

# **Annual Report & Accounts**

**BNY Mellon Charities Funds**

**31 March 2024**

## **BNY Mellon Charities Funds - Annual Report & Accounts**

### **Table of Contents**

---

<b>Introduction</b>	<b>3</b>
<b>Notes applicable to the financial statements of all Sub-funds</b>	<b>4</b>
<b>Newton Growth and Income Fund for Charities</b>	<b>7</b>
Performance and Fund Report	8
Statistics	11
Portfolio Statement	14
Financial Statements	16
Distribution Statements	17
Notes applicable to the financial statements	19
<b>Newton Sustainable Growth and Income Fund for Charities</b>	<b>26</b>
Performance and Fund Report	27
Statistics	30
Portfolio Statement	32
Financial Statements	35
Distribution Statements	36
Notes applicable to the financial statements	38
<b>Statement of the Manager's Responsibilities and Directors' Statement</b>	<b>46</b>
<b>Statement of the Trustee's Responsibilities and Report of the Trustee</b>	<b>47</b>
<b>Independent Auditor's Report to the Unitholders</b>	<b>48</b>
<b>Additional Information</b>	<b>50</b>
<b>Management and Professional Services</b>	<b>53</b>

## **BNY Mellon Charities Funds - Annual Report & Accounts**

### **Introduction**

---

This is the annual report for BNY Mellon Charities Funds for the year ended 31 March 2024.

BNY Mellon Charities Funds (the "Trust") is an umbrella unit trust scheme and is authorised by the Financial Conduct Authority ("FCA") as a Non-UCITS Retail Scheme under the Regulations, comprising separate Sub-funds, Newton Growth and Income Fund for Charities and Newton Sustainable Growth and Income Fund for Charities, each with segregated liability. Upon the Manager managing the Trust and the Sub-funds under the provision of the Alternative Investment Fund Managers Directive, the Trust constitutes, for the purposes of the Alternative Investment Fund Managers Directive, an Alternative Investment Fund.

#### **Value assessment and report**

In July 2024, BNY Mellon Fund Managers Limited published a consolidated assessment of value report which included these Sub-funds for the period ending March 2024. This report is available to view on [www.bnymellonim.com](http://www.bnymellonim.com).

## **BNY Mellon Charities Funds - Annual Report & Accounts**

### **Notes applicable to the financial statements of all Sub-funds**

for the year ended 31 March 2024

---

#### **1 Accounting policies**

##### **(a) Basis of preparation**

The financial statements have been prepared on a going concern basis in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and the Statement of Recommended Practice 'Financial Statements of UK Authorised Funds' issued by the Investment Association in May 2014 and amended in June 2017 (the SORP). In applying UK GAAP, the financial statements have been prepared in compliance with Financial Reporting Standard 102 (FRS 102).

There are no material events that have been identified that may cast significant doubt about the ability of each Sub-fund to continue as a going concern for a period of 12 months from when these financial statements are authorised for issue. The Manager believes that the Sub-funds have adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparing the financial statements. The Manager has made an assessment of the Sub-funds ability to continue as a going concern which is made as at the date of issue of these financial statements and considers liquidity, declines in global capital markets, investor intention, known redemption levels, expense projections and key service provider's operational resilience.

##### **(b) Valuation of investments**

The listed investments of the Sub-funds have been valued at bid market prices at close of business on the last business day of the accounting year.

Investments in Collective Investment Schemes (CIS) managed by the ACD have been valued at the cancellation price for dual priced funds and at the single price for single priced funds as at close of business on the last working day of the accounting year. Investments in other Collective Investment Schemes are valued at the bid price for dual priced funds and at the single price for single priced funds.

In the case of an investment which is not quoted, listed or dealt in on a recognised market, or in respect of which a listed, traded or dealt price or quotation is not available at the time of valuation, the fair value of such investment shall be estimated with care and in good faith by a competent professional person, body, firm or corporation including the Manager's pricing committee, and such fair value shall be determined on the basis of the probable realisation value of the investment. The Manager shall be entitled to adopt an alternative method of valuing any particular asset or liability if it considers that the methods of valuation set out above do not provide a fair valuation of a particular asset or liability.

##### **(c) Foreign exchange**

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling on the date of the transaction. Investments and other assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates applicable at the close of business on the last business day of the accounting year.

##### **(d) Revenue**

Dividends on equities and UK REITs are recognised when the security is quoted ex-dividend.

Interest on debt securities is recognised on a time apportioned basis. Accrued interest purchased or sold is excluded from the cost of the security and is treated as revenue.

Distributions from CIS are recognised as revenue when the units are quoted ex-distribution.

Bank interest is accounted for on an accruals basis.

##### **(e) Special dividends**

Special dividends are reviewed on a case by case basis in determining whether the amount is capital or revenue in nature, from review of the underlying circumstances and motive for the payment.

##### **(f) Expenses**

All expenses are recognised on an accruals basis.

In order to maintain the ongoing charges of the Newton Sustainable Growth and Income Fund for Charities at a competitive level with regard to the comparable funds in the market place, BNY Mellon Investment Management EMEA Limited (the "Global Distributor and Promoter") undertook to pay an amount back to the Sub-fund when the ongoing charges exceed an agreed ongoing charges limit. The ongoing charges refunded are accounted for on an accruals basis. Further information on the arrangement is detailed in Note 5 of the Notes to the Financial Statements of the Sub-fund.

##### **(g) Taxation**

Corporation tax is charged at 20% of the income liable to corporation tax less expense. Where overseas tax has been deducted from overseas revenue, that tax can, in some cases, be set off against Corporation Tax payable, by way of double tax relief.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay less or receive more tax. Deferred tax assets are recognised only to the extent that the Manager considers that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted. The charge for taxation is based on taxable income for the year less allowable expenses.

In general, the tax accounting treatment follows that of the principal amount.

## BNY Mellon Charities Funds - Annual Report & Accounts

### Notes applicable to the financial statements of all Sub-funds

(continued)

#### 1 Accounting policies (continued)

##### (h) Over the counter derivatives

The Sub-funds may invest in over the counter (OTC) derivatives and the market value of these are based on models which take into account relevant market inputs as well as the time values, liquidity and volatility factors underlying the positions. Amounts due to and from an individual counterparty which fall under a legally enforceable International Swaps and Derivatives Association (ISDA) Master Agreement are netted.

All realised and unrealised gains and losses on derivatives are taken to the Statement of Total Return and are included in the net capital gains/ (losses) on investments.

#### 2 Distribution policies

##### (a) Basis of distribution

The Sub-funds are not more than 60% invested in qualifying investments (as defined by s468L ICTA 1988) and will pay a dividend distribution. If, at the end of the period, revenue exceeds expenses, revenue will be distributed to Unitholders.

##### (b) Stock dividends

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue and forms part of the distribution. Any excess in value of shares received over the amount of cash forgone is taken to capital.

##### (c) Collective Investment Schemes

All distributions received from holdings in collective investment schemes, including those from accumulation holdings, are treated as revenue and form part of the distribution of the Sub-funds with the exception of the equalisation element, which is treated as capital.

##### (d) Special dividends

Amounts recognised as revenue will form part of the Sub-funds' distributions.

##### (e) Expenses

The Manager's periodic charge, and all other expenses, are charged to capital for distribution calculation purposes.

#### 3 Related party transactions

Manager's periodic charge, registrations and expense charge, safe custody charges and activity charges paid to the Manager, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 3 and 5, and details of units issued and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and Note 8 of the individual Sub-funds. The balance due to the Manager as at 31 March 2024 is disclosed in the individual Sub-funds.

Details of material Unitholders are disclosed in Note 13 of the individual Sub-funds.

#### 4 Financial instruments

The main risks arising from the Sub-funds' financial instruments and the Investment Manager policies for managing these risks are summarised below. These policies have been applied throughout the year.

##### Market price risk

Market price risk is the risk that the value of the Sub-funds' investments will fluctuate as a result of changes in market prices caused by factors other than interest rate or foreign currency movement. Market price risk arises mainly from uncertainty about future prices of financial instruments the Sub-funds hold. It represents the potential loss the Sub-funds might suffer through holding market positions in the face of price movements. The Sub-funds' investment portfolios are exposed to market price fluctuations that are monitored by the Investment Manager in pursuance of the investment objectives and policies as set out in the Prospectus.

##### Interest rate risk

Interest rate risk is the risk that the value of the Sub-funds' investments and bank deposits will fluctuate as a result of changes in interest rates.

The Sub-funds invest in fixed interest securities from time to time. The value of fixed interest securities may be affected by the interest rate movements, the expectation of such movement in the future or as a result of the Investment Manager being unable to secure similar returns on the expiry of contracts or sale of securities.

##### Foreign currency risk

Foreign currency risk is the risk that the value of the Sub-funds' investments will fluctuate as a result of changes in foreign currency exchange.

The Sub-funds invest in overseas securities and the balance sheet can be affected by movements in foreign exchange rates. The Investment Manager may seek to manage exposure to currency movements by using forward exchange contracts or by hedging the sterling value of investments that are priced in other currencies. Income received in other currencies is converted to sterling on or near the date of receipt.

##### Counterparty risk

Certain transactions in securities that the Sub-funds enter into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Sub-fund has fulfilled its responsibilities. The Sub-funds only buy and sell investments through brokers that have been approved by the Investment Manager as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

##### Credit risk

Corporate bonds involve the risk that the bond issuer will be unable to meet its liability to pay interest or redeem the bond. The Investment Manager selects bonds taking into account the credit rating.

## BNY Mellon Charities Funds - Annual Report & Accounts

### Notes applicable to the financial statements of all Sub-funds

(continued)

#### 4 Financial instruments (continued)

##### Leverage

Leverage is any method by which the Sub-funds' exposure is increased beyond its holding of securities and cash. Where consistent with its investment objectives and policy, the Sub-funds may utilise, directly or indirectly (for example through investment in another Sub-fund) a variety of exchange traded and over-the-counter ("OTC") derivative instruments as part of its investment policy or for hedging purposes.

The use of derivatives may expose the Sub-funds to a higher degree of risk. In particular, derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard underlying corporate or government fixed coupon securities or equities. Leveraged derivative positions can therefore increase a Sub-fund's volatility.

Leverage on a gross exposure basis is calculated by taking the sum of the absolute notional values of the derivatives used by the Sub-funds, without netting, the value of direct investments less cash plus borrowings and leverage from the reinvestment of collateral and is expressed as a ratio of the Sub-fund's net asset value.

Leverage on a commitment basis is calculated by taking the sum of the net market value of the derivatives (after netting/hedging) and direct investments as permitted plus borrowings and leverage from the reinvestment of collateral and expressing it as a ratio of the Sub-fund's net asset value.

Disclosed in the table below is the level of leverage employed by the Sub-funds.

	Gross Exposure as at 31/03/2024 %	Commitment Exposure as at 31/03/2024 %	Gross Exposure as at 31/03/2023 %	Commitment Exposure as at 31/03/2023 %
Newton Growth and Income Fund for Charities	0.96	1.00	0.95	1.00
Newton Sustainable Growth and Income Fund for Charities	0.97	1.01	0.96	1.01

##### Liquidity risk

The risk of low market liquidity, through reduced trading volumes, affecting the ability of the Sub-funds to trade financial instruments at values previously indicated by financial brokers.

The Sub-funds invest primarily in companies incorporated in the major markets of the world, which are typically considered to be operations with high levels of liquidity. From time to time, however, market liquidity may be affected by economic events.

To manage these risks, the Investment Manager undertakes research of investment opportunities to select opportunities congruent with the Sub-fund's investment objectives.

All stocks are valued daily. Stocks identified as being illiquid are reviewed for pricing accuracy as the need arises and on a formal monthly basis by the BNY Mellon Pricing Committee.

The Investment Manager monitors the liquidity profile of the Sub-funds on a monthly basis to ensure a high degree of confidence that the Sub-funds' liquidity will meet the expected liquidity requirements. Where a risk is identified, a more in depth review is undertaken to establish its significance and this is analysed by the Risk Management Team and discussed at the Investment Management Oversight Committee. Based on this analysis, the Investment Manager believes the liquidity profile of the Sub-funds are appropriate.

##### Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their carrying value.

#### 5 Holdings in other Sub-funds of the Trust

As at 31 March 2024, the Sub-funds did not hold units in any other Sub-fund of the Trust.

# **BNY Mellon Charities Funds**

## **Newton Growth and Income Fund for Charities**

### **Annual Report**

**for the year ended 31 March 2024**

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Performance and Fund Report

for the year ended 31 March 2024

#### General Information

Investment Adviser:	Newton Investment Management
Fund Size:	£668.37m
Comparative Index:	50% FTSE All-Share TR Index/ 25% FTSE World ex UK TR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-Day Compounded
Key Dates: Fund Launch	9 May 2014

#### Investment Objective

The Sub-fund aims to generate capital growth and income growth over a period of 5-7 years by investing at least 70% of the Sub-fund's assets in a global portfolio of equities (company shares) and fixed income securities.

#### Investment Policy

The Sub-fund will invest at least 70% of its assets in a global portfolio of equities (company shares) and fixed income securities. The Sub-fund does not have any restrictions on the portion of the Sub-fund allocated to any of these asset classes. The Sub-fund may invest in fixed income securities rated below investment grade (BBB-) by Standard and Poor's (or equivalent recognised rating agency).

The Sub-fund may also gain exposure to equities and fixed income securities through investment in other collective investment schemes (which may include those which are managed or operated by the investment manager or an associate of the investment manager) and invest in cash and deposits. To the extent the Sub-fund gains exposure to infrastructure, renewable energy, property or commodities, such exposure may be through exchange listed securities and/or collective investment schemes. The Sub-fund may invest in any geographic or economic sectors of the world. The Investment Manager's process for making investment decisions follow detailed analysis based on a wide range of financial metrics and research. This includes consideration of environmental, social and governance (ESG) risks, opportunities and issues. There are however no specific ESG restrictions on the Investment Manager's decision-making, which is consistent with the Sub-fund's objectives. However, the Sub-fund will adopt a policy of making no direct investment in companies that derive more than 10% of turnover from tobacco production.

Any use of derivatives will be for efficient portfolio management purposes only. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-fund.

#### Statutory Performance Data

From To	31/03/2023 31/03/2024	31/03/2022 31/03/2023	31/03/2021 31/03/2022	31/03/2020 31/03/2021	31/03/2019 31/03/2020
Sterling Accumulation	10.13%	0.47%	12.66%	23.83%	-6.45%
Sterling Income	10.24%	0.51%	12.66%	23.83%	-6.46%
Sterling Income 2^	10.12%	n/a	n/a	n/a	n/a
X (Accumulation)	10.56%	0.94%	13.27%	24.49%	-5.97%
X (Income)	10.56%	0.94%	13.27%	24.49%	-5.97%
50% FTSE All-Share TR Index/ 25% FTSE World ex UK TR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-Day Compounded*	10.10%	-1.98%	9.02%	21.76%	-8.18%

^For unit class launch and closure dates, please refer to the Statistics section on pages 11 to 13.

\*Effective 1 October 2021, the benchmark changed from the London Interbank Bid Rate (LIBID) to the Sterling Overnight Index Average (SONIA). All benchmark past performance prior to this date was calculated against LIBID.

Source: Unit class performance - Lipper as at 31 March 2024 Total return, including gross income reinvested, net of annual charges and excluding initial charge. All figures are in GBP terms. Benchmark performance - Index data provided by Datastream (in Sterling terms); index composite calculated by Newton.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.



## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Performance and Fund Report

(continued)

#### Fund Report

##### Attribution

The interplay between growth, inflation and the direction of monetary policy remained central to the wider investment debate throughout the review period. Having enjoyed a strong start to the period, with risk assets buoyed by investors' enthusiasm around artificial intelligence (AI), equity markets lost momentum over the summer. The principal catalyst for this change in tone was the renewed rise in government bond yields as investors considered whether US interest rates really would have to stay 'higher for longer', as the US Federal Reserve (Fed) had been suggesting for some time, given the continuing resilience of the US economy. In stark contrast to the US, China announced a stream of piecemeal stimulus initiatives designed to stabilise its own economy.

Subsequently, a marked change in tone from the Fed steered investors away from prior expectations of interest rates staying higher for longer to anticipating rate cuts in the first half of 2024. This became the chief catalyst for the equity-market rally in the final few weeks of 2023, and heralded the prospect of achieving the hoped-for economic soft landing.

Global equity markets made further gains over the start of 2024, even as investors reacted to the possibility that interest-rate cuts may come later than previously expected. The strength of the US macroeconomic picture and robust nature of corporate earnings, notably from certain mega-cap technology names, provided more than a sufficient boost to investor sentiment. The macroeconomic backdrop appeared more mixed away from the US, yet equity markets were undeterred. Eurozone growth was held back by a struggling Germany, while in the UK, official figures showed that the economy entered a technical recession at the end of 2023. Japan's economy also shrank for the second quarter in a row, yet the country's flagship Nikkei 225 index finally surpassed its prior peak from 1989. Significantly, the Bank of Japan decided to end its ultra-loose monetary policy and increase rates for the first time in seventeen years. Elsewhere, China sought to implement further stimulus measures to address its economic malaise, which included announcing cuts to its reserve requirement ratio and a mortgage-linked loan rate. Meanwhile, geopolitical tensions continued to simmer given fears around a broader escalation of conflict in the Middle East.

Against this backdrop, the Sub-fund produced a positive return over the reporting period (+10.24%\* - Newton Growth and Income Fund for Charities Sterling Income Share Class), and marginally outperformed its performance benchmark (+10.10%\*\*). The Sub-fund's positioning in bonds made a positive relative contribution as a lower allocation to the asset class and less interest-rate sensitivity than the overall gilt index were both positive for relative performance, in an environment of high inflation leading to higher bond yields. This slightly outweighed a small negative contribution from the Sub-fund's equity positioning. Stock selection within the financials sector was the largest detractor. More positively, holdings in the technology sector performed well.

Within the financials sector, Hong Kong insurer AIA suffered from weakness in Asian financial markets. Despite sales growth recovering as borders reopened following Covid-19 disruption, negative investment variances, owing to weak Asian financial markets, prevented the stock from making headway. Asia-focused Prudential also suffered share-price weakness attributable to concerns around the strength of the Chinese economy. The holding in wealth management business St James's Place was weak as the company highlighted that it had made some fee-level reductions on certain products driven by new regulations in the UK market. The company also announced that it will no longer impose exit penalties on clients, and that the fees overhaul will reduce its margins.

In the technology sector, US chipmaker Nvidia performed well as the company reported strong growth in demand for its AI graphics processing units. This, together with continued strong investment intentions into AI developments by its customers, resulted in strong share-price performance. The holding in Microsoft performed well. Microsoft's suite of products are proving to be well placed to benefit from the integration of AI, while its cloud business should also benefit from the increased computer power required to create models and analyse data. Increased demand for semiconductors, particularly in the memory space, resulted in continued strong capital spending by semiconductor manufacturers, which benefited capital equipment suppliers, including Applied Materials. SAP also outperformed as the software company continues to transition its business to the cloud. Results in the period were good and we believe the company could continue to see growth in its future revenue stream.

It was a mixed picture within the industrials sector, but positive overall. Heating and air conditioning manufacturer Trane Technologies performed well on increased earnings guidance and confidence about the resilience of the company's end markets. US industrial Hubbell performed well on confidence that secular tailwinds in grid and electrification leave the business well placed to manage even in a cyclical slowdown. The holding in building products distributor Ferguson performed well as the company continued to take share within its markets and deployed capital to consolidate its fragmented industry which supports future growth. Defence contractor BAE Systems contributed amid heightened geopolitical tensions. Weighing against this was the holding in battery manufacturer Samsung SDI, which was weak as a slowdown in demand for electric vehicles and increasing competition from China negatively affected sentiment towards the stock. Automation business Fanuc was weak as its business in China has not been recovering as quickly as expected and inventory remains high in some markets. The zero weighting in engineer Rolls-Royce also detracted, with investors enthused about the aerospace engineer's restructuring efforts, bumper profits and bullish financial targets.

In the basic materials sector, Albemarle, the world's largest producer of lithium for electric-vehicle batteries, declined amid slumping lithium prices. Weaker commodity prices and lower copper production led to weakness in the share price of mining company Anglo American.

Elsewhere, US pharmaceutical Eli Lilly & Co performed well as investor expectations for its diabetes and weight-loss drug increased significantly. A competitor product within the same drug class also proved successful in lowering cardiovascular events, which may significantly broaden the market. Diageo struggled over the review period given some caution around sales volumes amid recessionary concerns and that economic headwinds could drive customers to trade down from Diageo's products to cheaper, non-branded offerings.

##### Activity

We bought a new position in Edwards Lifesciences, a manufacturer of heart valve systems and repair products. Edwards Lifesciences is the leader in minimally invasive aortic valve replacement, a global market that is expected to experience growth over the coming years as an ageing demographic increases the addressable market. Innovative new products for the repair of both mitral and tricuspid heart valves have the potential to improve the growth outlook and valuation metrics for the company further.

Elsewhere in the health-care sector, we initiated a position in UK pharmaceutical giant GSK. Recent portfolio changes, such as the spin-off of the consumer-health operations, have focused the company's capabilities onto its vaccine and pharmaceutical businesses. We believe the

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Performance and Fund Report

(continued)

company's pipeline of products has potential and, with a refreshed balance sheet, the company should be able to focus on investing for growth. We sold the position in Swiss pharmaceutical company Roche. Our conviction that the company could deliver sales growth from its portfolio of drugs and pipeline had reduced in the face of generic competition and we found greater conviction and valuation support elsewhere.

In the technology sector, we sold the holding in US semiconductor manufacturer Texas Instruments. The company has a significant investment programme underway, supported by fiscal stimulus from the US government. We had a lower level of conviction in the margin development of the company in the next cycle as this capacity becomes available. This, along with intensifying competition from China, led us to remove the stock from the portfolio. We initiated a new position in Dassault Systèmes, which is a French industrial software business that has dominant positions in aerospace, automobiles/electric vehicles and life sciences. The company helps its customers to create new state-of-the-art products and services. Dassault Systèmes operates in an attractive growth market and has a strong balance sheet, giving some optionality for additional inorganic growth. In addition, we reintroduced semiconductor contract manufacturing and design company Taiwan Semiconductor Manufacturing (TSMC) into the portfolio. In our view, the smartphone and PC industries should be approaching a cyclical bottom, and the inventory cycle has scope to improve. This, along with TSMC having an opportunity as a key future AI enabler, should ensure that earnings estimates improve in the short term, and we believed the valuation was attractive on this basis.

In financials, we sold the holding in UK insurer Admiral. The stock has performed well over last year, and we believed the valuation was more accurately reflecting the potential for an improved underwriting cycle in the UK motor business. Increased scrutiny from the industry regulator, which has introduced new Consumer Duty regulations that aim to set higher and clearer standards of consumer protection across financial services, may have the potential to affect some of Admiral's income streams. We also decided to sell the holding in St James's Place. The new UK Consumer Duty regulations have negatively affected its charging structure, which, combined with compensation for customers who had not received the expected service from the company over the last few years, resulted in us having lower conviction around the company's future earnings and cash-flow visibility.

Elsewhere in equities, we bought a new position in Samsung Electronics, which enjoys a dominant position in memory semiconductors. We believe that technological developments, particularly in AI, are increasing the demand for memory capability, particularly high-bandwidth memory, where Samsung Electronics has the opportunity to increase market share. The remaining electronics business should prove resilient, as new features have the potential to ignite a replacement cycle in the consumer electronics business.

Within fixed interest, with inflation remaining sticky and a rate-cutting cycle in prospect, we sold short-dated US Treasuries and bought a new position in an intermediate-term US inflation-protected security. The portfolio will benefit from the increased real yields on offer and this instrument offers in-built protection if current market expectations that inflation will return towards central bank targets over the short term prove unrealistic.

#### Outlook

Tighter monetary policy and the 'new normal' financial conditions appear to have been absorbed by investors without significant disruption to global financial markets. Economic conditions also appear to have been more resilient than anticipated and soft-landing conditions appear in prospect, at least for now. Domestic politics is likely to rise up the agenda for investors as the year progresses, particularly in the US, and policy emphasis is likely to affect the outlook for a number of sectors exposed to partisan spending priorities.

Inflation continues to be stickier than hoped for, which is acting as a brake on central banks' ability to cut interest rates. A higher-for-longer rates scenario may yet give pause for thought, as financial asset valuations rally further. AI has driven a new wave of technology investment, with a narrow gauge of companies benefitting from the early wave of adoption. The benefits of this new technology will now need to be realised more broadly across the market, as the technology develops.

Geopolitics, continuing conflicts, trade wars and China's recovery from economic malaise all have the potential to produce disruptive effects for economies and markets over the short term. Structural demand trends remain in place over the long term, however, and our multidimensional research process seeks to identify opportunities as tectonic shifts reshape the world around us.

\*Source: Lipper, midday prices, offer to offer, gross income reinvested, net of fees.

\*\*Source: Benchmark data provided by Datastream (in Sterling terms); index composite calculated by Newton.

Performance Benchmark: 50% FTSE All-Share TR Index; 25% FTSE World ex UK TR Index; 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index; 5% SONIA 7-Day Compounded

If you would like help understanding the definition of certain terms, please refer to our online Glossary – [www.bnymellonim.com/glossary](http://www.bnymellonim.com/glossary).

The table below shows the top ten (or all) purchases and sales (excluding any derivative and short term cash transactions) for the year.

Purchases	Sales
United Kingdom Gilt 2% 7/9/2025	United Kingdom Gilt 2.25% 7/9/2023
United States Treasury Inflation Indexed Bonds 0.125% 15/1/2031	Texas Instruments
GSK	Ferguson
United States Treasury Bond 2.875% 15/5/2043	Microsoft
Samsung Electronics	United Kingdom Gilt 2.75% 7/9/2024
Rentokil Initial	Admiral
Taiwan Semiconductor Manufacturing	Roche
Dassault Systemes	RELX
United Kingdom Gilt 3.5% 22/1/2045	BNY Mellon Sustainable Sterling Bond Fund
Edwards Lifesciences	United States Treasury Bond 1.125% 15/1/2025

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Statistics

for the year ended 31 March 2024

### Comparative Tables

	31/03/2024 (pence)	31/03/2023 (pence)	31/03/2022 (pence)
<b>Sterling Accumulation</b>			
<b>Change in net assets per unit</b>			
Opening net asset value per unit	202.69	199.26	177.91
Return before operating charges*	21.01	4.66	22.57
Operating charges	(1.30)	(1.23)	(1.22)
Return after operating charges	19.71	3.43	21.35
Distributions	(4.86)	(4.61)	(4.32)
Retained distributions on accumulation units	4.86	4.61	4.32
<b>Closing net asset value per unit</b>	<b>222.40</b>	<b>202.69</b>	<b>199.26</b>
* after direct transaction costs of:	(0.04)	(0.03)	(0.02)
<b>Performance</b>			
Return after charges	9.72%	1.72%	12.00%
<b>Other information</b>			
Closing net asset value (£)	47,715,953	41,932,782	31,124,161
Closing number of units	21,454,756	20,688,012	15,620,238
Operating charges**	0.63%	0.63%	0.63%
Direct transaction costs*	0.02%	0.01%	0.01%
<b>Prices</b>			
Highest unit price	222.52	205.17	206.68
Lowest unit price	196.98	182.57	178.46

  

	31/03/2024 (pence)	31/03/2023 (pence)	31/03/2022 (pence)
<b>Sterling Income</b>			
<b>Change in net assets per unit</b>			
Opening net asset value per unit	161.15	162.21	148.08
Return before operating charges*	16.62	3.65	18.70
Operating charges	(1.02)	(0.99)	(1.01)
Return after operating charges	15.60	2.66	17.69
Distributions	(3.83)	(3.72)	(3.56)
Retained distributions on accumulation units	—	—	—
<b>Closing net asset value per unit</b>	<b>172.92</b>	<b>161.15</b>	<b>162.21</b>
* after direct transaction costs of:	(0.03)	(0.02)	(0.02)
<b>Performance</b>			
Return after charges	9.68%	1.64%	11.95%
<b>Other information</b>			
Closing net asset value (£)	299,203,834	295,280,512	337,840,140
Closing number of units	173,033,714	183,230,529	208,271,960
Operating charges**	0.63%	0.63%	0.63%
Direct transaction costs*	0.02%	0.01%	0.01%
<b>Prices</b>			
Highest unit price	173.86	164.13	169.66
Lowest unit price	154.49	146.56	148.54

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

\*\*The Operating Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. Other operating costs include the costs for other services paid for by the Sub-fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator. The Operating Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Statistics

(continued)

#### Comparative Tables (continued)

	31/03/2024 (pence)	31/03/2023*** (pence)
<b>Sterling Income 2</b>		
<b>Change in net assets per unit</b>		
Opening net asset value per unit	101.58	100.00
Return before operating charges*	10.26	2.24
Operating charges	(0.54)	(0.02)
Return after operating charges	9.72	2.22
Distributions	(2.42)	(0.64)
Retained distributions on accumulation units	—	—
<b>Closing net asset value per unit</b>	<b>108.88</b>	<b>101.58</b>
* after direct transaction costs of:	(0.02)	0.00
<b>Performance</b>		
Return after charges	9.57%	2.22%
<b>Other information</b>		
Closing net asset value (£)	33,393,953	13,910,485
Closing number of units	30,670,043	13,693,648
Operating charges**	0.53%	0.53%
Direct transaction costs*	0.02%	0.01%
<b>Prices</b>		
Highest unit price	109.49	101.89
Lowest unit price	97.33	99.38

  

	31/03/2024 (pence)	31/03/2023 (pence)	31/03/2022 (pence)
<b>X (Accumulation)</b>			
<b>Change in net assets per unit</b>			
Opening net asset value per unit	154.88	151.55	134.58
Return before operating charges*	15.77	3.37	17.01
Operating charges	(0.05)	(0.04)	(0.04)
Return after operating charges	15.72	3.33	16.97
Distributions	(3.72)	(3.51)	(3.28)
Retained distributions on accumulation units	3.72	3.51	3.28
<b>Closing net asset value per unit</b>	<b>170.60</b>	<b>154.88</b>	<b>151.55</b>
* after direct transaction costs of:	(0.03)	(0.02)	(0.02)
<b>Performance</b>			
Return after charges	10.15%	2.20%	12.61%
<b>Other information</b>			
Closing net asset value (£)	145,409,577	194,250,394	169,575,674
Closing number of units	85,231,992	125,423,566	111,893,241
Operating charges**	0.03%	0.03%	0.03%
Direct transaction costs*	0.02%	0.01%	0.01%
<b>Prices</b>			
Highest unit price	170.68	156.69	156.99
Lowest unit price	150.86	139.22	135.00

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

\*\*The Operating Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. Other operating costs include the costs for other services paid for by the Sub-fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator. The Operating Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

\*\*\*Unit class launched on 17 March 2023.

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Statistics

(continued)

#### Comparative Tables (continued)

	31/03/2024 (pence)	31/03/2023 (pence)	31/03/2022 (pence)
<b>X (Income)</b>			
<b>Change in net assets per unit</b>			
Opening net asset value per unit	168.28	168.66	153.15
Return before operating charges*	16.87	3.54	19.26
Operating charges	(0.05)	(0.05)	(0.05)
Return after operating charges	16.82	3.49	19.21
Distributions	(4.01)	(3.87)	(3.70)
Retained distributions on accumulation units	—	—	—
<b>Closing net asset value per unit</b>	<b>181.09</b>	<b>168.28</b>	<b>168.66</b>
* after direct transaction costs of:	(0.03)	(0.02)	(0.02)
<b>Performance</b>			
Return after charges	10.00%	2.07%	12.54%
<b>Other information</b>			
Closing net asset value (£)	142,642,773	176,961,267	194,329,223
Closing number of units	78,768,534	105,159,913	115,216,786
Operating charges**	0.03%	0.03%	0.03%
Direct transaction costs*	0.02%	0.01%	0.01%
<b>Prices</b>			
Highest unit price	182.09	171.33	176.20
Lowest unit price	161.60	152.77	153.63

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

\*\*The Operating Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. Other operating costs include the costs for other services paid for by the Sub-fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator. The Operating Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

# BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

## Portfolio Statement (Unaudited)

as at 31 March 2024

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
<b>Bonds 18.74% (17.18%)</b>			
<b>United Kingdom Government Bonds 15.26% (14.96%)</b>			
United Kingdom Gilt 0.5% 31/1/2029	GBP14,549,900	12,431,653	1.86
United Kingdom Gilt 2% 7/9/2025	GBP17,303,823	16,713,157	2.50
United Kingdom Gilt 2.75% 7/9/2024	GBP10,120,500	10,025,519	1.50
United Kingdom Gilt 3.5% 22/1/2045	GBP14,618,100	12,837,250	1.92
United Kingdom Gilt 4.25% 7/12/2027	GBP12,324,726	12,462,948	1.87
United Kingdom Gilt 4.25% 7/3/2036	GBP15,010,603	15,319,446	2.29
United Kingdom Gilt 4.25% 7/9/2039	GBP15,230,185	15,245,034	2.28
United Kingdom Inflation-Linked Gilt 2% 26/1/2035	GBP2,780,100	6,948,512	1.04
<b>Overseas Government Bonds 3.48% (1.91%)</b>			
United States Treasury Bond 2.875% 15/5/2043	USD20,924,900	13,182,884	1.97
United States Treasury Inflation Indexed Bonds 0.125% 15/1/2031	USD12,090,500	10,102,733	1.51
<b>Sterling Denominated Corporate Bonds 0.00% (0.31%)</b>			
<b>Collective Investment Schemes (Open-Ended) 0.00% (1.08%)</b>			
<b>Equities 78.54% (78.83%)</b>			
<b>United Kingdom 29.00% (33.45%)</b>			
Anglo American	383,744	7,489,915	1.12
Ashtead	62,970	3,550,248	0.53
AstraZeneca	168,564	17,999,264	2.69
BAE Systems	1,109,308	14,970,111	2.24
Barclays	5,096,043	9,335,951	1.40
Diageo	572,619	16,751,969	2.51
Ferguson	23,430	4,059,247	0.61
GSK	589,998	10,080,706	1.51
Informa	816,518	6,786,898	1.01
Lloyds Banking	20,277,716	10,495,746	1.57
National Grid	1,053,174	11,221,569	1.68
Reckitt Benckiser	172,506	7,781,746	1.16
RELX	606,003	20,749,543	3.10
Rentokil Initial	1,613,474	7,610,757	1.14
Shell	645,784	16,951,830	2.54
Smith & Nephew	579,234	5,742,526	0.86
SSE	478,446	7,894,359	1.18
Unilever	361,438	14,367,160	2.15
<b>United States of America 21.82% (19.92%)</b>			
Albemarle	32,077	3,344,692	0.50
Alphabet	104,959	12,528,611	1.87
Apple	36,088	4,898,484	0.73
Applied Materials	66,128	10,788,823	1.61
CME	50,451	8,594,542	1.29
Danaher	45,618	9,009,848	1.35
Ecolab	37,762	6,895,657	1.03
Edwards Lifesciences	66,658	5,039,783	0.75
Eli Lilly & Co	11,506	7,072,103	1.06
Exelon	204,087	6,066,469	0.91
Hubbell	19,154	6,283,027	0.94
Linde	23,189	8,518,757	1.28
Mastercard	22,114	8,419,163	1.26
Microsoft	80,265	26,685,531	3.99
NVIDIA	17,716	12,657,631	1.89
Otis Worldwide	51,203	4,023,281	0.60
TE Connectivity	43,914	5,043,027	0.76
<b>Australia 0.79% (0.94%)</b>			
BHP	231,579	5,268,422	0.79

# BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

## Portfolio Statement (Unaudited)

(continued)

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
<b>Denmark 0.77% (0.73%)</b>			
Novonosis (Novozymes) B	110,633	5,145,780	0.77
<b>France 3.07% (2.70%)</b>			
Bureau Veritas	286,781	6,928,937	1.04
Dassault Systemes	145,207	5,094,939	0.76
Sanofi	108,996	8,476,276	1.27
<b>Germany 2.00% (1.79%)</b>			
SAP	86,499	13,360,329	2.00
<b>Hong Kong 1.74% (1.34%)</b>			
AIA	985,400	5,237,593	0.79
Prudential	857,197	6,368,973	0.95
<b>India 0.79% (0.73%)</b>			
HDFC Bank ADR	119,102	5,276,975	0.79
<b>Ireland 5.49% (4.56%)</b>			
Accenture	36,026	9,867,688	1.48
Medtronic	116,981	8,068,517	1.21
Smurfit Kappa	222,616	8,049,795	1.20
Trane Technologies	44,972	10,677,935	1.60
<b>Japan 1.94% (2.48%)</b>			
FANUC	218,900	4,790,491	0.71
Sony	120,900	8,211,279	1.23
<b>Netherlands 2.99% (3.32%)</b>			
Universal Music	341,698	8,141,857	1.22
Wolters Kluwer	95,520	11,857,824	1.77
<b>South Korea 2.01% (1.31%)</b>			
Samsung Electronics GDR	7,126	8,388,175	1.26
Samsung SDI GDR	72,042	5,041,372	0.75
<b>Switzerland 4.89% (5.56%)</b>			
Alcon	114,570	7,525,894	1.13
Lonza	18,872	8,956,653	1.34
Novartis	109,528	8,409,532	1.26
Zurich Insurance	18,196	7,777,039	1.16
<b>Taiwan 1.24% (0.00%)</b>			
Taiwan Semiconductor Manufacturing	432,000	8,313,354	1.24
<b>Portfolio of investments</b>		<b>650,213,739</b>	<b>97.28</b>
<b>Net current assets</b>		<b>18,152,351</b>	<b>2.72</b>
<b>Total Net Assets</b>		<b>668,366,090</b>	<b>100.00</b>

Total unapproved and unquoted securities

0.00%

Comparative figures in brackets refer to 31 March 2023.

Unless otherwise indicated, the holdings in the Portfolio Statement represents the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers.



## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Statement of Total Return

for the year ended 31 March 2024

	Notes	£	31/03/2024 £	£	31/03/2023 £
Income					
Net capital gains/(losses)	3		47,969,274		(1,953,955)
Revenue	4	18,949,018		18,196,187	
Expenses	5	(2,361,643)		(2,250,651)	
Interest payable and similar charges	7	(2,596)		(1,074)	
Net revenue before taxation		16,584,779		15,944,462	
Taxation	6	(472,424)		(549,403)	
Net revenue after taxation			16,112,355		15,395,059
<b>Total return before distributions</b>			<b>64,081,629</b>		<b>13,441,104</b>
Distributions	8		(17,146,430)		(16,821,843)
<b>Change in net assets attributable to Unitholders from investment activities</b>			<b>46,935,199</b>		<b>(3,380,739)</b>

### Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 March 2024

	£	31/03/2024 £	£	31/03/2023 £
<b>Opening net assets attributable to Unitholders</b>		722,335,440		732,869,198
Amounts receivable on issue of units	69,323,047		34,504,157	
Amounts payable on cancellation of units	(175,883,605)		(46,881,885)	
		(106,560,558)		(12,377,728)
Dilution adjustment		73,134		19,396
Change in net assets attributable to Unitholders from investment activities		46,935,199		(3,380,739)
Retained distributions on accumulation units		5,582,875		5,205,313
<b>Closing net assets attributable to Unitholders</b>		<b>668,366,090</b>		<b>722,335,440</b>

### Balance Sheet

as at 31 March 2024

	Notes	£	31/03/2024 £	£	31/03/2023 £
<b>ASSETS</b>					
Fixed assets					
Investment assets			650,213,739		701,289,383
Current assets					
Debtors	10	14,088,517		20,166,824	
Cash	11	4,453,804		741,560	
Cash equivalents	11	41,912,154		16,982,500	
Total other assets			60,454,475		37,890,884
Total assets			710,668,214		739,180,267
<b>LIABILITIES</b>					
Investment liabilities			—		—
Creditors					
Distribution payable		(2,389,491)		(3,053,170)	
Other creditors	12	(39,912,633)		(13,791,657)	
Total other liabilities			(42,302,124)		(16,844,827)
Total liabilities			(42,302,124)		(16,844,827)
<b>Net assets attributable to Unitholders</b>			<b>668,366,090</b>		<b>722,335,440</b>



## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Distribution Statements

for the year ended 31 March 2024

#### Final Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 January 2024

Group 2: Units purchased 1 January 2024 to 31 March 2024

	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2023
Sterling Accumulation				
Group 1	1.1157	—	1.1157	1.2685
Group 2	0.7363	0.3794	1.1157	1.2685
Sterling Income				
Group 1	0.8641	—	0.8641	1.0061
Group 2	0.5685	0.2956	0.8641	1.0061
Sterling Income 2				
Group 1	0.5533	—	0.5533	0.6438
Group 2	0.5533	0.0000	0.5533	0.6438
X (Accumulation)				
Group 1	0.8623	—	0.8623	0.9754
Group 2	0.8623	0.0000	0.8623	0.9754
X (Income)				
Group 1	0.9199	—	0.9199	1.0665
Group 2	0.9199	0.0000	0.9199	1.0665

#### Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 October 2023

Group 2: Units purchased 1 October 2023 to 31 December 2023

	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2023
Sterling Accumulation				
Group 1	0.8643	—	0.8643	0.7073
Group 2	0.6213	0.2430	0.8643	0.7073
Sterling Income				
Group 1	0.6866	—	0.6866	0.5681
Group 2	0.3603	0.3263	0.6866	0.5681
Sterling Income 2				
Group 1	0.4239	—	0.4239	n/a
Group 2	0.0479	0.3760	0.4239	n/a
X (Accumulation)				
Group 1	0.6572	—	0.6572	0.5352
Group 2	0.6572	0.0000	0.6572	0.5352
X (Income)				
Group 1	0.7040	—	0.7040	0.5873
Group 2	0.7040	0.0000	0.7040	0.5873

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Distribution Statements

(continued)

#### Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 July 2023

Group 2: Units purchased 1 July 2023 to 30 September 2023

	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2022
Sterling Accumulation				
Group 1	1.3427	—	1.3427	1.3092
Group 2	0.8728	0.4699	1.3427	1.3092
Sterling Income				
Group 1	1.0504	—	1.0504	1.0606
Group 2	0.3511	0.6993	1.0504	1.0606
Sterling Income 2				
Group 1	0.6716	—	0.6716	n/a
Group 2	0.5083	0.1633	0.6716	n/a
X (Accumulation)				
Group 1	1.0332	—	1.0332	0.9930
Group 2	1.0332	0.0000	1.0332	0.9930
X (Income)				
Group 1	1.1143	—	1.1143	1.0973
Group 2	1.1143	0.0000	1.1143	1.0973

#### Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 April 2023

Group 2: Units purchased 1 April 2023 to 30 June 2023

	Net Revenue	Equalisation	Amount Paid	Prior Period 30/06/2022
Sterling Accumulation				
Group 1	1.5404	—	1.5404	1.3269
Group 2	1.0294	0.5110	1.5404	1.3269
Sterling Income				
Group 1	1.2319	—	1.2319	1.0810
Group 2	0.9032	0.3287	1.2319	1.0810
Sterling Income 2				
Group 1	0.7680	—	0.7680	n/a
Group 2	0.7680	0.0000	0.7680	n/a
X (Accumulation)				
Group 1	1.1713	—	1.1713	1.0065
Group 2	0.7307	0.4406	1.1713	1.0065
X (Income)				
Group 1	1.2728	—	1.2728	1.1202
Group 2	1.2728	0.0000	1.2728	1.1202

	Franked (%)	Unfranked (%)
Final distributions for 31 March 2024	100.00	0.00
Interim distributions for 31 December 2023	100.00	0.00
Interim distributions for 30 September 2023	100.00	0.00
Interim distributions for 30 June 2023	100.00	0.00

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Notes to the Financial Statements

for the year ended 31 March 2024

#### 1 Accounting Policies

The Sub-fund's accounting policies are disclosed on page 4.

#### 2 Distribution Policies

The Sub-fund's distribution policies are disclosed on page 5.

#### 3 Net capital gains/(losses)

	31/03/2024	31/03/2023
	£	£
<b>The net capital gains/(losses) on investments during the year comprise:</b>		
Gains/(losses) on non-derivative securities	48,110,320	(1,831,610)
Currency exchange losses	(132,509)	(115,343)
Activity charges	(8,537)	(7,002)
<b>Net capital gains/(losses)</b>	<b>47,969,274</b>	<b>(1,953,955)</b>

Net gains (excluding activity charges) listed above of £47,977,811 comprise net realised gains of £45,790,716 and net unrealised gains of £2,187,095 (31/03/2023: Net capital losses listed above of £(1,953,955) comprise net realised gains of £15,859,493 and net unrealised losses of £(17,806,544)). Where realised gains/(losses) include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

#### 4 Revenue

	31/03/2024	31/03/2023
	£	£
Bank interest	1,053,400	650,670
Collective investment scheme distributions	230,588	279,773
Interest on debt securities	4,233,411	2,327,735
Overseas dividends	5,936,919	6,672,335
UK dividends	7,494,700	8,265,674
<b>Total revenue</b>	<b>18,949,018</b>	<b>18,196,187</b>

#### 5 Expenses

	31/03/2024	31/03/2023
	£	£
<b>Payable to the Manager or Associate of the Manager</b>		
Manager's periodic charge	2,126,648	2,037,200
Registrations and expense charge	133,074	110,769
Safe custody fees	39,419	32,910
	<b>2,299,141</b>	<b>2,180,879</b>
<b>Other expenses</b>		
Audit fee	8,543	8,761
Financial Conduct Authority fee	136	(118)
Professional fees	4,027	11,604
Trustee's fee	49,796	49,525
	<b>62,502</b>	<b>69,772</b>
<b>Total expenses</b>	<b>2,361,643</b>	<b>2,250,651</b>

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Notes to the Financial Statements

(continued)

#### 6 Taxation

	31/03/2024	31/03/2023
	£	£
<b>a) Analysis of the tax charge</b>		
Overseas tax withheld	699,701	719,424
<b>Total current tax charge</b>	<b>699,701</b>	<b>719,424</b>
Deferred tax credit	(227,277)	(170,021)
<b>Total tax charge (see Note 6b)</b>	<b>472,424</b>	<b>549,403</b>
<b>b) Factors affecting the tax charge</b>		
The tax assessed for the year is lower (31/03/2023: lower) than the standard rate of corporation tax in the UK for unit trusts (20%) (31/03/2023: 20%).		
The differences are explained below:		
Net revenue before taxation	16,584,779	15,944,462
Corporation tax @ 20%	3,316,956	3,188,892
Effects of:		
Indexation allowance	(51,685)	(31,269)
Movement in unrecognised tax losses	(796,052)	(340,042)
Overseas tax withheld	699,701	719,424
Prior year adjustment to unrecognised tax losses	(10,172)	—
Revenue not subject to corporation tax	(2,686,324)	(2,987,602)
<b>Total tax charge (see Note 6a)</b>	<b>472,424</b>	<b>549,403</b>
<b>c) Deferred tax (see Note 6a)</b>		
Opening deferred tax balance	(170,021)	—
Deferred tax movement for the year	(227,277)	(170,021)
<b>Closing deferred tax balance</b>	<b>(397,298)</b>	<b>(170,021)</b>

#### 7 Interest payable and similar charges

	31/03/2024	31/03/2023
	£	£
Interest	2,596	1,074
<b>Total interest</b>	<b>2,596</b>	<b>1,074</b>

#### 8 Distributions

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units. They comprise:

	31/03/2024	31/03/2023
	£	£
Interim Dividend Distribution 30 June	5,744,513	4,858,067
Interim Dividend Distribution 30 September	4,905,432	4,774,630
Interim Dividend Distribution 31 December	2,735,171	2,546,346
Final Dividend Distribution 31 March	3,363,791	4,538,983
	<b>16,748,907</b>	<b>16,718,026</b>
Amounts added on issue of units	(175,027)	(73,265)
Amounts deducted on cancellation of units	572,550	177,082
<b>Net distributions for the year</b>	<b>17,146,430</b>	<b>16,821,843</b>

#### 9 Net movement between revenue after taxation and distributions

	31/03/2024	31/03/2023
	£	£
Net revenue after taxation	16,112,355	15,395,059
Capitalised amounts	1,261,353	1,596,931
Deferred tax	(227,277)	(170,021)
Equalisation on conversions	(1)	(126)
<b>Net distributions for the year</b>	<b>17,146,430</b>	<b>16,821,843</b>

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Notes to the Financial Statements

(continued)

#### 10 Debtors

	31/03/2024	31/03/2023
	£	£
Accrued revenue	1,612,474	1,531,329
Amounts receivable for issue of units	—	20,000
Amounts receivable on open currency contracts	1,355,984	5,933,279
Deferred tax	397,298	170,021
Overseas withholding tax reclaimable	829,179	1,097,851
Sales awaiting settlement	9,893,582	11,414,344
<b>Total debtors</b>	<b>14,088,517</b>	<b>20,166,824</b>

#### 11 Cash & cash equivalents

	31/03/2024	31/03/2023
	£	£
Cash held at bank	4,453,804	741,560
Cash held in Liquidity Funds	41,912,154	16,982,500
<b>Total cash &amp; cash equivalents</b>	<b>46,365,958</b>	<b>17,724,060</b>

#### 12 Other creditors

	31/03/2024	31/03/2023
	£	£
Accrued expenses	241,163	247,555
Amounts payable for cancellation of units	27,741,075	6,219,745
Amounts payable on open currency contracts	1,354,533	5,935,903
Purchases awaiting settlement	10,575,862	1,388,454
<b>Total other creditors</b>	<b>39,912,633</b>	<b>13,791,657</b>

#### 13 Related parties

Manager's periodic charge, registrations and expense charge, safe custody charges and activity charges paid to the Manager, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 3 and 5, and details of units issued and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and Note 8.

The balance due to the Manager at 31 March 2024 in respect of these transactions was £27,950,927 (31/03/2023: £6,416,276).

Any investments in or transactions with other BNYM related party entities are individually identified in the portfolio statement.

#### 14 Financial instruments

The objective of the Sub-fund is to maximise returns through capital growth and income.

Please refer to Note 4 of the notes to the applicable financial statements of all Sub-funds for a detailed description of the risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks. There were no further specific risks for this Sub-fund.

##### Market Price Risk

The value of the Sub-fund's investments which were exposed to market price risk was as follows:

	31/03/2024	31/03/2023
	£	£
Investments held at the balance sheet date	650,213,739	701,289,383

##### Market Price Sensitivity

The following table illustrates the sensitivity of the return and the net assets to an increase or decrease of 5% (31/03/2023: 5%) in the fair values of the Sub-fund's investments. This level of change is considered to be reasonably possible based on observation of market

## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Notes to the Financial Statements

(continued)

#### 14 Financial instruments (continued)

##### Market Price Sensitivity (continued)

conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the Sub-fund's investments at each balance sheet date.

	31/03/2024		31/03/2023	
	5% Increase in fair value	5% Decrease in fair value	5% Increase in fair value	5% Decrease in fair value
	£	£	£	£
Non-derivative securities	32,510,687	(32,510,687)	35,064,469	(35,064,469)
<b>Net capital impact</b>	<b>32,510,687</b>	<b>(32,510,687)</b>	<b>35,064,469</b>	<b>(35,064,469)</b>

##### Valuation of financial instruments

The categorisation of financial instruments in the tables below reflect the methodology used to measure their fair value.

	31/03/2024 Assets £	31/03/2024 Liabilities £
Level 1: Quoted prices	524,944,603	—
Level 2: Observable market data	125,269,136	—
Level 3: Unobservable data	—	—
	<b>650,213,739</b>	<b>—</b>
	31/03/2023 Assets £	31/03/2023 Liabilities £
Level 1: Quoted prices	569,435,517	—
Level 2: Observable market data	131,853,866	—
Level 3: Unobservable data	—	—
	<b>701,289,383</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3: Valuation techniques using unobservable inputs.

##### Interest rate risk

The interest rate risk profile of the Sub-fund's financial assets and liabilities at 31 March 2024 is as follows:

	Floating Rate £	Fixed Rate £	Not Carrying Interest £	Total £
Investment assets	—	125,269,136	524,944,603	650,213,739
Investment liabilities	—	—	—	—
<b>Total</b>	<b>—</b>	<b>125,269,136</b>	<b>524,944,603</b>	<b>650,213,739</b>

The interest rate risk profile of the Sub-fund's financial assets and liabilities at 31 March 2023 is as follows:

	Floating Rate £	Fixed Rate £	Not Carrying interest £	Total £
Investment assets	—	124,085,596	577,203,787	701,289,383
Investment liabilities	—	—	—	—
<b>Total</b>	<b>—</b>	<b>124,085,596</b>	<b>577,203,787</b>	<b>701,289,383</b>

##### Interest rate sensitivity

Using duration analysis, an increase/decrease of 0.25% (31/3/2023: 0.25%) in interest rates, with all other variables remaining constant, is likely to result in a 0.35% (31/3/2023: 0.32%) decrease/increase respectively in the portfolio valuation.

# BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

## Notes to the Financial Statements

(continued)

### 14 Financial instruments (continued)

#### Foreign currency risk

The table that follows details the currency profile of the Sub-fund's assets:

	31/03/2024	31/03/2024	31/03/2024	31/03/2023
	Investments	Net Current	Total	Total
	£	Assets	£	£
Danish Krone	5,145,780	30,216	5,175,996	5,408,085
Euro	53,860,163	246,135	54,106,298	56,646,035
Hong Kong Dollar	5,237,593	—	5,237,593	9,667,537
Japanese Yen	13,001,769	61,842	13,063,611	18,009,108
Norwegian Krone	—	140,348	140,348	384,273
Swiss Franc	32,669,118	460,559	33,129,677	40,602,996
Taiwan New Dollar	8,313,354	30,774	8,344,128	—
United States Dollar	216,475,707	333,093	216,808,800	202,882,055
<b>Total</b>	<b>334,703,484</b>	<b>1,302,967</b>	<b>336,006,451</b>	<b>333,600,089</b>

#### Foreign currency sensitivity

The following tables illustrate the sensitivity of the return and net assets of the Sub-fund to a 5% (31/03/2023: 5%) strengthening or weakening of its base rate currency against other currencies to which there is significant exposure to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

#### 31 March 2024

	Total Exposure £	Impact of a 5% weakening of base currency £	Impact of a 5% strengthening of base currency £
<b>Currency</b>			
United States Dollar	216,808,800	11,410,989	(10,324,229)

#### 31 March 2023

	Total Exposure £	Impact of a 5% weakening of base currency £	Impact of a 5% strengthening of base currency £
<b>Currency</b>			
United States Dollar	202,882,055	10,678,003	(9,661,050)

#### Portfolio Statement by Credit Rating

as at 31 March 2024

	Market Value £ 31/03/2024	Total Net Assets (%) 31/03/2024	Total Net Assets (%) 31/03/2023
Investment grade securities	125,269,136	18.74	17.18
Below investment grade securities	—	—	—
Other assets	524,944,603	78.54	79.91
<b>Portfolio of investments</b>	<b>650,213,739</b>	<b>97.28</b>	<b>97.09</b>
<b>Net current assets</b>	<b>18,152,351</b>	<b>2.72</b>	<b>2.91</b>
<b>Total net assets</b>	<b>668,366,090</b>	<b>100.00</b>	<b>100.00</b>

# BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

## Notes to the Financial Statements

(continued)

### 15 Portfolio transaction costs

for the year ended 31 March 2024

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	89,752	29	0.03	67	0.07
Debt instruments (direct)	55,011	—	—	—	—
<b>Total purchases</b>	<b>144,763</b>	<b>29</b>		<b>67</b>	
<b>Total purchases including transaction costs</b>	<b>144,859</b>				

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	185,018	34	0.02	3	0.00
Debt instruments (direct)	51,631	—	—	—	—
Collective investment schemes	7,746	—	—	—	—
<b>Total sales</b>	<b>244,395</b>	<b>34</b>		<b>3</b>	
<b>Total sales net of transaction costs</b>	<b>244,358</b>				

**Total transaction costs** 63 70

**Total transaction costs as a % of average net assets** 0.01% 0.01%

for the year ended 31 March 2023

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	100,833	27	0.03	35	0.03
Debt instruments (direct)	76,075	—	—	—	—
<b>Total purchases</b>	<b>176,908</b>	<b>27</b>		<b>35</b>	
<b>Total purchases including transaction costs</b>	<b>176,970</b>				

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	124,484	36	0.03	1	0.00
Debt instruments (direct)	38,705	—	—	—	—
Collective investment schemes	189	—	—	—	—
<b>Total sales</b>	<b>163,378</b>	<b>36</b>		<b>1</b>	
<b>Total sales net of transaction costs</b>	<b>163,341</b>				

**Total transaction costs** 63 36

**Total transaction costs as a % of average net assets** 0.01% 0.00%

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.



## BNY Mellon Charities Funds - Newton Growth and Income Fund for Charities

### Notes to the Financial Statements

(continued)

#### 15 Portfolio transaction costs (continued)

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.07% (31/03/2023: 0.06%).

#### 16 Unit movement

for the year ended 31 March 2024

	Opening units	Units issued	Units cancelled	Units converted	Closing units
Sterling Accumulation	20,688,012	759,346	(32,933)	40,331	21,454,756
Sterling Income	183,230,529	9,033,162	(19,179,259)	(50,718)	173,033,714
Sterling Income 2	13,693,648	16,982,660	(6,265)	—	30,670,043
X (Accumulation)	125,423,566	23,052,739	(63,244,313)	—	85,231,992
X (Income)	105,159,913	—	(26,391,379)	—	78,768,534

#### 17 Unitholder's funds

The Sub-fund currently has the below unit classes in issue. Each unit class suffers a different annual Manager's periodic charge which is payable to the Manager and is shown below:

	Manager's periodic charge
Sterling Accumulation	0.60%
Sterling Income	0.60%
Sterling Income 2	0.50%
X (Accumulation)	0.00%
X (Income)	0.00%

Consequently, the level of net revenue attributable to each unit class will differ.

All unit classes have the same rights on winding up.

#### 18 Post Balance Sheet Events

There were no events that occurred after 31 March 2024 which would require disclosure or adjustment to the financial statements of the Sub-fund.

# **BNY Mellon Charities Funds**

## **Newton Sustainable Growth and Income Fund for Charities**

### **Annual Report**

**for the year ended 31 March 2024**

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Performance and Fund Report

for the year ended 31 March 2024

#### General Information

Investment Adviser:	Newton Investment Management
Fund Size:	£107.10m
Comparative Index:	75% MSCI AC World NR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-Day Compounded
Key Dates: Fund Launch	7 February 2014

#### Investment Objective

The Sub-fund aims to generate capital growth and income over the long term (5 years or more).

#### Investment Policy

The Sub-fund is actively managed and invests at least 70% of the portfolio in global equities (company shares), including ordinary shares, preference shares and other equity-related securities and fixed income securities (bonds). Exposure to these asset classes will be achieved through investment in transferable securities, money market instruments, warrants, derivatives (including but not limited to currency-related derivatives). The Sub-fund does not have any restrictions on the portion of the Sub-fund allocated to any of these asset classes. The Sub-fund may invest in bonds rated below investment grade (BBB-) by Standard & Poor's (or equivalent recognised rating agency).

All investments will be expected to conform to the Investment Manager's sustainability criteria, where environmental, social, governance ("ESG") is an integral part of the criteria.

The Investment Manager focuses on investments issued by governments, other public entities and companies (together the "issuers") that demonstrate sustainable business or operating practices and an ability to generate returns consistent with the Sub-fund's objective. Sustainable business or operating practices are those which positively manage the material impacts of an issuer's operations and products on the environment and society.

The Sub-fund adopts a policy of making no direct investment in companies that derive more than 10% of turnover from the production and sale of tobacco.

The Sub-fund may also gain exposure to company shares and bonds through investment in other collective investment schemes (which may include those which are managed or operated by the Investment Manager or an associate of the Investment Manager) and invest in cash and deposits. To the extent the Sub-fund gains exposure to infrastructure, renewable energy, property or commodities, such exposure may be through exchange listed securities, transferable securities and/or collective investment schemes. The Sub-fund may invest in any geographic or economic sectors of the world.

For the avoidance of doubt, cash and liquid near cash assets, money market funds, currency related derivatives and derivatives used for hedging purposes are not required to meet the Investment Manager's sustainability criteria.

Further details in relation to the current sustainability criteria may be obtained by contacting the Manager and is available on the Manager's website at [www.bnymellonim.com/orl](http://www.bnymellonim.com/orl). Investors should be aware that these criteria may change over time.

Any use of derivatives will be for efficient portfolio management purposes and hedging only. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-fund.

#### Statutory Performance Data

From To	31/03/2023 31/03/2024	31/03/2022 31/03/2023	31/03/2021 31/03/2022	31/03/2020 31/03/2021	31/03/2019 31/03/2020
Sterling Accumulation	10.93%	-2.36%	8.36%	21.35%	-2.09%
Sterling Income	10.92%	-2.35%	8.35%	21.36%	-2.09%
Sterling Income 2 <sup>^</sup>	11.01%	n/a	n/a	n/a	n/a
X (Income)	11.45%	-1.96%	8.94%	21.97%	-1.61%
75% MSCI AC World NR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-Day Compounded*	15.55%	-4.22%	8.14%	n/a	n/a
Comparative Index**	n/a	n/a	n/a	20.53%	-6.54%

<sup>^</sup>For unit class launch and closure dates, please refer to the Statistics section on pages 30 to 31.

\*Effective 1 October 2021, the benchmark changed from the London Interbank Bid Rate (LIBID) to the Sterling Overnight Index Average (SONIA). All benchmark past performance prior to this date was calculated against LIBID.

\*\*Effective 8 October 2020, the Performance Benchmark changed from 37.5% FTSE All-Share/37.5% FTSE World ex UK/ 20% Govt All-Stocks/ 5% 7 Day GBP LIBID to 75% MSCI AC World NR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks All Stocks TR Index and 5% 7 Day GBP LIBID. The figure for year ending 31 March 2021 represents the composite performance benchmark return.

Source: Unit class performance - Lipper as at 31 March 2024 Total return, including gross income reinvested, net of annual charges and excluding initial charge. All figures are in GBP terms. Benchmark performance - Index data provided by Datastream (in Sterling terms); index composite calculated by Newton.

Past performance is not a guide to future performance. The value of investments and the revenue from them is not guaranteed and can fall as well as rise due to stock market and currency movements. When you sell your investment you may get back less than you originally invested.

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Performance and Fund Report

(continued)

#### Fund Report

##### Attribution

The interplay between growth, inflation and the direction of monetary policy remained central to the wider investment debate throughout the review period. Having enjoyed a strong start to the period, with risk assets buoyed by investors' enthusiasm around artificial intelligence (AI), equity markets lost momentum over the summer. The principal catalyst for this change in tone was the renewed rise in government bond yields as investors considered whether US interest rates really would have to stay 'higher for longer', as the US Federal Reserve (Fed) had been suggesting for some time, given the continuing resilience of the US economy. In stark contrast to the US, China announced a stream of piecemeal stimulus initiatives designed to stabilise its own economy.

Subsequently, a marked change in tone from the Fed steered investors away from prior expectations of interest rates staying higher for longer to anticipating rate cuts in the first half of 2024. This became the chief catalyst for the equity-market rally in the final few weeks of 2023, and heralded the prospect of achieving the hoped-for economic soft landing.

Global equity markets made further gains over the start of 2024, even as investors reacted to the possibility that interest-rate cuts may come later than previously expected. The strength of the US macroeconomic picture and robust nature of corporate earnings, notably from certain mega-cap technology names, provided more than a sufficient boost to investor sentiment. The macroeconomic backdrop appeared more mixed away from the US, yet equity markets were undeterred. Eurozone growth was held back by a struggling Germany, while in the UK, official figures showed that the economy entered a technical recession at the end of 2023. Japan's economy also shrank for the second quarter in a row, yet the country's flagship Nikkei 225 index finally surpassed its prior peak from 1989. Significantly, the Bank of Japan decided to end its ultra-loose monetary policy and increase rates for the first time in seventeen years. Elsewhere, China sought to implement further stimulus measures to address its economic malaise, which included announcing cuts to its reserve requirement ratio and a mortgage-linked loan rate. Meanwhile, geopolitical tensions continued to simmer given fears around a broader escalation of conflict in the Middle East.

Against this backdrop, the Sub-fund produced a positive return over the reporting period (+10.92%\* - Newton Sustainable Growth and Income Fund for Charities Sterling Income Share Class), but underperformed its performance benchmark (+15.55%\*\*). The Sub-fund's positioning in bonds made a positive relative contribution as a lower allocation to the asset class and less interest-rate sensitivity than the overall gilt index were both positive for relative performance, in an environment of high inflation leading to higher bond yields. However, this was outweighed by a negative contribution from the Sub-fund's equity positioning. Stock selection within the financials and information technology sectors were the largest detractors. More positively, holdings in industrials sector performed well.

Within the financials sector, Hong Kong insurer AIA suffered from weakness in Asian financial markets. Despite sales growth recovering as borders reopened following Covid-19 disruption, negative investment variances, owing to weak Asian financial markets, prevented the stock from making headway. Asia-focused Prudential also suffered share-price weakness attributable to concerns around the strength of the Chinese economy. India's HDFC Bank detracted. Following its merger with HDFC Ltd last year, the bank has higher funding requirements while a tighter liquidity environment in India reduced deposit availability.

It was a mixed picture within technology sector. The holding in Microsoft performed well. Microsoft's suite of products are proving to be well placed to benefit from the integration of AI, while its cloud business should also benefit from the increased computer power required to create models and analyse data. Increased demand for semiconductors, particularly in the memory space, resulted in continued strong capital spending by semiconductor manufacturers, which benefited capital equipment suppliers, including Applied Materials. SAP also outperformed as the software company continues to transition its business to the cloud. Results in the period were good and we believe the company could continue to see growth in its future revenue stream. However, this was outweighed by the zero weighting in US chipmaker Nvidia, which performed well as the company reported strong growth in demand for its AI graphics processing units. This, together with continued strong investment intentions into AI developments by its customers, resulted in strong share-price performance. The holding in battery manufacturer Samsung SDI was weak as a slowdown in demand for electric vehicles and increasing competition from China negatively affected sentiment towards the stock. With Meta Platforms exhibiting strong earnings momentum, the zero weighting also detracted.

Within the industrials sector, heating and air conditioning manufacturer Trane Technologies performed well on increased earnings guidance and confidence about the resilience of the company's end markets. US industrial Hubbell performed well on confidence that secular tailwinds in grid and electrification leave the business well placed to manage even in a cyclical slowdown. The holding in building products distributor Ferguson also performed well as the company continued to take share within its markets and deployed capital to consolidate its fragmented industry which supports future growth.

Within the consumer sectors, the holding in information and analytics company RELX, which had previously been viewed as a casualty of the progress made in the AI sphere, staged a recovery as investors were reassured that the company's exposure to AI disruption was exaggerated. Weighing against this was the holding in Sony, which was impacted in dollar terms by the weak Japanese Yen as loose monetary policy continued in Japan. The company also witnessed a decline in operating income, hampered by weaker earnings its financial services and movie divisions. Later in the review period, Sony's share price fell sharply on a larger-than-expected cut to full-year sales forecasts for the PlayStation 5 console. The holding in Reckitt Benckiser was affected by a negative legal judgement in the US. Potential product liability issues in its infant nutrition business in the US market led to a significant fall in the company's value, as investors attempted to quantify what liability the company may have.

Elsewhere, US pharmaceutical Eli Lilly & Co performed well as investor expectations for its diabetes and weight-loss drug increased significantly. A competitor product within the same drug class also proved successful in lowering cardiovascular events, which may significantly broaden the market. Albemarle, the world's largest producer of lithium for electric-vehicle batteries, declined amid slumping lithium prices.

##### Activity

We bought a new position in Edwards Lifesciences, a manufacturer of heart valve systems and repair products. Edwards Lifesciences is the leader in minimally invasive aortic valve replacement, a global market that is expected to experience growth over the coming years as an ageing demographic increases the addressable market. Innovative new products for the repair of both mitral and tricuspid heart valves have the potential to improve the growth outlook and valuation metrics for the company further.

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Performance and Fund Report

(continued)

In the technology sector, we initiated a new position in Dassault Systèmes, which is a French industrial software business that has dominant positions in aerospace, automobiles/electric vehicles and life sciences. The company helps its customers to create new state-of-the-art products and services. Dassault Systèmes operates in an attractive growth market and has a strong balance sheet, giving some optionality for additional inorganic growth. In addition, we reintroduced semiconductor contract manufacturing and design company Taiwan Semiconductor Manufacturing (TSMC) into the portfolio. In our view, the smartphone and PC industries should be approaching a cyclical bottom, and the inventory cycle has scope to improve. This, along with TSMC having an opportunity as a key future AI enabler, should ensure that earnings estimates improve in the short term, and we believed the valuation was attractive on this basis.

Within the consumer sectors, we sold the holding in Toll Brothers, the US housebuilder, following strong year-to-date performance. In our opinion, the valuation did not reflect the impact of significant house-price falls in the US market. While new-build volumes have benefitted from a lack of supply in the existing homes market, we think the growth outlook in the US remains uncertain as mortgage interest rates remain high. We initiated a position in home and personal-care product manufacturer Reckitt Benckiser. The company has an attractive portfolio of brands and sells its products across the European Union, North America and emerging markets. We view the stock as a recovery story, with the new CEO (chief executive officer) investing in research and development to improve product quality and deliver above-industry growth, while the debt within the business has also reduced.

In the industrials sector, we bought Rentokil Initial, which is the world's leading commercial pest-control company and a market leader in hygiene services. The company recently issued strong results, alongside indications that synergies with recent acquisition Terminix are progressing as expected. We believed the valuation of the business was attractive considering its quality, thematic strength and the long-term growth opportunity. Despite its low valuation, concerns around the cyclical nature of the business led us to sell the holding in recruitment company Hays.

We took advantage of a share-price recovery to sell the holding in Insurance Australia, where poor management execution has diminished our conviction in the stock. We bought reinsurer RenaissanceRe, as we believe that reinsurance pricing will stay higher for longer, underpinned by our view on industry capital supply/demand dynamics, driving upside to consensus earnings estimates and a multiple rerating.

Within fixed interest, early in the review period, we bought short-dated UK index-linked gilts. A real yield close to 1%, set against a backdrop of stickier inflation, was attractive in the context of a multi-asset portfolio. Late in the period we bought a long-dated UK inflation-linked bond owing to its attractive real yield.

#### Outlook

Tighter monetary policy and the 'new normal' financial conditions appear to have been absorbed by investors without significant disruption to global financial markets. Economic conditions also appear to have been more resilient than anticipated and soft-landing conditions appear in prospect, at least for now. Domestic politics is likely to rise up the agenda for investors as the year progresses, particularly in the US, and policy emphasis is likely to affect the outlook for a number of sectors exposed to partisan spending priorities.

Inflation continues to be stickier than hoped for, which is acting as a brake on central banks' ability to cut interest rates. A higher-for-longer rates scenario may yet give pause for thought, as financial asset valuations rally further. AI has driven a new wave of technology investment, with a narrow gauge of companies benefitting from the early wave of adoption. The benefits of this new technology will now need to be realised more broadly across the market, as the technology develops.

Geopolitics, continuing conflicts, trade wars and China's recovery from economic malaise all have the potential to produce disruptive effects for economies and markets over the short term. Structural demand trends remain in place over the long term, however, and our multidimensional research process seeks to identify opportunities as tectonic shifts reshape the world around us.

\*Source: Lipper, midday prices, offer to offer, gross income reinvested, net of fees.

\*\*Source: Benchmark data provided by Datastream (in Sterling terms); index composite calculated by Newton

Performance Benchmark: 75% MSCI AC World NR Index/ 20% FTSE Actuaries UK Conventional Gilts All Stocks TR Index/ 5% SONIA 7-DayCompounded

If you would like help understanding the definition of certain terms, please refer to our online Glossary – [www.bnymellonim.com/glossary](http://www.bnymellonim.com/glossary).

The table below shows the top ten (or all) purchases and sales (excluding any derivative and short term cash transactions) for the year.

Purchases	Sales
Microsoft	United Kingdom Gilt 2.25% 7/9/2023
Rentokil Initial	Toll Brothers
Alphabet	Universal Music
United Kingdom Inflation-Linked Gilt 0.75% 22/11/2047	SAP
Samsung Electronics GDR	RELX
United Kingdom Gilt 2% 7/9/2025	Hays
Reckitt Benckiser	3i
United Kingdom Gilt 2.75% 7/9/2024	Microsoft
United Kingdom Inflation-Linked Gilt 0.125% 22/3/2026	Hubbell
Apple	UNITE USAF II 3.374% 30/6/2028

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Statistics

for the year ended 31 March 2024

### Comparative Tables

	31/03/2024 (pence)	31/03/2023 (pence)	31/03/2022 (pence)
<b>Sterling Accumulation</b>			
<b>Change in net assets per unit</b>			
Opening net asset value per unit	189.57	191.15	177.89
Return before operating charges*	20.63	(0.13)	14.59
Operating charges	(1.27)	(1.45)	(1.33)
Return after operating charges	19.36	(1.58)	13.26
Distributions	(4.27)	(3.87)	(2.89)
Retained distributions on accumulation units	4.27	3.87	2.89
<b>Closing net asset value per unit</b>	<b>208.93</b>	<b>189.57</b>	<b>191.15</b>
* after direct transaction costs of:	(0.03)	(0.03)	(0.03)
<b>Performance</b>			
Return after charges	10.21%	(0.83%)	7.45%
<b>Other information</b>			
Closing net asset value (£)	12,427,286	11,805,924	12,651,249
Closing number of units	5,948,161	6,227,632	6,618,624
Operating charges**	0.65%	0.78%	0.70%
Direct transaction costs*	0.02%	0.02%	0.02%
<b>Prices</b>			
Highest unit price	209.40	196.13	204.03
Lowest unit price	185.57	175.63	177.05

  

	31/03/2024 (pence)	31/03/2023 (pence)	31/03/2022 (pence)
<b>Sterling Income</b>			
<b>Change in net assets per unit</b>			
Opening net asset value per unit	155.52	160.16	151.32
Return before operating charges*	16.71	(0.24)	12.41
Operating charges	(1.03)	(1.20)	(1.13)
Return after operating charges	15.68	(1.44)	11.28
Distributions	(3.47)	(3.20)	(2.44)
Retained distributions on accumulation units	—	—	—
<b>Closing net asset value per unit</b>	<b>167.73</b>	<b>155.52</b>	<b>160.16</b>
* after direct transaction costs of:	(0.02)	(0.03)	(0.03)
<b>Performance</b>			
Return after charges	10.08%	(0.90%)	7.45%
<b>Other information</b>			
Closing net asset value (£)	11,875,026	10,535,815	16,529,771
Closing number of units	7,079,920	6,774,717	10,320,913
Operating charges**	0.65%	0.78%	0.70%
Direct transaction costs*	0.02%	0.02%	0.02%
<b>Prices</b>			
Highest unit price	168.86	163.28	172.07
Lowest unit price	150.39	146.07	150.60

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

\*\*The Operating Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. Other operating costs include the costs for other services paid for by the Sub-fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator. The Operating Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Statistics

(continued)

#### Comparative Tables (continued)

	31/03/2024 (pence)	31/03/2023*** (pence)
<b>Sterling Income 2</b>		
<b>Change in net assets per unit</b>		
Opening net asset value per unit	100.76	100.00
Return before operating charges*	10.80	1.31
Operating charges	(0.56)	(0.03)
Return after operating charges	10.24	1.28
Distributions	(2.25)	(0.52)
Retained distributions on accumulation units	—	—
<b>Closing net asset value per unit</b>	<b>108.75</b>	<b>100.76</b>
* after direct transaction costs of:	(0.02)	0.00
<b>Performance</b>		
Return after charges	10.16%	1.28%
<b>Other information</b>		
Closing net asset value (£)	10,750,821	9,971,740
Closing number of units	9,885,529	9,896,704
Operating charges**	0.55%	0.68%
Direct transaction costs*	0.02%	0.02%
<b>Prices</b>		
Highest unit price	109.48	100.84
Lowest unit price	97.48	98.91

  

	31/03/2024 (pence)	31/03/2023 (pence)	31/03/2022 (pence)
<b>X (Income)</b>			
<b>Change in net assets per unit</b>			
Opening net asset value per unit	162.77	166.95	156.84
Return before operating charges*	17.35	(0.53)	12.75
Operating charges	(0.08)	(0.29)	(0.17)
Return after operating charges	17.27	(0.82)	12.58
Distributions	(3.65)	(3.36)	(2.47)
Retained distributions on accumulation units	—	—	—
<b>Closing net asset value per unit</b>	<b>176.39</b>	<b>162.77</b>	<b>166.95</b>
* after direct transaction costs of:	(0.03)	(0.03)	(0.03)
<b>Performance</b>			
Return after charges	10.61%	(0.49%)	8.02%
<b>Other information</b>			
Closing net asset value (£)	72,048,392	39,376,053	40,590,175
Closing number of units	40,846,049	24,191,891	24,312,052
Operating charges**	0.05%	0.18%	0.10%
Direct transaction costs*	0.02%	0.02%	0.02%
<b>Prices</b>			
Highest unit price	177.55	170.51	179.04
Lowest unit price	157.83	152.63	156.20

\*Direct transaction costs comprise commission and taxes, principally applicable to equity investment purchases and sales. Unitholders should note that additionally there may be other transaction costs such as dealing spread and underlying costs with regard to Collective Investment Scheme holdings which may also have reduced the Sub-fund and unit class returns before operating charges.

\*\*The Operating Charges figure is made up of the Annual Management Charge (AMC) and other operating costs. Other operating costs include the costs for other services paid for by the Sub-fund, such as the fees paid to the Fund Accountant, Fund Administrator, Depositary, Custodian, Auditor and Regulator. The Operating Charges figure shown is calculated on an ex-post basis over the period, whereas the Ongoing Charges figure shown in the Key Investor Information Document (KIID) is a calculation as at a point in time, and therefore there could be immaterial differences between the two. The operating charges are annualised for unit classes launched during the year.

\*\*\*Unit class launched on 17 March 2023.



# BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

## Portfolio Statement (Unaudited)

as at 31 March 2024

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
<b>Bonds 18.04% (18.54%)</b>			
<b>United Kingdom Government Bonds 7.44% (5.83%)</b>			
United Kingdom Gilt 2% 7/9/2025	GBP1,061,400	1,025,169	0.96
United Kingdom Gilt 2.75% 7/9/2024	GBP1,015,300	1,005,771	0.94
United Kingdom Gilt 3.25% 22/1/2044	GBP834,300	709,301	0.66
United Kingdom Gilt 3.75% 22/7/2052	GBP784,400	702,724	0.66
United Kingdom Gilt 4.25% 7/3/2036	GBP479,100	488,958	0.46
United Kingdom Gilt 6% 7/12/2028	GBP740,100	808,992	0.75
United Kingdom Inflation-Linked Gilt 0.125% 22/3/2026	GBP700,099	1,020,562	0.95
United Kingdom Inflation-Linked Gilt 0.75% 22/11/2047	GBP641,600	1,089,578	1.02
United Kingdom Inflation-Linked Gilt 2% 26/1/2035	GBP446,628	1,116,291	1.04
<b>Overseas Government Bonds 8.68% (9.66%)</b>			
New Zealand Government Inflation Linked Bond 3% 20/9/2030	NZD770,000	495,226	0.46
United States Treasury Bond 1.125% 15/1/2025	USD2,400,100	1,841,718	1.72
United States Treasury Bond 1.5% 15/8/2026	USD1,852,500	1,367,012	1.27
United States Treasury Bond 1.5% 15/2/2030	USD1,256,600	855,784	0.80
United States Treasury Bond 2.875% 15/5/2043	USD2,501,900	1,576,220	1.47
United States Treasury Bond 3% 15/5/2045	USD1,435,900	907,694	0.85
United States Treasury Inflation Indexed Bonds 0.75% 15/7/2028	USD1,953,600	1,817,042	1.70
United States Treasury Inflation Indexed Bonds 3.375% 15/4/2032	USD288,000	439,411	0.41
<b>Sterling Denominated Corporate Bonds 1.55% (2.53%)</b>			
Coventry Building Society 6.875% Perpetual	GBP277,000	275,446	0.26
DWR Cymru Financing UK 6.015% 31/3/2028	GBP170,000	176,702	0.16
European Investment Bank 0.75% 15/11/2024	GBP323,000	314,492	0.29
Mobico 4.25% Perpetual	GBP100,000	91,453	0.09
Motability Operations 1.5% 20/1/2041	GBP120,000	72,433	0.07
Orsted 4.875% 12/1/2032	GBP207,000	204,246	0.19
Virgin Media Vendor Financing Notes III DAC 4.875% 15/7/2028	GBP286,000	255,907	0.24
Vodafone 4.875% 3/10/2078	GBP275,000	269,844	0.25
<b>Non-Sterling Denominated Corporate Bonds 0.37% (0.52%)</b>			
Infineon Technologies 3.625% Perpetual	EUR300,000	249,113	0.23
Meituan 3.05% 28/10/2030	USD210,000	142,450	0.14
<b>Closed-Ended Investment Companies 4.40% (6.15%)</b>			
Aquila European Renewables	487,937	300,359	0.28
Bluefield Solar Income Fund	277,474	278,029	0.26
Cordiant Digital Infrastructure Fund	777,719	496,185	0.46
Greencoat UK Wind Fund	720,219	1,000,384	0.93
Hipgnosis Songs Fund	889,152	612,626	0.57
International Public Partnerships	213,682	264,965	0.25
JLEN Environmental Assets Foresight	274,306	257,025	0.24
Renewables Infrastructure	742,261	746,714	0.70
Sdcl Energy Efficiency Income Trust	698,145	412,604	0.39
VH Global Sustainable Energy Opportunities	502,208	342,506	0.32
<b>Commodities 1.02% (1.06%)</b>			
Invesco Physical Gold ETC	6,449	1,093,458	1.02
<b>Equities 73.69% (71.35%)</b>			
<b>United Kingdom 11.65% (14.30%)</b>			
3i	21,798	612,306	0.57
Ashtead	15,169	855,228	0.80
AstraZeneca	10,909	1,164,863	1.09
Barclays	334,072	612,020	0.57
Ferguson	6,352	1,100,484	1.03
Home Reit^	584,236	112,465	0.10
Informa	180,312	1,498,753	1.40
National Grid	66,982	713,693	0.66
Reckitt Benckiser	17,633	795,425	0.74
RELX	68,496	2,345,303	2.19



# BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

## Portfolio Statement (Unaudited)

(continued)

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
<b>United Kingdom (continued)</b>			
Rentokil Initial	226,347	1,067,679	1.00
Schroder Bsc Social Impact Trust	530,706	403,337	0.38
Unilever	30,162	1,198,940	1.12
<b>United States of America 33.09% (29.68%)</b>			
Albemarle	6,598	687,978	0.64
Alphabet	36,347	4,338,622	4.05
Amazon.com	15,266	2,178,147	2.03
Apple	20,014	2,716,644	2.54
Applied Materials	11,958	1,950,955	1.82
CME	8,864	1,510,020	1.41
Cooper Cos	10,878	873,254	0.81
Danaher	7,173	1,416,714	1.32
Ecolab	3,928	717,286	0.67
Edwards Lifesciences	10,700	808,990	0.75
Eli Lilly & Co	2,159	1,327,018	1.24
Exelon	33,341	991,058	0.92
Goldman Sachs	1,943	642,293	0.60
Hubbell	4,625	1,517,124	1.42
Laureate Education	89,899	1,035,449	0.97
Linde	5,792	2,127,760	1.99
Mastercard	4,297	1,635,938	1.53
Microsoft	16,106	5,354,727	5.00
Otis Worldwide	14,802	1,163,069	1.09
Progressive	8,088	1,323,404	1.24
TE Connectivity	9,786	1,123,812	1.05
<b>Australia 0.00% (0.30%)</b>			
<b>Bermuda 0.58% (0.00%)</b>			
RenaissanceRe	3,336	620,669	0.58
<b>China 0.39% (0.79%)</b>			
Ping An Insurance of China	124,500	416,186	0.39
<b>Denmark 0.86% (0.80%)</b>			
Novonosis (Novozymes) B	19,812	921,499	0.86
<b>France 2.03% (1.57%)</b>			
Dassault Systemes	21,294	747,152	0.70
Sanofi	18,382	1,429,510	1.33
<b>Germany 2.32% (2.19%)</b>			
SAP	16,083	2,484,123	2.32
<b>Hong Kong 1.98% (1.93%)</b>			
AIA	232,600	1,236,314	1.15
Prudential	119,663	889,096	0.83
<b>India 1.04% (1.32%)</b>			
HDFC Bank ADR	25,046	1,109,697	1.04
<b>Ireland 6.44% (6.28%)</b>			
Accenture	7,052	1,931,575	1.80
Greencoat Renewables	388,463	289,608	0.27
Medtronic	26,999	1,862,199	1.74
Smurfit Kappa	30,901	1,117,380	1.04
Trane Technologies	7,157	1,699,324	1.59
<b>Japan 3.25% (3.54%)</b>			
FANUC	23,100	505,529	0.47
Recruit	29,000	1,017,195	0.95
Sony	28,800	1,956,037	1.83

# BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

## Portfolio Statement (Unaudited)

(continued)

Investments	Nominal/Holding	Market Value (£)	Total Net Assets (%)
<b>Netherlands 3.07% (2.83%)</b>			
Universal Music	69,843	1,664,194	1.55
Wolters Kluwer	13,117	1,628,340	1.52
<b>South Korea 1.89% (1.66%)</b>			
Samsung Electronics GDR	1,192	1,173,836	1.10
Samsung SDI GDR	12,082	845,477	0.79
<b>Switzerland 4.44% (4.16%)</b>			
Alcon	15,613	1,025,589	0.96
Lonza	3,161	1,500,211	1.40
Roche	5,487	1,107,479	1.03
Zurich Insurance	2,620	1,119,798	1.05
<b>Taiwan 0.66% (0.00%)</b>			
Taiwan Semiconductor Manufacturing ADR	6,531	703,223	0.66
<b>Derivatives 0.02% (0.00%)</b>			
<b>USD Forward Foreign Currency Contracts 0.02% (0.00%)</b>			
Forward Foreign Currency Contracts to sell NZD(1,074,501) for USD668,965 18/4/2024		20,768	0.02
<b>Portfolio of investments</b>		<b>104,067,160</b>	<b>97.17</b>
<b>Net current assets</b>		<b>3,034,365</b>	<b>2.83</b>
<b>Total Net Assets</b>		<b>107,101,525</b>	<b>100.00</b>

Total unapproved and unquoted securities

0.10%

Comparative figures in brackets refer to 31 March 2023.

Unless otherwise indicated, the holdings in the Portfolio Statement represents the ordinary shares, ordinary stock units, common shares or debt securities of the relevant companies or issuers.

^Delisted/Suspended/Unlisted security.

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Statement of Total Return

for the year ended 31 March 2024

	Notes	£	31/03/2024 £	£	31/03/2023 £
Income					
Net capital gains/(losses)	3		7,731,107		(1,802,291)
Revenue	4	2,035,261		1,592,332	
Expenses	5	(228,330)		(204,590)	
Interest payable and similar charges	7	(155)		(156)	
Net revenue before taxation		1,806,776		1,387,586	
Taxation	6	(150,241)		(79,823)	
Net revenue after taxation			1,656,535		1,307,763
<b>Total return before distributions</b>			<b>9,387,642</b>		<b>(494,528)</b>
Distributions	8		(1,827,609)		(1,446,226)
<b>Change in net assets attributable to Unitholders from investment activities</b>			<b>7,560,033</b>		<b>(1,940,754)</b>

### Statement of Change in Net Assets Attributable to Unitholders

for the year ended 31 March 2024

		£	31/03/2024 £	£	31/03/2023 £
<b>Opening net assets attributable to Unitholders</b>			71,689,532		69,771,195
Amounts receivable on issue of units		31,421,663		10,903,058	
Amounts payable on cancellation of units		(3,868,571)		(7,313,716)	
			27,553,092		3,589,342
Dilution adjustment			33,787		17,517
Change in net assets attributable to Unitholders from investment activities			7,560,033		(1,940,754)
Retained distributions on accumulation units			265,081		252,232
<b>Closing net assets attributable to Unitholders</b>			<b>107,101,525</b>		<b>71,689,532</b>

### Balance Sheet

as at 31 March 2024

	Notes	£	31/03/2024 £	£	31/03/2023 £
<b>ASSETS</b>					
Fixed assets					
Investment assets			104,067,160		69,610,667
Current assets					
Debtors	10	788,127		8,061,086	
Cash	11	42,645		11,242	
Cash equivalents	11	3,684,699		1,166,265	
Total other assets			4,515,471		9,238,593
Total assets			108,582,631		78,849,260
<b>LIABILITIES</b>					
Investment liabilities			—		—
Creditors					
Distribution payable		(422,329)		(306,787)	
Other creditors	12	(1,058,777)		(6,852,941)	
Total other liabilities			(1,481,106)		(7,159,728)
Total liabilities			(1,481,106)		(7,159,728)
<b>Net assets attributable to Unitholders</b>			<b>107,101,525</b>		<b>71,689,532</b>

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Distribution Statements

for the year ended 31 March 2024

#### Final Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 January 2024

Group 2: Units purchased 1 January 2024 to 31 March 2024

	Net Revenue	Equalisation	Amount Paid	Prior Period 31/03/2023
Sterling Accumulation				
Group 1	0.9281	—	0.9281	0.9375
Group 2	0.4565	0.4716	0.9281	0.9375
Sterling Income				
Group 1	0.7485	—	0.7485	0.7591
Group 2	0.3631	0.3854	0.7485	0.7591
Sterling Income 2				
Group 1	0.4853	—	0.4853	0.5214
Group 2	0.4853	0.0000	0.4853	0.5214
X (Income)				
Group 1	0.7868	—	0.7868	0.8422
Group 2	0.3866	0.4002	0.7868	0.8422

#### Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 October 2023

Group 2: Units purchased 1 October 2023 to 31 December 2023

	Net Revenue	Equalisation	Amount Paid	Prior Period 31/12/2023
Sterling Accumulation				
Group 1	0.9951	—	0.9951	0.8466
Group 2	0.1676	0.8275	0.9951	0.8466
Sterling Income				
Group 1	0.8065	—	0.8065	0.7010
Group 2	0.4958	0.3107	0.8065	0.7010
Sterling Income 2				
Group 1	0.5228	—	0.5228	n/a
Group 2	0.5228	0.0000	0.5228	n/a
X (Income)				
Group 1	0.8466	—	0.8466	0.7275
Group 2	0.2043	0.6423	0.8466	0.7275

#### Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 July 2023

Group 2: Units purchased 1 July 2023 to 30 September 2023

	Net Revenue	Equalisation	Amount Paid	Prior Period 30/09/2022
Sterling Accumulation				
Group 1	0.9573	—	0.9573	0.9234
Group 2	0.9573	0.0000	0.9573	0.9234
Sterling Income				
Group 1	0.7795	—	0.7795	0.7683
Group 2	0.6196	0.1599	0.7795	0.7683
Sterling Income 2				
Group 1	0.5063	—	0.5063	n/a
Group 2	0.5063	0.0000	0.5063	n/a
X (Income)				
Group 1	0.8192	—	0.8192	0.7917
Group 2	0.3150	0.5042	0.8192	0.7917

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Distribution Statements

(continued)

#### Interim Dividend distribution in pence per unit

Period

Group 1: Units purchased prior to 1 April 2023

Group 2: Units purchased 1 April 2023 to 30 June 2023

	Net Revenue	Equalisation	Amount Paid	Prior Period 30/06/2022
Sterling Accumulation				
Group 1	1.3850	—	1.3850	1.1589
Group 2	1.3850	0.0000	1.3850	1.1589
Sterling Income				
Group 1	1.1363	—	1.1363	0.9702
Group 2	0.2437	0.8926	1.1363	0.9702
Sterling Income 2				
Group 1	0.7386	—	0.7386	n/a
Group 2	0.7386	0.0000	0.7386	n/a
X (Income)				
Group 1	1.1938	—	1.1938	0.9978
Group 2	0.1519	1.0419	1.1938	0.9978
			Franked (%)	Unfranked (%)
Final distributions for 31 March 2024			67.29	32.71
Interim distributions for 31 December 2023			79.32	20.68
Interim distributions for 30 September 2023			81.44	18.56
Interim distributions for 30 June 2023			90.24	9.76

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Notes to the Financial Statements

for the year ended 31 March 2024

#### 1 Accounting Policies

The Sub-fund's accounting policies are disclosed on page 4.

#### 2 Distribution Policies

The Sub-fund's distribution policies are disclosed on page 5.

#### 3 Net capital gains/(losses)

	31/03/2024	31/03/2023
	£	£
<b>The net capital gains/(losses) on investments during the year comprise:</b>		
Gains/(losses) on non-derivative securities	7,727,672	(1,839,699)
Gains on derivative contracts	21,301	57,055
Currency exchange losses	(11,215)	(15,684)
Activity charges	(6,651)	(3,963)
<b>Net capital gains/(losses)</b>	<b>7,731,107</b>	<b>(1,802,291)</b>

Net gains (excluding activity charges) listed above of £7,737,785 comprise net realised gains of £1,419,413 and net unrealised gains of £6,318,345 (31/03/2023: Net capital losses listed above of £(1,802,291) comprise net realised gains of £2,194,729 and net unrealised losses of £(3,993,057)). Where realised gains/(losses) include gains/(losses) arising in previous periods, a corresponding (loss)/gain is included in unrealised gains/(losses).

#### 4 Revenue

	31/03/2024	31/03/2023
	£	£
Bank interest	170,081	57,333
Collective investment scheme distributions	171,330	74,621
Interest on debt securities	513,707	301,620
Overseas dividends	908,789	834,747
Property income distributions	—	24,129
UK dividends	271,354	299,882
<b>Total revenue</b>	<b>2,035,261</b>	<b>1,592,332</b>

#### 5 Expenses

	31/03/2024	31/03/2023
	£	£
<b>Payable to the Manager or Associate of the Manager</b>		
Manager's periodic charge	192,590	169,794
Registrations and expense charge	46,499	31,880
Expense cap*	(47,005)	(32,607)
Safe custody fees	5,248	4,376
	<b>197,332</b>	<b>173,443</b>
<b>Other expenses</b>		
Audit fee	8,543	8,761
Financial Conduct Authority fee	—	20
Professional fees	3,319	5,013
Trustee's fee	19,136	17,353
	<b>30,998</b>	<b>31,147</b>
<b>Total expenses</b>	<b>228,330</b>	<b>204,590</b>

\*There is currently a discretionary cap of 5 basis points (bps) of net asset value, excluding ACD's periodic charge, on expenses charged to all unit classes. The cap also includes expenses suffered for activity charges which are disclosed in Note 3, in addition to the expenses stated in this note.

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Notes to the Financial Statements

(continued)

#### 6 Taxation

	31/03/2024	31/03/2023
	£	£
<b>a) Analysis of the tax charge</b>		
Corporation tax	80,443	12,252
Corporation tax prior year adjustment	(1,045)	—
Overseas tax withheld	70,843	67,571
<b>Total tax charge (see Note 6b)</b>	<b>150,241</b>	<b>79,823</b>
<b>b) Factors affecting the tax charge</b>		
The tax assessed for the year is lower (31/03/2023: lower) than the standard rate of corporation tax in the UK for unit trusts (20%) (31/03/2023: 20%).		
The differences are explained below:		
Net revenue before taxation	1,806,776	1,387,586
Corporation tax @ 20%	361,355	277,517
Effects of:		
Corporation tax prior year adjustment	(1,045)	—
Indexation allowance	(10,631)	(3,213)
Movement in unrecognised tax losses	—	(20,201)
Overseas tax withheld	70,843	67,571
Revenue not subject to corporation tax	(270,281)	(241,851)
<b>Total tax charge (see Note 6a)</b>	<b>150,241</b>	<b>79,823</b>
<b>c) Deferred tax</b>		
No deferred tax asset has been recognised in the accounts. The Sub-fund has no tax losses (31/03/2023: £nil).		

#### 7 Interest payable and similar charges

	31/03/2024	31/03/2023
	£	£
Interest	155	156
<b>Total interest</b>	<b>155</b>	<b>156</b>

#### 8 Distributions

The distributions take account of amounts added on the issue of units and amounts deducted on the cancellation of units. They comprise:

	31/03/2024	31/03/2023
	£	£
Interim Dividend Distribution 30 June	573,335	438,903
Interim Dividend Distribution 30 September	395,820	347,429
Interim Dividend Distribution 31 December	488,897	318,689
Final Dividend Distribution 31 March	477,537	365,172
	<b>1,935,589</b>	<b>1,470,193</b>
Amounts added on issue of units	(118,718)	(50,759)
Amounts deducted on cancellation of units	10,738	26,792
<b>Net distributions for the year</b>	<b>1,827,609</b>	<b>1,446,226</b>

#### 9 Net movement between revenue after taxation and distributions

	31/03/2024	31/03/2023
	£	£
Net revenue after taxation	1,656,535	1,307,763
Capitalised amounts	171,099	138,465
Equalisation on conversions	(25)	(2)
<b>Net distributions for the year</b>	<b>1,827,609</b>	<b>1,446,226</b>

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Notes to the Financial Statements

(continued)

#### 10 Debtors

	31/03/2024	31/03/2023
	£	£
Accrued revenue	184,602	142,803
Accrued expenses refundable by the Manager	5,110	1,768
Amounts receivable for issue of units	—	6,665,724
Amounts receivable on open currency contracts	134,562	1,155,586
Overseas withholding tax reclaimable	103,799	95,205
Sales awaiting settlement	360,054	—
<b>Total debtors</b>	<b>788,127</b>	<b>8,061,086</b>

#### 11 Cash & cash equivalents

	31/03/2024	31/03/2023
	£	£
Cash held at bank	42,645	11,242
Cash held in Liquidity Funds	3,684,699	1,166,265
<b>Total cash &amp; cash equivalents</b>	<b>3,727,344</b>	<b>1,177,507</b>

#### 12 Other creditors

	31/03/2024	31/03/2023
	£	£
Accrued expenses	36,670	33,396
Amounts payable on open currency contracts	134,438	1,153,745
Corporation tax	80,443	12,252
Purchases awaiting settlement	807,226	5,653,548
<b>Total other creditors</b>	<b>1,058,777</b>	<b>6,852,941</b>

#### 13 Related parties

Manager's periodic charge, registrations and expense charge, safe custody charges and activity charges paid to the Manager, BNY Mellon Fund Managers Limited, or its associates, are shown in Notes 3 and 5, and details of units issued and cancelled by the Manager are shown in the Statement of Change in Net Assets Attributable to Unitholders and Note 8.

The balance due to the Manager at 31 March 2024 in respect of these transactions was £17,069 (31/03/2023: The balance due from the Manager was £6,645,598).

Any investments in or transactions with other BNYM related party entities are individually identified in the portfolio statement.

#### 14 Financial instruments

The objective of the Sub-fund is to maximise returns through capital growth and income.

Please refer to Note 4 of the notes to the applicable financial statements of all Sub-funds for a detailed description of the risks arising from the Sub-fund's financial instruments and the Manager's policies for managing these risks. There were no further specific risks for this Sub-fund.

##### Market Price Risk

The value of the Sub-fund's investments which were exposed to market price risk was as follows:

	31/03/2024	31/03/2023
	£	£
Investments held at the balance sheet date	104,046,392	69,608,840

##### Market Price Sensitivity

The following table illustrates the sensitivity of the return and the net assets to an increase or decrease of 5% (31/03/2023: 5%) in the fair values of the Sub-fund's investments. This level of change is considered to be reasonably possible based on observation of market



## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Notes to the Financial Statements

(continued)

#### 14 Financial instruments (continued)

##### Market Price Sensitivity (continued)

conditions in the year. The sensitivity analysis is based on the impact of a change to the value of the Sub-fund's investments at each balance sheet date.

	31/03/2024		31/03/2023	
	5% Increase in fair value	5% Decrease in fair value	5% Increase in fair value	5% Decrease in fair value
	£	£	£	£
Non-derivative securities	5,202,320	(5,202,320)	3,480,442	(3,480,442)
<b>Net capital impact</b>	<b>5,202,320</b>	<b>(5,202,320)</b>	<b>3,480,442</b>	<b>(3,480,442)</b>

##### Valuation of financial instruments

The categorisation of financial instruments in the tables below reflect the methodology used to measure their fair value.

	31/03/2024 Assets £	31/03/2024 Liabilities £
Level 1: Quoted prices	81,958,844	—
Level 2: Observable market data	21,995,851	—
Level 3: Unobservable data	112,465	—
	<b>104,067,160</b>	<b>—</b>
	31/03/2023 Assets £	31/03/2023 Liabilities £
Level 1: Quoted prices	56,314,211	—
Level 2: Observable market data	13,296,456	—
Level 3: Unobservable data	—	—
	<b>69,610,667</b>	<b>—</b>

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within Level 1.

Level 3: Valuation techniques using unobservable inputs.

##### Counterparty credit risk

Counterparty exposure for non-exchange traded derivatives at 31 March 2024 is as follows:

Counterparty	Forward Currency Contracts £	Total £
NatWest	20,768	20,768
<b>Total</b>	<b>20,768</b>	<b>20,768</b>

Counterparty exposure for non-exchange traded derivatives at 31 March 2023 is as follows:

Counterparty	Forward Currency Contracts £	Total £
UBS	1,827	1,827
<b>Total</b>	<b>1,827</b>	<b>1,827</b>

Collateral received from these counterparties in respect of derivative contracts was £nil in the form of cash (31/03/2023: £nil).

Collateral pledged to these counterparties in respect of derivative contracts was £nil in the form of cash (31/03/2023: £nil).

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Notes to the Financial Statements

(continued)

#### 14 Financial instruments (continued)

##### Interest rate risk

The interest rate risk profile of the Sub-fund's financial assets and liabilities at 31 March 2024 is as follows:

	Floating Rate £	Fixed Rate £	Not Carrying Interest £	Total £
Investment assets	—	19,319,539	84,747,621	104,067,160
Investment liabilities	—	—	—	—
<b>Total</b>	<b>—</b>	<b>19,319,539</b>	<b>84,747,621</b>	<b>104,067,160</b>

The interest rate risk profile of the Sub-fund's financial assets and liabilities at 31 March 2023 is as follows:

	Floating Rate £	Fixed Rate £	Not Carrying interest £	Total £
Investment assets	—	13,294,629	56,316,038	69,610,667
Investment liabilities	—	—	—	—
<b>Total</b>	<b>—</b>	<b>13,294,629</b>	<b>56,316,038</b>	<b>69,610,667</b>

##### Interest rate sensitivity

Using duration analysis, an increase/decrease of 0.25% (31/3/2023: 0.25%) in interest rates, with all other variables remaining constant, is likely to result in a 0.31% (31/3/2023: 0.32%) decrease/increase respectively in the portfolio valuation.

##### Foreign currency risk

The table that follows details the currency profile of the Sub-fund's assets:

	31/03/2024 Investments £	31/03/2024 Net Current Assets/(liabilities) £	31/03/2024 Total £	31/03/2023 Total £
Australian Dollar	—	—	—	216,495
Danish Krone	921,499	3,433	924,932	522,952
Euro	8,792,399	47,967	8,840,366	5,157,941
Hong Kong Dollar	1,652,500	—	1,652,500	1,951,789
Japanese Yen	3,478,761	12,930	3,491,691	2,548,448
New Zealand Dollar	(13,521)	431	(13,090)	(92,161)
Norwegian Krone	—	—	—	15,364
Swiss Franc	4,753,077	—	4,753,077	2,685,464
United States Dollar	55,956,567	(153,898)	55,802,669	32,890,354
<b>Total</b>	<b>75,541,282</b>	<b>(89,137)</b>	<b>75,452,145</b>	<b>45,896,646</b>

##### Foreign currency sensitivity

The following tables illustrate the sensitivity of the return and net assets of the Sub-fund to a 5% (31/03/2023: 5%) strengthening or weakening of its base rate currency against other currencies to which there is significant exposure to. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis assumes all other variables are held constant.

##### 31 March 2024

Currency	Total Exposure £	Impact of a 5% weakening of base currency £	Impact of a 5% strengthening of base currency £
United States Dollar	55,802,669	2,936,983	(2,657,270)

# BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

## Notes to the Financial Statements

(continued)

### 14 Financial instruments (continued)

#### Foreign currency sensitivity (continued)

31 March 2023

Currency	Total Exposure £	Impact of a 5% weakening of base currency £	Impact of a 5% strengthening of base currency £
United States Dollar	32,890,354	1,731,071	(1,566,207)

#### Portfolio Statement by Credit Rating

as at 31 March 2024

	Market Value £ 31/03/2024	Total Net Assets (%) 31/03/2024	Total Net Assets (%) 31/03/2023
Investment grade securities	18,702,335	17.46	17.39
Below investment grade securities	617,204	0.58	1.15
Other assets	84,747,621	79.13	78.56
<b>Portfolio of investments</b>	<b>104,067,160</b>	<b>97.17</b>	<b>97.10</b>
<b>Net current assets</b>	<b>3,034,365</b>	<b>2.83</b>	<b>2.90</b>
<b>Total net assets</b>	<b>107,101,525</b>	<b>100.00</b>	<b>100.00</b>

# BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

## Notes to the Financial Statements

(continued)

### 15 Portfolio transaction costs

for the year ended 31 March 2024

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	24,259	4	0.02	7	0.03
Debt instruments (direct)	7,835	—	—	—	—
Collective investment schemes	719	—	—	—	—
<b>Total purchases</b>	<b>32,813</b>	<b>4</b>		<b>7</b>	
<b>Total purchases including transaction costs</b>	<b>32,824</b>				

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	4,596	1	0.02	0	—
Debt instruments (direct)	1,632	—	—	—	—
<b>Total sales</b>	<b>6,228</b>	<b>1</b>		<b>—</b>	
<b>Total sales net of transaction costs</b>	<b>6,227</b>				

**Total transaction costs** 5 7

**Total transaction costs as a % of average net assets** 0.01% 0.01%

for the year ended 31 March 2023

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Purchases (excluding derivatives)</b>					
Equity instruments (direct)	13,309	3	0.02	5	0.04
Debt instruments (direct)	7,429	—	—	—	—
Collective investment schemes	885	—	—	—	—
<b>Total purchases</b>	<b>21,623</b>	<b>3</b>		<b>5</b>	
<b>Total purchases including transaction costs</b>	<b>21,631</b>				

	Transaction Value £000's	Commissions £000's	%	Taxes £000's	%
<b>Sales (excluding derivatives)</b>					
Equity instruments (direct)	11,885	3	0.03	—	—
Debt instruments (direct)	1,115	—	—	—	—
Collective investment schemes	1,846	—	—	—	—
<b>Total sales</b>	<b>14,846</b>	<b>3</b>		<b>—</b>	
<b>Total sales net of transaction costs</b>	<b>14,843</b>				

**Total transaction costs** 6 5

**Total transaction costs as a % of average net assets** 0.01% 0.01%

The above analysis covers any direct transaction costs suffered by the Sub-fund during the year. However it is important to understand the nature of other transaction costs associated with different investment asset classes and instrument types.

Separately identifiable direct transaction costs (commissions & taxes etc) are attributable to the Sub-fund's purchase and sale of equity shares. Additionally for equity shares there is a dealing spread cost (the difference between the buying and selling prices) which will be suffered on purchase and sale transactions.

For the Sub-fund's investment transactions in debt and money market instruments any applicable transaction charges form part of the dealing spread for these instruments. Transactions in money market instruments to manage the Sub-fund's daily liquidity position are excluded from the analysis.

For the Sub-fund's investment in collective investment scheme holdings there will potentially be dealing spread costs applicable to purchases and sales. However additionally there are indirect transaction costs suffered in those underlying funds, throughout the holding period for the instruments, which are not separately identifiable and do not form part of the analysis above.

## BNY Mellon Charities Funds - Newton Sustainable Growth and Income Fund for Charities

### Notes to the Financial Statements

(continued)

#### 15 Portfolio transaction costs (continued)

Dealing spread costs suffered by the Sub-fund vary considerably for the different asset/instrument types depending on a number of factors including transaction value and market sentiment.

At the balance sheet date the average portfolio dealing spread (difference between bid and offer prices of all investments expressed as a percentage of the offer price value) was 0.12% (31/03/2023: 0.15%).

#### 16 Unit movement

for the year ended 31 March 2024

	Opening units	Units issued	Units cancelled	Units converted	Closing units
Sterling Accumulation	6,227,632	209,730	(489,201)	—	5,948,161
Sterling Income	6,774,717	7,249,959	(591,112)	(6,353,644)	7,079,920
Sterling Income 2	9,896,704	—	(11,175)	—	9,885,529
X (Income)	24,191,891	11,763,666	(1,159,340)	6,049,832	40,846,049

#### 17 Unitholder's funds

The Sub-fund currently has the below unit classes in issue. Each unit class suffers a different annual Manager's periodic charge which is payable to the Manager and is shown below:

	Manager's periodic charge
Sterling Accumulation	0.60%
Sterling Income	0.60%
Sterling Income 2	0.50%
X (Income)	0.00%

Consequently, the level of net revenue attributable to each unit class will differ.

All unit classes have the same rights on winding up.

#### 18 Post Balance Sheet Events

There were no events that occurred after 31 March 2024 which would require disclosure or adjustment to the financial statements of the Sub-fund.

## **BNY Mellon Charities Funds - Annual Report & Accounts**

### **Statement of the Manager's Responsibilities and Directors' Statement**

---

#### **Statement of the Manager's Responsibilities**

The rules of the Financial Conduct Authority's Collective Investment Schemes Sourcebook require the Manager to prepare financial statements for each annual accounting year which give a true and fair view of the financial position of the BNY Mellon Charities Funds (the "Trust") as at the end of the year and of the net revenue or expense and the net gains and losses on the property of the Sub-fund for the year then ended. In preparing the financial statements the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- comply with the disclosure requirements of the Collective Investment Schemes Sourcebook issued by the Financial Conduct Authority and the Trust Deed;
- comply with applicable accounting standards;
- keep proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements; and
- prepare the financial statements on the basis that the Sub-fund will continue in operation unless it is inappropriate to presume this.

The Manager is responsible for the management of the Sub-fund in accordance with its Trust Deed, Prospectus and the Collective Investment Schemes Sourcebook. The Manager is responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors' Statement**

In accordance with the requirements of the rules in the Financial Conduct Authority's Collective Investment Schemes Sourcebook, we hereby certify the Report on behalf of the Directors of BNY Mellon Fund Managers Limited.

**C Judd**

Director  
BNY Mellon Fund Managers Limited

30 July 2024

**S Cox**

Director  
BNY Mellon Fund Managers Limited

30 July 2024

## **BNY Mellon Charities Funds - Annual Report & Accounts**

### **Statement of the Trustee's Responsibilities and Report of the Trustee**

---

#### **Statement of the Trustee's Responsibilities and Report of the Trustee to the Unitholders of BNYM Charities Funds ("the Trust") in respect of the Report and Accounts of the Trust**

The Trustee must ensure that the Trust is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Investment Funds Sourcebook, the Financial Services and Markets Act 2000, as amended, (together "the Regulations"), the Trust Deed and Prospectus (together "the Trust documents") as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Trust and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Trust in accordance with the Regulations.

The Trustee must ensure that:

- the Trust's cash flows are properly monitored and that cash of the Trust is booked into the cash accounts in accordance with the Regulations;
- the sale, issue, redemption and cancellation of units are carried out in accordance with the Regulations;
- the value of units of the Trust are calculated in accordance with the Regulations;
- any consideration relating to transactions in the Trust's assets is remitted to the Trust within the usual time limits;
- the Trust's income is applied in accordance with the Regulations; and
- the instructions of the Alternative Investment Fund Manager ("the AIFM") are carried out (unless they conflict with the Regulations).

The Trustee also has a duty to take reasonable care to ensure that the Trust is managed in accordance with the Trust documents and the Regulations in relation to the investment and borrowing powers applicable to the Trust.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Trustee of the Trust, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects, the Trust, acting through the AIFM:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Trust's Units and the application of the Trust's income in accordance with the Regulations and the Trust documents, and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Trust.

**NatWest Trustee and  
Depositary Services Limited**  
Edinburgh

30 July 2024

## **BNY Mellon Charities Funds - Annual Report & Accounts**

### **Independent Auditor's Report to the Unitholders of BNY Mellon Charities Funds**

---

#### **Opinion**

We have audited the financial statements of BNY Mellon Charities Funds ("the Trust") comprising each of its Sub-funds for the year ended 31 March 2024, which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the related notes and the Distribution Tables, and the accounting policies of the Trust, which include a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust comprising each of its Sub-funds as at 31 March 2024 and of the net revenue and the net capital gains on the scheme property of the Trust comprising each of its Sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the "FRC") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Trust's ability to continue as a going concern.

#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Manager is responsible for the other information contained within the Annual Report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the rules of the Collective Investment Schemes Sourcebook of the Financial Conduct Authority (the "FCA")**

In our opinion:

- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice relating to Authorised Funds, the rules of the Collective Investment Schemes Sourcebook of the FCA and the Trust Deed; and
- there is nothing to indicate that adequate accounting records have not been kept or that the financial statements are not in agreement with those records; and
- the information given in the Manager's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matter in relation to which the Collective Investment Schemes Sourcebook of the FCA requires us to report to you if, in our opinion:

- we have not received all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.



## **BNY Mellon Charities Funds - Annual Report & Accounts**

### **Independent Auditor's Report to the Unitholders of BNY Mellon Charities Funds**

(continued)

---

#### **Responsibilities of the Manager**

As explained more fully in the Manager's responsibilities statement set out on page 46, the Manager is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Trust or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Trust and determined that the most significant are United Kingdom Generally Accepted Accounting Practice (UK GAAP), Investment Management Association's Statement of Recommended Practice (IMA SORP), the FCA Collective Investment Schemes Sourcebook, the Trust Deed and the Prospectus.
- We understood how the Trust is complying with those frameworks through discussions with the Manager and the Trust's administrators and a review of the Trust's documented policies and procedures.
- We assessed the susceptibility of the Trust's financial statements to material misstatement, including how fraud might occur by considering the risk of management override, specifically management's propensity to influence revenue and amounts available for distribution. We identified a fraud risk in relation to incomplete or inaccurate income recognition through incorrect classification of special dividends and the resulting impact on amounts available for distribution. We tested the appropriateness of management's classification of a sample of special dividend as either a revenue or capital return.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the Manager with respect to the application of the documented policies and procedures and review of the financial statements to test compliance with the reporting requirements of the Trust.
- Due to the regulated nature of the Trust, the Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities [including specialists where necessary] to identify non-compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Trust's unitholders, as a body, pursuant to Paragraph 4.5.12 of the rules of the Collective Investment Schemes Sourcebook of the FCA. Our audit work has been undertaken so that we might state to the Trust's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Ernst & Young LLP**  
Statutory Auditor  
Edinburgh

30 July 2024

## BNY Mellon Charities Funds - Annual Report & Accounts

### Additional information

---

#### Pricing

The Manager may set the price of units within the limits, which are allowed by the FCA's Collective Investment Schemes Sourcebook. The value of the Sub-funds' underlying assets forms the basis for calculating the price of the units. The Sub-funds are valued at 12 noon on each business day. This time is known as the valuation point.

#### Dilution adjustment

The Sub-funds' investments are valued on a mid-market basis in accordance with the FCA's regulations.

However, the actual cost of purchasing or selling investments may deviate from the mid-market value used in calculating the unit price, due to dealing costs such as broker charges, taxes and any spread between the buying and selling prices of the underlying investments.

These dealing costs can have an adverse effect on the value of the Sub-funds, and this is known as "dilution".

The Financial Conduct Authority regulations allow the cost of dilution to be met directly from the Sub-funds' assets or to be recovered from investors on the purchase or redemption of units, inter alia, by means of a dilution adjustment to the dealing price, which is the policy that has been adopted by the Manager.

To mitigate the effects of dilution the Manager therefore has the discretion to make a dilution adjustment in the calculation of the dealing price and thereby adjust the dealing price of units on any given day.

The need to make a dilution adjustment will depend on the volume of purchases or redemptions on any given day.

As set out in the Prospectus, the Manager may make a dilution adjustment when calculating the price of a unit. In deciding whether to make a dilution adjustment at any valuation point, the Manager will take into account the number of units to be issued or cancelled. Where the number of units to be issued exceeds the number of units to be cancelled, the dilution adjustment to the unit price will be upwards. Where the number of units to be cancelled exceeds the number of units to be issued, the dilution adjustment to the unit price will be downwards.

#### Equalisation

Equalisation applies only to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of all Group 2 units and is refunded to holders of these units as a return of capital.

#### Buying and selling

Instructions to buy and sell units can be provided to the Manager between 9.00 am and 5.00 pm on any business day, excluding UK public holidays. These will be effected at the price ruling at the next valuation point. Units may also be sold by sending us a completed and signed renunciation form. We will send you a contract note within one business day of processing your buy or sell instruction. No other acknowledgement of your instruction will be made. Payment of redemption proceeds will be made within three business days of the later of receipt of a completed renunciation form or the valuation point following receipt by the Administrator of the request to redeem.

Prices are calculated by reference to the net asset value of the Sub-funds in accordance with the regulations.

#### The Price and yield of units

The most recent prices will be available on the Investment Manager's website:- <http://www.newtonim.com/uk-charities/daily-prices/>

Prices may also be published in other media on each day the Sub-funds are valued.

#### Trust status

The Newton Growth and Income Fund for Charities & the Newton Sustainable Growth and Income Fund for Charities are Sub-funds of BNY Mellon Charities Funds, an umbrella Non-UCITS Retail Fund, established under a trust deed dated 31 January 2014, whose effective date of authorisation by the FCA was 31 January 2014.

#### Minimum investment & Charges

Information about minimum investment and charges including preliminary and annual charges can be found in the Prospectus on the Investment Manager's website:- [www.newtonim.com](http://www.newtonim.com).

#### Dealing arrangements

The Investment Manager uses dealing commission that it pays to brokers to cover costs relating to the purchase of research services from brokers or third parties. The Investment Manager considers such use of commission to be beneficial to the Sub-funds, as it enables the Investment Manager to obtain valuable research in a cost effective manner.

Payment for research services is included within the full service commission paid to brokers for execution. A portion of this commission is recognised as being for advisory services, principally research. This advisory commission is redistributed across brokers and other research providers according to the value placed by the Investment Manager on the quality of research received.

The Investment Manager currently receives the following goods and services under its Dealing Arrangements in accordance with FCA guidance:

- goods and services relating to the provision of research;
- broker led research;
- research from third party information providers; and
- non-broker led research.

#### Application forms and Prospectus

All stated documents can be requested by calling 0844 892 2715 or writing to BNY Mellon Fund Managers Limited at the address stated on page 53.

## BNY Mellon Charities Funds - Annual Report & Accounts

### Additional information

(continued)

#### A word of warning

Investors should remember that the value of units and the revenue from them can fluctuate and is not guaranteed. Past performance is not a guide to the future and you may not get back the full amount invested. Unit trusts should be regarded as long term investments and may not be suitable for money you may need at short notice. The value of overseas securities will be influenced by the rate of exchange which is used to convert these into sterling.

#### Significant events

With effect from 31 August 2023, we made some minor clarifications to the Investment Policy of the Newton Sustainable Growth and Income Fund for Charities (Sub-fund), to more accurately describe the Investment Manager's sustainability criteria. There is no change to the way the Sub-fund is managed and its risk profile is not expected to change because of these updates. The revised Investment Policy is below, noting the text in bold are new additions:

The Sub-fund is actively managed and invests at least 70% of the portfolio in global equities (company shares), including ordinary shares, preference shares and other equity-related securities and fixed income securities (bonds). Exposure to these asset classes will be achieved through investment in transferable securities, money market instruments, warrants, derivatives (including but not limited to currency-related derivatives). The Sub-fund does not have any restrictions on the portion of the Sub-fund allocated to any of these asset classes. The Sub-fund may invest in bonds rated below investment grade (BBB-) by Standard & Poor's (or equivalent recognised rating agency).

All investments will be expected to conform to the Investment Manager's sustainability criteria, where environmental, social, governance ("ESG") is an integral part of the criteria.

The Investment Manager focuses on investments issued by governments, other public entities and companies (together the "issuers") that demonstrate sustainable business or operating practices and an ability to generate returns consistent with the Sub-fund's objective. Sustainable business or operating practices are those which positively manage the material impacts of an issuer's operations and products on the environment and society.

The Sub-fund adopts a policy of making no direct investment in companies that derive more than 10% of turnover from the production and sale of tobacco.

The Sub-fund may also gain exposure to company shares and bonds through investment in other collective investment schemes (which may include those which are managed or operated by the Investment Manager or an associate of the Investment Manager) and invest in cash and deposits. To the extent the Sub-fund gains exposure to infrastructure, renewable energy, property or commodities, such exposure may be through exchange listed securities, transferable securities and/or collective investment schemes. The Sub-fund may invest in any geographic or economic sectors of the world.

**For the avoidance of doubt, cash and liquid near cash assets, money market funds, currency related derivatives and derivatives used for hedging purposes are not required to meet the Investment Manager's sustainability criteria.**

**Further details in relation to the current sustainability criteria may be obtained by contacting the Manager and is available on the Manager's website at [www.bnymellonim.com/orl](http://www.bnymellonim.com/orl). Investors should be aware that these criteria may change over time.**

Any use of derivatives will be for efficient portfolio management purposes and hedging only. It is not expected that the use of derivatives will materially affect the overall risk profile of the Sub-fund.

#### Client classification notice

Under the FCA's Conduct of Business rules we are required to classify our investors. We have classified you as a Retail Client unless otherwise notified. This means that you will have the maximum amount of protection available for complaints and compensation, and will receive information in a straightforward way. However, some clients, such as professional investors, may not necessarily have the same rights under the Financial Ombudsman Service and the Financial Services Compensation Fund. Further details may be found on our website – [www.bnymellonim.com](http://www.bnymellonim.com) under Client Classification.

#### Securities financing transactions

The Securities Financing Transactions Regulation, as published by the European Securities and Markets Authority, aims to improve the transparency of the securities financing markets. Disclosures regarding exposure to Securities Financing Transactions ("SFTs") will be required on all annual reports & accounts published after 13 January 2017. During the period and as at the balance sheet date, the Sub-funds did not engage in SFTs.

#### Remuneration disclosure of the Manager

Directors remuneration of BNY Mellon Fund Managers Limited as at 31 March 2024.

Total amount of fixed and variable remuneration proportionate to the BNY Mellon Charities Funds for the year ending 31 March 2024 of the 7 directors and 2 senior managers of the Manager is disclosed below. This has been calculated on the basis of the BNY Mellon Charities Funds AUM in respect of the total AUM (including AIFs and non-AIFs) under the control of the Manager.

	Newton Growth and Income Fund for Charities £	Newton Sustainable Growth and Income Fund for Charities £
Fixed	19,503	3,130
Variable	12,869	2,065

The amount for senior managers and material risk takers does not differ to the total amount already disclosed, as all the staff of the Manager are considered senior managers.

## BNY Mellon Charities Funds - Annual Report & Accounts

### Additional information

(continued)

---

#### Remuneration disclosure of the Manager (continued)

As market or regulatory practice develops, BNY Mellon Fund Managers Limited may consider it appropriate to make changes to the way in which quantitative remuneration disclosures are calculated. This may result in disclosures in relation to an AIF not being comparable to disclosures made in the prior year, or in relation to other BNY Mellon fund disclosures in that same year.

#### Task Force on Climate-Related Disclosures (TCFD) Product Reports

Under the rules of the Financial Conduct Authority (FCA), BNY Mellon Fund Managers Limited is required to publish information annually on product level (Sub-fund) TCFD disclosures so that investors may have a better understanding of the climate-related risks and opportunities associated with this Sub-fund and its underlying holdings. This report is published in line with the requirements of the FCA and TCFD. The individual TCFD Product Reports can be viewed on [www.newtonim.com/uk-charities/](http://www.newtonim.com/uk-charities/).

## BNY Mellon Charities Funds - Annual Report & Accounts

### Management and Professional Services

---

#### Manager and Registered Office

BNY Mellon Fund Managers Limited  
BNY Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom  
Tel: 0344 892 2715

Client Enquiries:  
Call free on 0800 614 330  
Call +44 (0) 203 528 4002

Dealing:  
Call free on 08085 440 000

#### Directors

S Cox  
C Judd (Chairperson) (Independent  
Non-Executive Director)  
K Nickerson (Appointed 5/7/2023 and  
resigned 31/5/2024)  
G Rehn (Resigned 9/2/2024)  
M Saluzzi (Independent  
Non-Executive Director)  
C Stallard  
S Sumal

#### Trustee

NatWest Trustee and Depositary  
Services Limited  
House A, Floor 0  
Gogarburn  
175 Glasgow Road  
Edinburgh EH12 1HQ  
United Kingdom

(Authorised and regulated by the  
Financial Conduct Authority)

#### Investment Manager

Newton Investment Management Limited  
BNY Mellon Centre  
160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

(Authorised and regulated by the  
Financial Conduct Authority)

#### Registrar and Administration

BNY Mellon Fund Managers Limited  
Client Service Centre  
PO Box 366  
Darlington DL1 9RF  
United Kingdom

(Authorised by the Prudential  
Regulation Authority and regulated  
by the Financial Conduct Authority and the  
Prudential Regulation Authority)

#### Auditors

**Ernst & Young LLP**  
Atria One  
144 Morrison Street  
Edinburgh  
EH3 8EX  
United Kingdom

#### Registered office:

1 More London Place  
London SE1 2AF  
United Kingdom

#### Authorisation

BNY Mellon Fund Managers Limited  
is authorised and regulated by the  
Financial Conduct Authority.  
A member of The Investment Association.

BNY Mellon Fund Managers Limited  
is registered in England No. 1998251.  
A subsidiary of BNY Mellon  
Investment Management EMEA Limited.