

Newton Real Return Fund

Third quarter 2013

Risk profile: medium



Fund information

Investment objective

To achieve significant real rates of return in sterling terms predominantly from a portfolio of UK and international securities.

The sub-Fund may also invest in deposits, approved money market instruments, derivative instruments, forward transactions and collective investment schemes.

Performance aim

The Fund aims to deliver a performance of cash (1 month £ LIBOR) +4% p.a. over 5 years before fees are deducted. There is no guarantee that this performance will be achieved or that your capital will be maintained.

Management style

The manager of the Fund has maximum flexibility at the asset allocation level and emphasis is placed on long term investing. The Fund is intended to have lower absolute volatility than traditional equity biased funds, but will exhibit volatility relative to its performance aim.

Fund facts

Fund structure	ICVC
Base currency	GBP
Performance aim	1 month £ Libor +4.0% p.a.
Fund launch date	31 March 2004
Fund domicile	UK
Pay dates	28 Feb, 30 Sep
ISIN	GB0006780323
SEDOL	0678032

Fund data

Fund size (millions)	GBP 8,266
Volatility	5.6%
Dividend yield	3.1%
Sharpe ratio	0.8

Fees and charges

Annual management charge	1.0%
Ongoing charge	1.11%

All figures correct as at 30 September 2013.

Risk and performance statistics above sourced from Newton using 36 months of data (where applicable) to 30 September 2013.

Focus on the latest quarter

Performance over 3 months

Newton Real Return Fund	1.6%
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Significant transactions

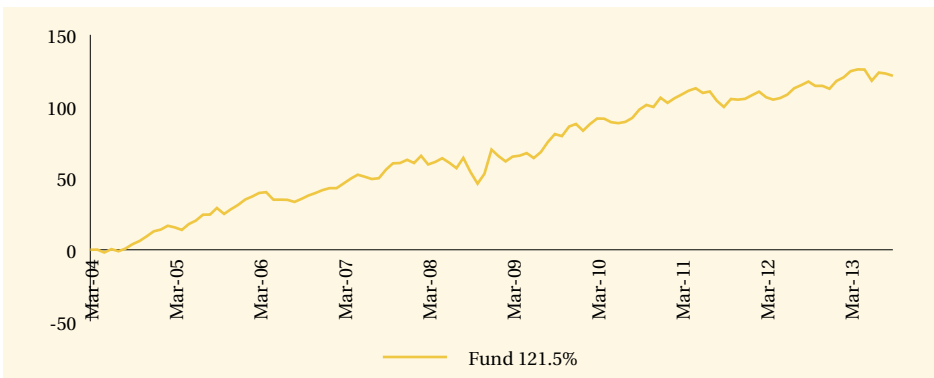
Acquisitions
USA Treasury Notes 1.5% 31/08/2018
Vodafone Group PLC
Microsoft Corporation
USA Treasury Bonds 3.125% 15/02/2043
Swisscom AG

Disposals
Asahi Group Holdings
Medtronic
Bayer AG
GlaxoSmithKline PLC
Reynolds American Inc.

Note: Portfolio holdings are subject to change at any time without notice and should not be construed as investment recommendations.

Long-term performance (%)

Performance since launch



	2004	2005	2006	2007	2008	2009	2010	2011	2012	YTD 2013
Fund	-	16.4	8.0	14.9	4.4	10.6	9.7	-0.4	3.4	4.3

Discrete past performance (%)

From	30/09/08	30/09/09	30/09/10	30/09/11	30/09/12
To	30/09/09	30/09/10	30/09/11	30/09/12	30/09/13
Fund	17.0	9.5	0.9	8.9	1.9

All performance sourced from: Lipper, as at 30 September 2013. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

Prior to 30 June 2009, the Fund was called the Newton Absolute Intrepid Fund.

Risk warning

The performance data shown on this factsheet is past performance; as such it is not a guide to future performance.

Investors should remember that unit trusts should be regarded as long-term investments and that the value of units, and the income from them, can go down as well as up due to stock market fluctuations and movements in exchange rates. When you sell your investment you may get back less than you originally invested. The fund may invest in emerging markets which are, by their nature, higher risk and potentially more volatile than those inherent in established markets. The value of bonds is affected by interest rate fluctuations and by changes in the credit ratings of the underlying issuer of the assets. There are additional risks associated with specific alternative investments that the fund may hold such as commodities. The fund may also hold derivatives. An investment in derivatives may be volatile, but the volatility of the Fund is not expected to be any greater than that of the underlying stock market. Past or current yields are not indicative of future yields.

Newton's themes

Newton is a global thematic stock picking company. Our style is team oriented and relies on effective communication between all of our investment personnel. Two of our themes are listed below, along with examples of individual holdings.

Healthy demand

Factors

Ageing populations, demand for low-cost health networks, and increasing awareness of the link between diet and health.

Investments

Roche, Sanofi, Syngenta

Net effects

Factors

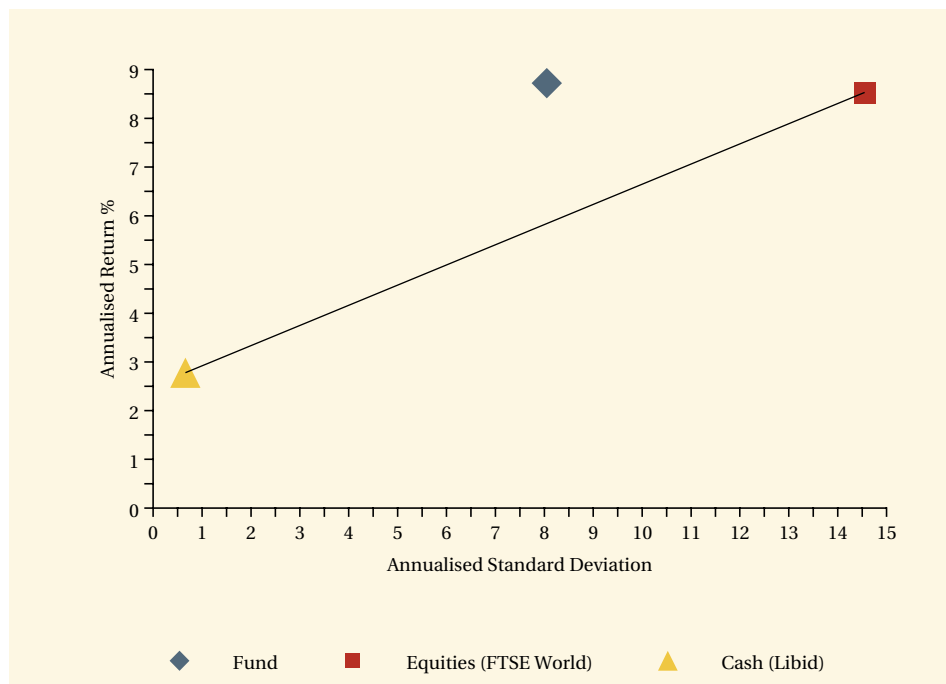
The networked world has become a reality. As well as generating new opportunities, the pace and extent of change that is occurring can create significant risks for established companies across many sectors.

Investments

Accenture, Paychex, Sprint

Long-term performance - risk and reward

Fund return and risk since launch



Performance sourced from: Lipper and Datastream, as at 30 September 2013. Calculation basis: Sterling, total return, bid to bid, without initial charges, net income reinvested, net of management fees.

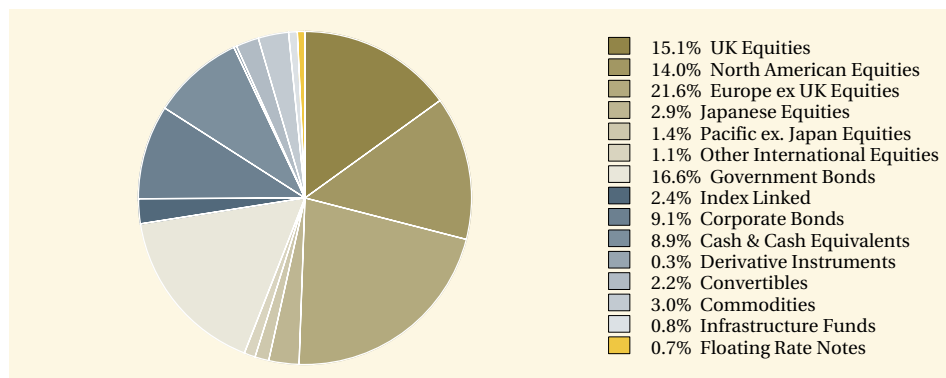
Standard deviation is a statistical measure of risk, calculated by measuring the variability of returns. The higher the number, the greater the variability of returns.

Cash (LIBID) - LIBID is the London Interbank Bid Rate, and represents the rate at which a bank is willing to borrow from other banks. Please note that cash deposits at a Financial Conduct Authority (FCA) authorised firm may be protected by the UK Financial Services Compensation Scheme. Further information is available at www.fscs.org.uk

The above chart shows both return and volatility. The Newton Real Return Fund has given a return in line with world equities & higher than cash, whilst exhibiting significantly lower volatility than that of world equity markets. The relaunch date of the fund was 31 March 2004.

Fund analysis

Breakdown as % of total market value



Source: Newton as at 30 September 2013.

The information above is subject to change and should not be construed as an investment recommendation.

Newton Investment Management Limited

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This is not a financial promotion. Issued by the Investment Adviser, Newton Investment Management Limited (NIM). The Newton Real Return Fund is a sub-fund of BNY Mellon Investment Funds, an investment company with variable capital (ICVC) incorporated in England and Wales under registered number IC27. The Authorised Corporate Director of the Fund is BNY Mellon Fund Managers Limited (BNY MFM). Registered Office for NIM and BNY MFM: BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1371973 (NIM) and No. 1998251 (BNY MFM). NIM and BNY MFM are authorised and regulated by the Financial Conduct Authority.