange for the issue of New Shares to Shareholders (who are registered as holding shares immediately prior to the Effective Date) in accordance with paragraph 7 below free of any initial charge.

6.3 Shareholders will be treated as exchanging their Shares for New Shares.

7. Basis for the issue of New Shares

7.1 The price of each of the New Shares to be issued under the Merger Scheme shall be the net asset value per share attributable to shares of the relevant class of the Receiving Fund immediately before 11.59 p.m. on the day before the Effective Date.

7.2 Shares of the appropriate type and class will be issued to each Shareholder participating in the Merger in proportion to that Shareholder's individual entitlement as at 11:59pm on the day before the Effective Date to the Merging Fund Value on the following basis:

Share class and type (Merging Fund)	New Shares: relevant class and type to be issued in the Receiving Fund under the Merger
Institutional Income Shares	Institutional Shares (Income)
Institutional Accumulation Shares	Institutional Shares (Accumulation)
Institutional Shares W (Income)	Institutional Shares W (Income)
Institutional Shares W (Accumulation)	Institutional Shares W (Accumulation)
Retail Income Shares	Sterling Income Shares
Retail Accumulation Shares	Sterling Accumulation Shares
Retail Advised Shares B (Income)	Retail Advised Shares B (Income)

7.3 The formula used in calculating a Shareholder's entitlement to New Shares in the Receiving Fund is available on request from the ACD.

7.4 The number of New Shares to be issued to each Shareholder will (if necessary) be rounded up to the nearest fraction at the expense of the ACD (who will, as soon as practicable or at least within four business days of the Effective Date, accordingly pay into the Receiving Fund an amount equal to the value of the additional New Shares issued as a result of the rounding up).

8. Notification of the New Shares issued under the Merger Scheme

8.1 Certificates will not be issued in respect of New Shares.

8.2 It is intended that the ACD will notify each Shareholder of the number and class of New Shares issued to that Shareholder within 14 days after the Effective Date.

8.3 Conversions, redemptions, switches or transfers of New Shares issued under the Merger Scheme may be effected by Shareholders who hold their investments directly from the next business day after the Effective Date.

9. Mandates and other instructions to the ACD

Mandates and other instructions to the ACD in force on the Effective Date in respect of Shares will be deemed to be effective in respect of New Shares issued under the Merger Scheme and in respect of other later acquired shares in the Receiving Fund, if relevant. Shareholders may change these mandates or instructions at any time.

10. Winding up of the Merging Fund

10.1 On the Merger Scheme becoming effective the ACD shall proceed to wind up the Merging Fund in accordance with the Regulations, the prospectus and instrument of incorporation of the Merging Fund, as appropriate, and the Merger Scheme.

10.2 The Retained Amount (which will be made up of cash and other assets, if necessary) and any income arising on it will be used by NatWest in its capacity as depositary of the Merging Fund to pay any outstanding liabilities of the Merging Fund in accordance with the directions and instructions of the ACD and the provisions of the Merging Fund's instrument of incorporation, prospectus and the Regulations.

10.3 If, on the completion of the winding up of the Merging Fund, there are any surplus moneys remaining in the Merging Fund attributable to Shares that were included in the Merger Scheme, such surplus moneys, together with any income arising there from, shall be transferred to the Receiving Fund. No further issue of Shares shall be made as a result. NatWest, as depositary of the Merging Fund, shall cease to hold the surplus sums in its capacity as depositary of the Merging Fund and shall instead hold such sums as attributable to the Receiving Fund, in its capacity as depositary of the Receiving Fund, and shall make such transfers and re-designations as may be directed and/or instructed by the ACD.

10.4 If the Retained Amount and any income arising from it is insufficient to discharge all the liabilities of the Merging Fund, NatWest, in its capacity as depositary of the Receiving Fund, will if the Regulations permit, pay the amount attributable to Shares that were included in the Merger Scheme of the shortfall out of the scheme property attributable to the Receiving Fund. The shortfall amount will be met by the Receiving Fund in accordance with the directions and/or instructions of the ACD and the Regulations.

10.5 On completion of the winding up of the Merging Fund, NatWest, in its capacity as depositary of the Merging Fund and the ACD will be discharged from all their obligations and liabilities in respect of the Merging Fund, except those arising from a breach of duty before that time. A

final set of accounts in respect of the Merging Fund will be drawn up and within four months of the winding up of the Merging Fund a copy of the final set of accounts and the auditor's report on it will be sent to the FCA.

11. Costs, charges and expenses

- 11.1 NatWest and the ACD will continue to receive their usual fees and expenses for being the depositary and ACD respectively of the Merging Fund out of the property of the Merging Fund which accrue prior to, or, in the case of expenses of NatWest properly incurred in connection with the Merger Scheme on the winding up of the Merging Fund, after the Effective Date.
- 11.2 The costs of preparing and implementing the Merger under the Merger Scheme will be borne by BNY Mellon Fund Managers Limited, the Merging Company's ACD.

12. Reliance on register

- 12.1 The ACD shall be entitled to assume that all information contained in the register of shareholders of the Merging Fund on and immediately prior to the Effective Date is correct, and to utilise the same in calculating the number of New Shares to be issued and registered pursuant to the Merger Scheme.
- 12.2 The ACD may act and rely upon any certificate, opinion, evidence or information furnished to it by its professional advisers or by the auditors of the Merging Fund in connection with the Merger Scheme and shall not be liable or responsible for any resulting loss.

13. Alterations to the Merger Scheme

- 13.1 The ACD may determine, with the prior approval of the FCA (and in consultation with NatWest) that the Effective Date of the Merger Scheme is to be other than as set out in this document, in which case such consequential adjustments may be made to the other elements in the timetable of the Merger Scheme as the ACD considers appropriate.
- 13.2 The terms of the Merger Scheme may be amended as determined by the ACD and approved by the FCA (and in consultation with NatWest).

14. Governing law

The Merger Scheme is governed by and shall be construed in accordance with the laws of England and Wales.

Dated: 27 November 2017

APPENDIX 3

Procedure

Notice of the Meeting of Shareholders setting out the resolution to approve the Merger Scheme is set out in Appendix 5.

The quorum for the meeting is two Shareholders, present in person, by proxy or, in the case of a body corporate, by a duly authorised representative.

NatWest (in its capacity as depositary of the Merging Fund) has appointed David Turnbull (or failing him any other duly authorised representative of BNY Mellon Fund Managers Limited) to be the chairman of the Meeting.

The resolution will be proposed as an "extraordinary resolution" and must be carried by a majority in favour of not less than 75% of the total number of votes cast at the meeting. Persons who are Shareholders on the date seven days before the Notice of the Meeting is sent out, but excluding persons who are known to the ACD not to be Shareholders at the time of the Meeting, are entitled to vote and be counted in the quorum. If passed, an extraordinary resolution is binding on all Shareholders whether or not they voted in favour of it, or voted at all.

The ACD is only entitled to be counted in the quorum and vote at the meeting in respect of Shares which it holds on behalf of or jointly with a person who, if themselves the registered Shareholder, would be entitled to vote and from whom the ACD has received voting instructions.

Associates of the ACD (such as the nominee of the ISA plan manager, BNY MFM Nominees Limited), are entitled to be counted in a quorum. They may vote at a meeting in respect of Shares which they hold on behalf of or jointly with a person who, if himself the registered holder, would be entitled to vote and from whom they have received voting instructions.

In view of the importance of the Merger, the chairman of the Meeting will order a poll to be taken in respect of the resolution. On a poll, each Shareholder may vote either in person or by proxy. The voting rights attaching to each Share are such proportion of the voting rights attached to all the Shares in issue in the Merging Fund that the price of the Share bears to the aggregate price(s) of all the Shares in issue at the date seven days before the Notice of the Meeting is sent out. A Shareholder who is entitled to more than one vote on a poll need not, if he votes, use all his votes or cast all the votes he uses in the same way.

APPENDIX 4

Consents

The ACD

BNY Mellon Fund Managers Limited, as ACD of the Merging Company, confirms that in its opinion the Merger Scheme is not likely to result in any material prejudice to any Shareholders.

BNY Mellon Fund Managers Limited, as ACD of the Receiving Company, confirms that in its opinion the receipt of property under the Merger Scheme by the Receiving Fund is not likely to result in any material prejudice to the interests of holders in the Receiving Company, is consistent with the objectives of the Receiving Fund and can be effected without any breach of the FCA Rules. The ACD also consents to the references to it in this document in the form and context in which they appear.

The Depositary

National Westminster Bank Plc, as depositary of the Receiving Company and the Merging Company, has informed the ACD by letter that, while expressing no opinion as to the merits of the Merger which are matters for the judgement of each Shareholder, and not having been responsible for the preparation of this document, it consents to the references made to it in this document in the form and context in which they appear.

The Auditor

Ernst & Young LLP, the auditor to the Merging Company and to the Receiving Company, have informed the ACD by letter that, whilst not otherwise expressing a view on the merits of the Merger, which are matters for the judgement of each Shareholder, and not having been responsible for the preparation of this document, it consents to the references made to it in this document in the form and context in which they appear.

Financial Conduct Authority

The FCA has confirmed by letter that the Merger, if approved, will not affect the respective ongoing authorisations of the Merging Company and the Receiving Company.

Tax Clearances

United Kingdom:

HM Revenue & Customs has confirmed by letter that section 103K of the Taxation of Chargeable Gains Act 1992 should not apply to the Merger Scheme and consequently section 103H of that Act may apply regardless of the size of the holding. Accordingly, the Merger Scheme should not involve a disposal of Shares for the purposes of tax on capital gains. The New Shares in the Receiving Fund will have the same acquisition cost and acquisition date for capital gains tax purposes for each UK Shareholder as their existing Shares.

HM Revenue & Customs has also given clearance by letter under section 701 of the Income Tax Act 2007 and section 748 of the Corporation Tax Act 2010 that the Merger Scheme will not create a tax advantage which should be cancelled.

Documents available for inspection

The following documents are available for inspection at the offices of the ACD during normal business hours until the date of the Meeting of Shareholders of the Merging Fund:

1. the instruments of incorporation for the Merging Company and the Receiving Company;
2. the current prospectuses for the Merging Fund and the Receiving Fund;

3. the key investor information documents for the Merging Fund and the Receiving Fund; and
4. the latest report and accounts for the Merging Company and the Receiving Company.

APPENDIX 5

Notice of Meeting of Shareholders

IN NEWTON MANAGED INCOME FUND (a sub-fund of BNY Mellon Managed Funds I)

NOTICE IS HEREBY GIVEN that a meeting of the shareholders in Newton Managed Income Fund will be held at the offices of BNY Mellon Fund Managers Limited at BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA on 11 January 2018 at 11:00am to consider and, if thought fit, to pass the following resolution which will be proposed as an extraordinary resolution:

Extraordinary Resolution

THAT the scheme of arrangement (the "Merger Scheme") for the merger of Newton Managed Income Fund (the "Merging Fund"), a sub-fund of BNY Mellon Managed Funds I (the "Merging Company"), with Newton Multi-Asset Income Fund, a sub-fund of BNY Mellon Investment Funds (the "Receiving Company"), the terms of which are contained in a document dated 27 November 2017 and addressed to shareholders in the Merging Fund, be and is hereby approved, and accordingly that BNY Mellon Fund Managers Limited, as authorised corporate director of the Merging Company and authorised corporate director of the Receiving Company, and National Westminster Bank Plc, as depositary of the Merging Company and depositary of the Receiving Company, are hereby instructed to implement and give effect to the Merger Scheme in accordance with its terms.

Yours faithfully

David Turnbull

David Turnbull
Director

**BNY Mellon Fund Managers Limited
(as ACD of Newton Managed Income Fund, a sub-fund of BNY Mellon Managed Funds I)**

BNY Mellon Centre,
160 Queen Victoria Street,
London EC4V 4LA

27 November 2017

NOTES:

- (1) To be passed, an extraordinary resolution must be carried by a majority in favour of not less than 75% of the total votes validly cast for and against the resolution at the meeting.
- (2) A shareholder that holds shares in the Merging Fund and who is entitled to attend and vote may appoint a proxy, who need not be another shareholder, to attend and vote on behalf of that shareholder. Forms of Proxy and the power of attorney or other authority (if any) under which they are signed (or a notarially certified copy thereof) must be deposited with BNY Mellon Fund Managers Limited not later than 11:00am on 09 January 2018. Please use the reply-paid envelope provided.
- (3) On a poll, the voting rights of each shareholder in the Merging Fund (whether present in person or by proxy) are the proportion of the voting rights attached to all of the shares in issue in the Merging Fund that the price of the share bears to the aggregate price or prices of all of the shares in issue in the Merging Fund on the date seven days before the notice of meeting was sent out. A shareholder entitled to more than one vote on a poll need not, if they vote, use all their votes or cast all the votes they use in the same way.
- (4) The quorum for the meeting is two shareholders present in person or by proxy or, in the case of a body corporate, by a duly authorised representative. For the purposes of the meeting, "shareholder" includes persons who hold shares on the date seven days before the notice of meeting is sent out, but excludes any persons who are known to the ACD not to be shareholders at the time of the meeting.
- (5) Investors investing through a BNY Mellon Individual Savings Account ("ISA") may instruct BNY MFM Nominees Limited, in whose name their holdings are legally registered, as to how they wish to vote in respect of the shares which are beneficially owned by them, but are not entitled to vote in person at the meeting. ISA investors may instruct BNY MFM Nominees Limited by completing the enclosed Form of Direction and returning it in the envelope provided to arrive not later than 48 hours before the time of the meeting, i.e. by 11:00am on 09 January 2018. Alternatively, ISA investors may attend the meeting and instruct BNY MFM Nominees Limited as to how they wish to vote on their behalf.

<Account Holder Name>

<Address Line 1>

<Address Line 2>

<Address Line 3>

<Post Code/Country>

27 November 2017

Dear Investor,

This letter contains important information about your investment in the Newton Managed Income Fund (the Fund), a sub-fund of BNY Mellon Managed Funds I

We are writing to notify you of our plans to merge the Fund with the Newton Multi-Asset Income Fund, a sub-fund of BNY Mellon Investment Funds. Additionally, we wish to notify shareholders holding income shares in the Fund of a change to the 31 December 2017 interim income accounting date.

Merger proposal

We enclose full details of our proposal with this letter. A comparison of the main features of the two funds can be found in the document along with a timetable of the planned merger and the actions you need to take, including details of the meeting to approve the proposal.

If the merger is approved, it will occur on or around 27 January 2018.

Change to an accounting date for the Fund

To facilitate the merger proposal and associated timetable, we wish to notify shareholders holding income shares in the Fund that on a one-off basis the next scheduled interim income accounting date for the Fund (often commonly referred to as the ex-dividend date) will be moved from 31 December 2017 to 26 January 2018. There is no change to the interim income allocation date (pay date) of 28 February 2018.

	Interim income accounting date	Interim income allocation date (pay date)
Current date	31 December 2017	No change- 28 February 2018
Change to date	This date will change to 26 January 2018	No change- 28 February 2018

This means that shareholders must be invested in income shares of the Fund as at 26 January 2018 in order to receive any income distribution that may be payable on 28 February 2018. For shareholders that wish to redeem their income shares before 26 January 2018, the value of any accrued income will be included within the net asset value of the income shares redeemed. Such shareholders will not, therefore, receive a separate income distribution payment on 28 February 2018.

Please note the change to the accounting change is not dependent on the outcome of the proposed merger and no action is required by you for this to occur.

If, having read this letter and the enclosed documents, 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

David Turnbull

Director

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