

Our ref: PLATFORM/BST/1801/U/CLT

4 April 2016



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Dear Sirs

**Account number(s): 100350490**

**Notification of fund change**

I am writing to you because you are an investor in the Newton Managed Income –U fund, which is offered by BNY Mellon Fund Managers Limited.

BNY Mellon recently told us that it intends to merge the Newton Managed Income fund into the Newton Multi Asset Income fund.

There is more information about the merger and the changes to your account shown overleaf under the heading 'Your fund merger explained'. Please read this information carefully as you may want to discuss it further with your financial adviser.

If you have any questions about this letter please contact your financial adviser in the first instance. For any other questions you can call our Customer Contact Centre on freephone 0808 171 2626 or email us at [ask@omwealth.com](mailto:ask@omwealth.com), but please remember we are not authorised to give you any investment advice.

Yours sincerely

A handwritten signature in black ink, appearing to read "Anthony Scammell", with a long horizontal flourish extending to the right.

Anthony Scammell  
Head of Customer Experience

*If you have an authorised financial adviser, we have made a copy of this letter available for them to view online.*

## Your fund merger explained

### What is happening?

The merger will be applied to your account on **Monday 25 April 2016**. As a result you will see the new fund on your valuations, statements and any other correspondence you receive from us after this date.

The merger is subject to shareholder approval, so if it isn't approved we will write to you to let you know.

### Why is the change happening?

Following a review of their fund range, with a view to enhancing efficiencies in the management and marketing of products with similar strategies, BNY Mellon propose to simplify and consolidate some of the mixed asset fund types in their range.

The merging fund invests predominantly in a mixed portfolio of funds for which Newton is the investment manager, whereas the receiving fund invests directly in securities and is also allowed to invest in other funds.

BNY Mellon believes that the receiving fund will have greater prospects of growing assets under management as a directly invested portfolio is more flexible in targeting required exposures across changing market conditions. Additionally, BNY Mellon expects that a fund with growing assets under management will be more cost-effective and result in a reduction in overall cost to investors.

### Change to the Total Expense Ratio (TER)

The TER represents the annual percentage charge made to investors by the fund manager. It is the sum of the fund manager's Annual Management Charge (AMC) and all other additional expenses they incur running the fund.

As a result of the merger the TER which applies to your fund holding will increase from 0.80% to 0.81%.

### Will the merger affect my fund holding?

As a result of the merger there may be changes to your holding in the fund. These are described below. Please speak to your financial adviser about these changes in order to understand what they mean for you.

- **Value of your fund holding**  
The merger may affect the value of your fund holding as explained below under the heading 'Will the merger cost me anything?'. You may wish to discuss the impact of this change with your financial adviser.
- **Risk Profile**  
As a result of the merger, the fund's risk profile may change. You may wish to discuss the impact of this change with your financial adviser. A Key Investor Information Document is enclosed for the new fund for your reference. This is the fund group's standard document and may not reflect the charges when accessing the fund through OMW. Further information about the old and new funds is enclosed.

### Change to Reimbursed Rebate\*

The Reimbursed Rebate which applies to your account will decrease as a result of the merger from 0.07% to 0.00%. On your statement this will show under the 'Customer Account Credit' section.

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Calls may be monitored and recorded for training purposes and to avoid misunderstandings.

Old Mutual Wealth Management Limited, Old Mutual Wealth Holdings Limited, Old Mutual Wealth Business Services Limited, Old Mutual Wealth Life Assurance Limited, Old Mutual Wealth Limited and Old Mutual Wealth Life & Pensions Limited. All companies are registered in England & Wales under numbers 6404270, 1606702, 1579311, 1363932, 1680071 and 4163431 respectively. Registered Office at Old Mutual House, Portland Terrace, Southampton SO14 7EJ, United Kingdom.

Old Mutual Wealth Life Assurance Limited and Old Mutual Wealth Life & Pensions Limited are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Their financial services register numbers are 110462 and 207977 respectively. Old Mutual Wealth Limited is authorised and regulated by the Financial Conduct Authority with register number 165359. VAT number for all above companies 386 1301 59.

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\*This is an annual amount the fund manager refunds to us, which we return to you in the form of extra units in your account. This rebate is effectively a discount on the fund manager's charges, negotiated on your behalf by Old Mutual Wealth and expressed as a percentage of the fund value.

**Will the merger cost me anything?**

All costs and expenses of the merger will be payable out of the property of the merging fund. BNY Mellon estimates that the total costs and expenses of the merger will be around 0.30% of the fund value of the merging fund.

**Can I switch out of my current fund holding in advance to avoid being involved in the merger?**

Yes. You can switch your holding in the Newton Managed Income –U fund at any time up until 9:00am on Thursday 21 April 2016.

**What will happen if I am making regular Direct Debit payments?**

If part or all of a regular Direct Debit payment is allocated into the Newton Managed Income –U fund we will automatically redirect it into the Newton Multi Asset Income –U fund. We will automatically reinvest any new investments intended for the Newton Managed Income –U fund into the new fund.

**What will happen if I am using Old Mutual Wealth's phasing or rebalancing options?**

Your phasing and rebalancing arrangements will automatically continue after the merger, with the new fund replacing the previous one.

**Do I need to take any action?**

You do not need to take any action unless you wish to make an alternative choice from our extensive range of funds.

Please speak to your financial adviser before making any investment decisions or if you have any questions about this change.

| <b>Current fund</b><br><br><b>Newton Managed Income –U</b>  | <b>New fund</b><br><br><b>Newton Multi Asset Income –U</b>  |
|---|---|
| <p><b>Fund objective:</b></p> <p>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>Investments in emerging markets tend to be volatile and are usually considered to carry a greater degree of risk than investments in established markets. This relates to dealing, settlement and custody practices, the possibility of political or economic instability, and developing legal, fiscal and regulatory structures.</p> <p>The fund invests into a relatively small number of assets, or into individual countries or a specific market sector. Such concentrated portfolios give rise to more risk than where investments are spread across a larger number of assets, countries or market sectors.</p> <p>The fund is denominated in one currency but may hold assets which are priced in other currencies. The performance of the fund may therefore rise and fall as a result of exchange rate fluctuations.</p> <p>The fund invests in non-investment grade high-yielding bonds. The high yield reflects a higher risk of capital loss through default.</p> <p>The fund invests in bonds or money market instruments (including deposits with banks or other financial institutions). The yield and/or value of the fund will fluctuate as interest rates change. There is a possibility of default, reducing capital values.</p> <p>Part, or all, of the fund management charge is charged against the capital of the fund, rather than the income, which could reduce the potential for future growth.</p> <p>Some of the investments in the fund can be difficult to sell at times, which could affect the price of units.</p> | <p><b>Fund objective:</b></p> <p>To provide income with the potential for capital growth over the longer term. The fund will 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.</p> <p>Investments in emerging markets tend to be volatile and are usually considered to carry a greater degree of risk than investments in established markets. This relates to dealing, settlement and custody practices, the possibility of political or economic instability, and developing legal, fiscal and regulatory structures.</p> <p>The fund is denominated in one currency but may hold assets which are priced in other currencies. The performance of the fund may therefore rise and fall as a result of exchange rate fluctuations.</p> <p>The fund invests in non-investment grade high-yielding bonds. The high yield reflects a higher risk of capital loss through default.</p> <p>The fund invests in bonds or money market instruments (including deposits with banks or other financial institutions). The yield and/or value of the fund will fluctuate as interest rates change. There is a possibility of default, reducing capital values.</p> <p>The fund, or some of its underlying assets, may hold derivatives, or borrow to invest ('gearing'), and the nature of these investments can lead to a higher volatility in the price of the fund. In addition, the fund may have some exposure to credit risk if a provider of derivatives fails to honour their obligation.</p> <p>Part, or all, of the fund management charge is charged against the capital of the fund, rather than the income, which could reduce the potential for future growth.</p> <p>Some of the investments in the fund can be difficult to sell at times, which could affect the price of units.</p> |

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# Key Investor Information

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.



BNY MELLON

## NEWTON MULTI-ASSET INCOME FUND

INSTITUTIONAL SHARES W (NET INCOME) (ISIN: GB00BP851R55)

A SUB-FUND OF BNY MELLON INVESTMENT FUNDS

THIS FUND IS MANAGED BY BNY MELLON FUND MANAGERS LIMITED

### OBJECTIVES AND INVESTMENT POLICY

#### OBJECTIVE

To provide income with the potential for capital growth over the longer term by investing in a broad diversified multi-asset portfolio.

#### POLICY

##### The Fund will:

- invest anywhere in the world;
- follow a fully flexible asset allocation approach;
- invest in company shares (i.e. equities) and similar investments;
- invest in bonds, issued by governments and companies, with high and low credit ratings (i.e. investment grade and/or sub-investment grade bonds as rated by Standard and Poor's or similar agencies);
- gain exposure to commodities (e.g. gold, agriculture), property and other alternative investments through stock exchange listed investments and/or collective investment schemes;
- invest in derivatives (i.e. financial contracts whose value is linked to the expected price movements of an underlying

investment) with the aim of generating returns and reducing the overall costs and/or risks of the Fund; and

- limit investment in other collective investment schemes to 10%.

##### The Fund may:

- invest in emerging markets; and
- invest significantly in cash and cash-like investments.

**Recommendation:** the Fund may not be appropriate for investors who plan to withdraw their money within five years.

**Treatment of income:** income from investments will be paid to shareholders monthly on or before the second last business day of each month.

**Dealing:** you can buy and sell your shares in the Fund between 9:00 and 17:00 (UK time) on each working day in the UK. Instructions received before 12:00 will receive the price quoted on that day. The minimum initial investment for this share class is GBP 10,000,000.

### RISK AND REWARD PROFILE

#### Lower risk

Potentially lower reward

#### Higher risk

Potentially higher reward

|   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|---|---|---|---|---|---|---|

We have calculated the risk and reward category, as shown above, using a method of calculation derived from EU rules. As this Fund has less than five years performance data available, it is based on simulated volatility and is not a guide to the future risk and reward category of the Fund. The category shown is not a target or guarantee and may shift over time. Even the lowest category 1 does not mean a risk-free investment.

This Fund is in category 4 because its simulated historical value has shown moderate volatility. With a Fund of category 4, you have a moderate risk of losing money but your chance for gains is also moderate.

#### THE FOLLOWING RISKS MAY NOT BE FULLY CAPTURED BY THE RISK AND REWARD INDICATOR:

- There is no guarantee that the Fund will achieve its objective.
- This Fund invests in international markets which means it is exposed to changes in currency rates which could affect the value of the Fund.
- The Fund will use derivatives to generate returns as well as to reduce costs and/or the overall risk of the Fund. Using derivatives can involve a higher level of risk. A small movement in the price of an underlying investment may result in a disproportionately large movement in the price of the derivative investment.

- Investments in bonds are affected by interest rates and inflation trends which may affect the value of the Fund.
- The Fund holds bonds with a low credit rating that have a greater risk of default. These investments may affect the value of the Fund.
- The Fund may invest in emerging markets. These markets have additional risks due to less developed market practices.
- The Fund may invest in investments that are not traded regularly and are therefore subject to greater fluctuations in price.
- The Fund may invest in small companies which may be riskier and less liquid (i.e. harder to sell) than large companies. This means that their share prices may have greater fluctuations.
- The Fund takes its charges from the capital of the Fund. Investors should be aware that there is potential for capital erosion if insufficient capital growth is achieved by the Fund to cover the charges. Capital erosion may have the effect of reducing the level of income generated.
- The Bank of New York Mellon Corporation or one of its affiliates ("BNYM") plans to invest into the Fund. As a result of restrictions under the "Volcker Rule," which has been adopted by U.S. Regulators, BNYM must reduce its shareholding percentage to ensure that it constitutes less than 15% of the Fund by 4/2/2018. Risks may include: investors may own a proportionately larger percentage of the Fund and Fund portfolio turnover rates may increase, resulting in increased costs, expenses and taxes. Details of BNYM's investment in the Fund are available upon request.

A complete description of risk factors is set out in the Prospectus in the section entitled "Risk Factors".

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## CHARGES

The charges cover the costs of running the Fund, including the costs of marketing and selling. These charges reduce the potential growth of your investment.

### ONE-OFF CHARGES TAKEN BEFORE OR AFTER YOU INVEST

|              |      |
|--------------|------|
| Entry charge | None |
| Exit charge  | None |

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

### CHARGES TAKEN FROM THE FUND OVER A YEAR

|                |       |
|----------------|-------|
| Ongoing charge | 1.03% |
|----------------|-------|

### CHARGES TAKEN FROM THE FUND UNDER CERTAIN SPECIFIC CONDITIONS

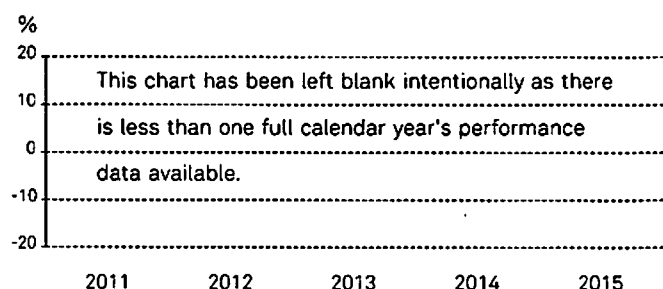
|                 |      |
|-----------------|------|
| Performance fee | None |
|-----------------|------|

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The ongoing charges figure shown here is an estimate of the annualised charges. An estimate is being used because the share class was launched within the reported period. The Fund's annual report for each financial year will include details on the exact charges made. This may vary from year to year.

More information about charges is available in the Prospectus.

## PAST PERFORMANCE



Fund launch date - 4 February 2015.

Share class launch date - 4 February 2015.

Performance of this share class is calculated in sterling.

Past performance is not a guide to future performance.

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## PRACTICAL INFORMATION

**Documents:** The Fund is a sub-fund of BNY Mellon Investment Funds ("BNY MIF"), an umbrella open-ended investment company (OEIC). Copies of the Prospectus, annual and semi-annual reports for BNY MIF may be obtained free of charge from [www.bnymellonim.com](http://www.bnymellonim.com) or from BNY Mellon Investment Management EMEA Limited, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. These documents are available in English and certain other languages.

**Share price:** The latest share price and other information, including how to buy or sell shares, are available from the website and address given above. Other share classes are offered by the Fund as set out in the Prospectus.

**Switching:** Investors may switch shares in the Fund for shares in other sub-funds of BNY MIF provided they satisfy the criteria applicable to investment in other sub-funds. Further information on switching is contained in the Prospectus.

**Legal status:** The assets of the Fund belong exclusively to that sub-fund and may not be used to discharge the liabilities of or claims against any other person or body, including BNY MIF or any other sub-fund within the umbrella.

**Liability statement:** BNY Mellon Fund Managers Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus for the Fund.

**Depository:** National Westminster Bank plc.

**Tax:** The tax legislation of the Fund's domicile may have an impact on your personal tax position. For further details, please speak to an adviser.