

# BNY MELLON MULTI-ASSET GROWTH FUND - GBP

INVESTMENT RESEARCH NOTE  
FEBRUARY 2024

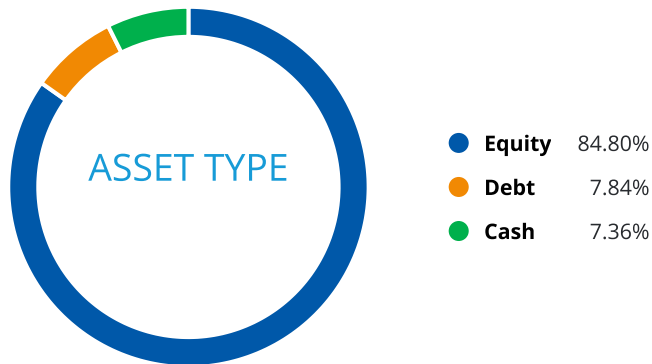
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SUMMARY

BNY Mellon group manages a large pool of retail and institutional assets in 35 countries and over 100 markets. The fund is managed by a Newton team that is known for having a global top-down thematic-driven process with a long-term timeframe.

While there is a strong team culture to the multi-asset strategy underpinned by an in-depth global research platform, the lead PM is Paul Flood. He has been with the firm since 2004 and is a member of the wider multi-asset team with an average 24 years experience and 15 years inside the Newton team. Flood can also use the wider research team of 32 global members. He is also a member of their asset class strategy group having spent the earlier part of his time at Newton working on strategic asset allocation and derivatives strategies.

A predominantly long-only, long-term capital growth equity strategy (although it can hold other assets), which is driven by Newton's top-down thematic investment process with a bottom-up overlay. It adopts a long-term, structurally cautious view of the world, favouring a sustained low-growth world with a rising debt conundrum. There is a global flavour to security selection and the reasonably concentrated number of holdings (typically c.70 names ranging between 60-110) suggests a conviction-led approach. Turnover is typically low at around 10% per annum. Newton also integrate their ESG analysis into the investment process and maintain an active engagement policy.



INVESTMENT PROCESS

Newton's investment philosophy is characterised by their structural themes. These currently include ideas related to 'deflationary challenges' such as the 'debt drag on growth', 'demographic challenges' and 'rapid technological change'. This direction of travel has been long held within the firm and is adopted across many of their fund strategies. The team then look to populate the fund from a bottom-up perspective with appropriate stock ideas. Fundamental analysis is the core feature here, looking at global asset classes and securities within those asset classes. This approach avoids any regional bias therefore and focuses on selecting the best ideas wherever they may be. The research process is very much a team-based, collaborative approach, with ideas challenged among all.

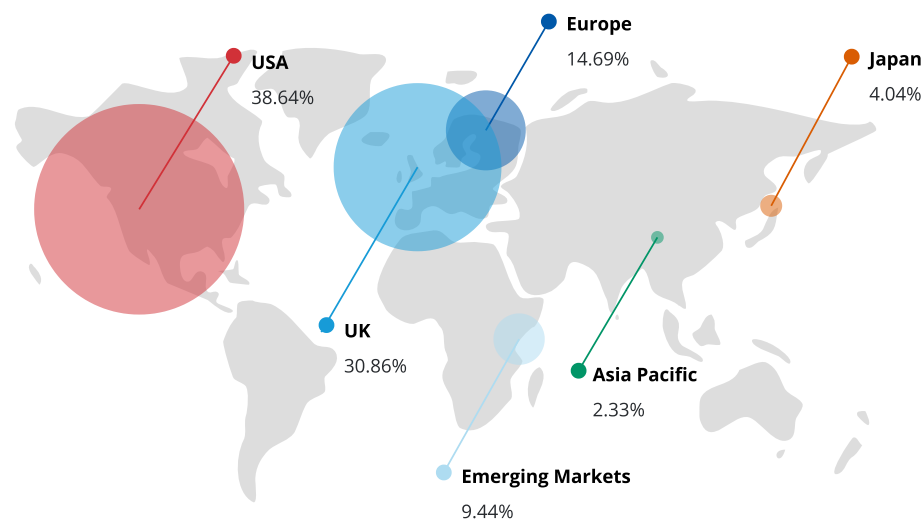
The global analyst team put together a research recommended list ("RRL") consisting of their best ideas and match the described themes. For equities, this involves the application of the themes to narrow the universe before conducting fundamental and valuation based due diligence. The RRL records the analyst's best ideas and ranks them by degree of conviction for use by the PMs. Fixed Income ideas are discussed with Newton's fixed income team where the credit analysts report to the head of the team as well as the global head of research. Fixed income analysis combines macro and yield curve analyses as well as other market factors.

Portfolio construction follows the research process, where the PM(s) build a global portfolio of best ideas which adhere to the overall thematic views. In a low growth world, cash generative, strong earnings and high-quality growth companies are favoured, for example. All security positions are conviction-based, with size of absolute holdings dependent on the strength of conviction.

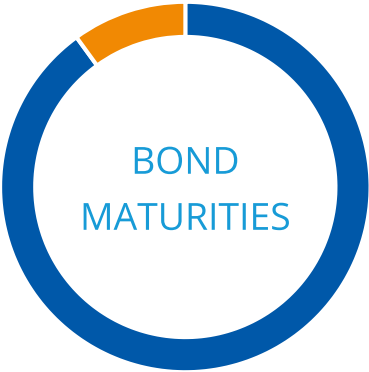
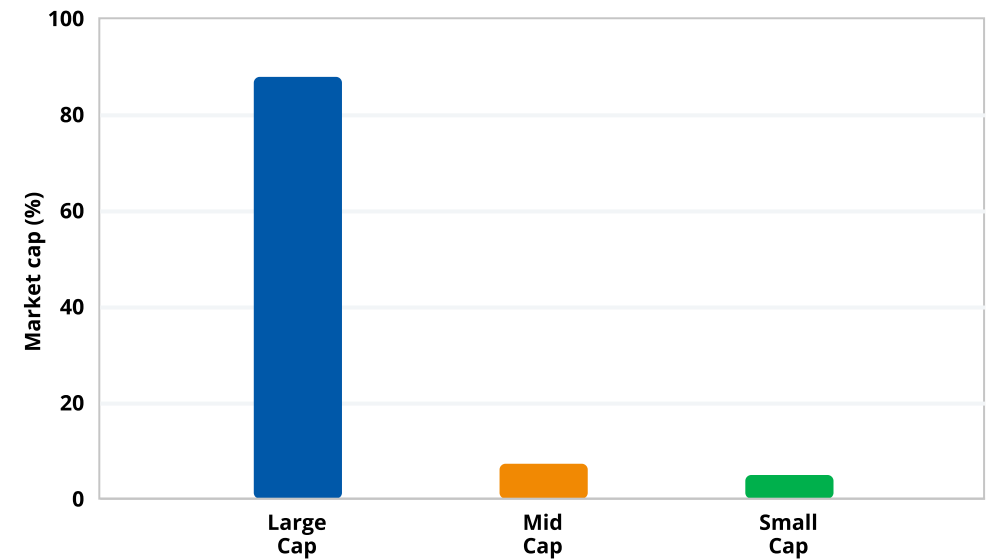
All of the above is overlayed by Newton's ESG analysis, led by a dedicated ESG team. They use proprietary tools to assess and identify key ESG risks and opportunities faced by companies. Newton have a long standing involvement in active ESG research and engagement, not just with underlying companies to improve their ESG policies, but also with external institutions and organisations such as the UN.

# AGGREGATED NET EXPOSURE

## REGIONAL EXPOSURE



## EQUITY MARKET CAP (%)



- Short Term (1-3 yr) 90.00%
- Intermediate Term (3-10 yr) 10.00%



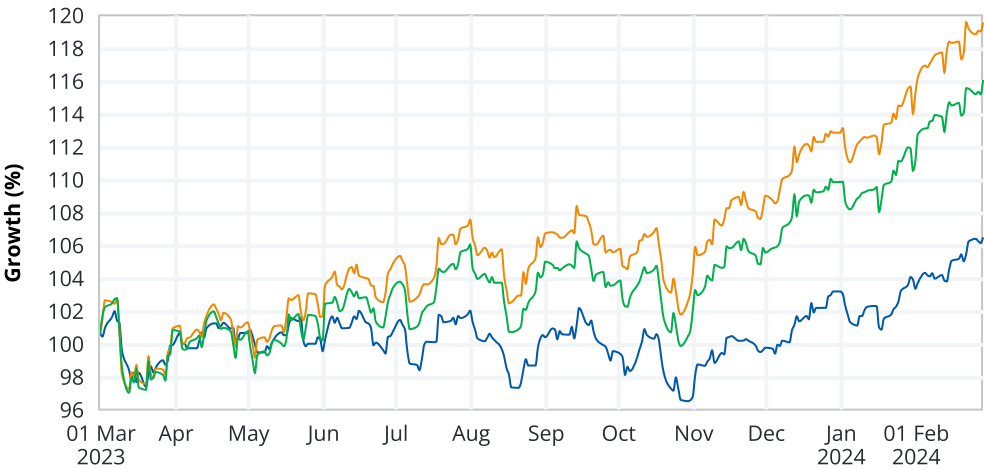
- Investment Grade 73.12%
- Speculative Grade/High Yield 26.88%

# OVERALL PERFORMANCE

● BNY Mellon Multi-Asset Growth Fund Institutional W Acc    ● FTSE World Equity Total Return GBP    ● MSCI ACWI GBP Index

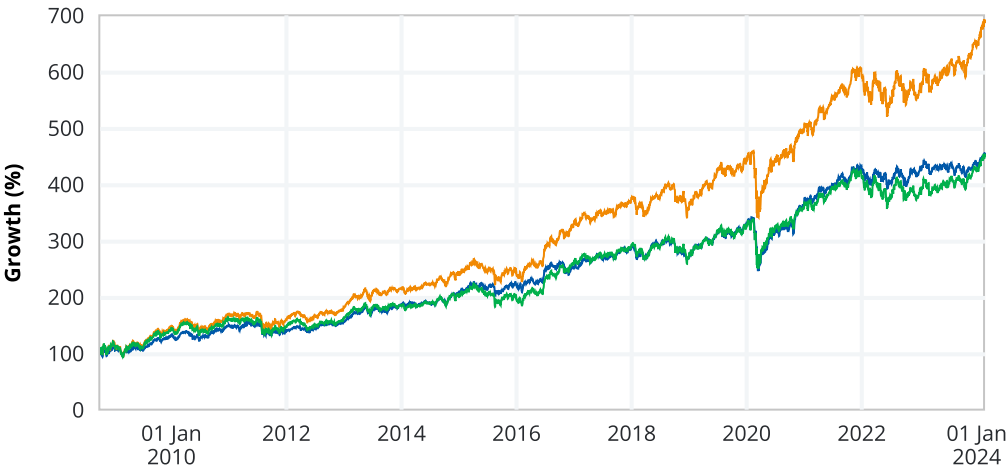
## GROWTH (%) - OVER 1 YEAR

1 Mar 2023 - 29 Feb 2024



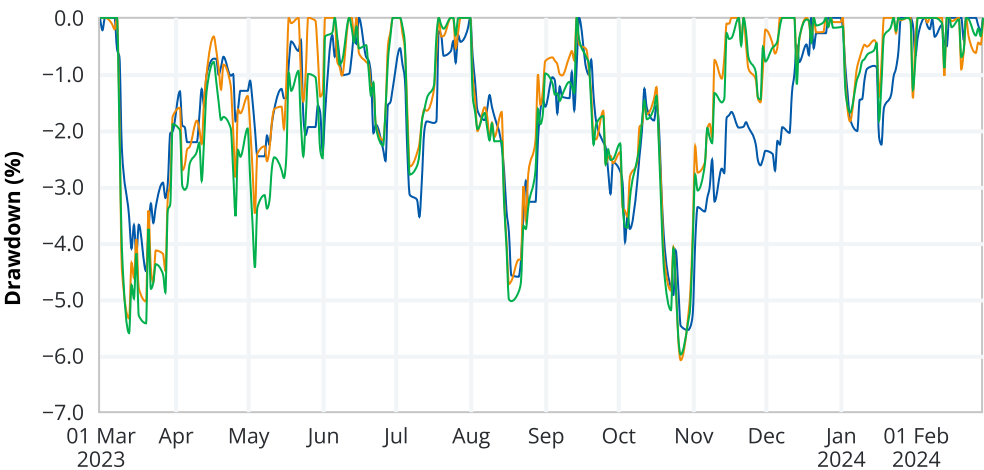
## GROWTH (%) - FROM INCEPTION

13 Oct 2008 - 29 Feb 2024



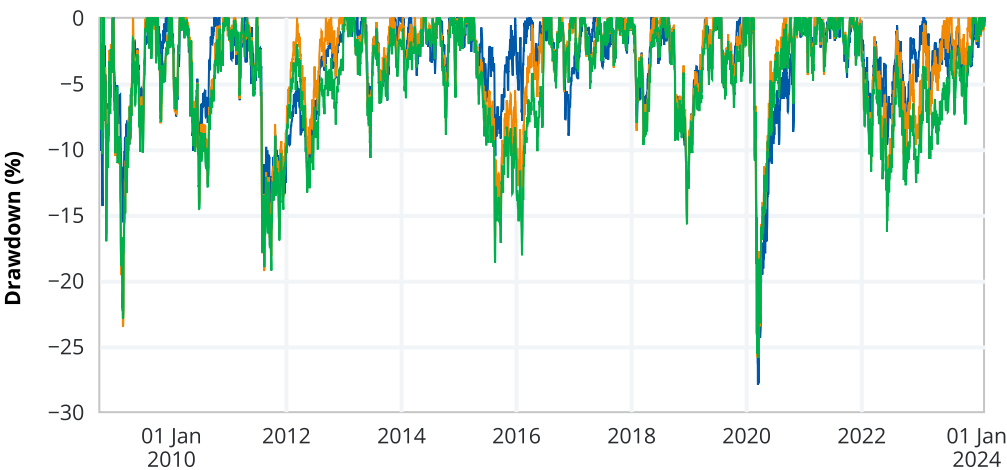
## DRAWDOWN (%) - OVER 1 YEAR

1 Mar 2023 - 29 Feb 2024



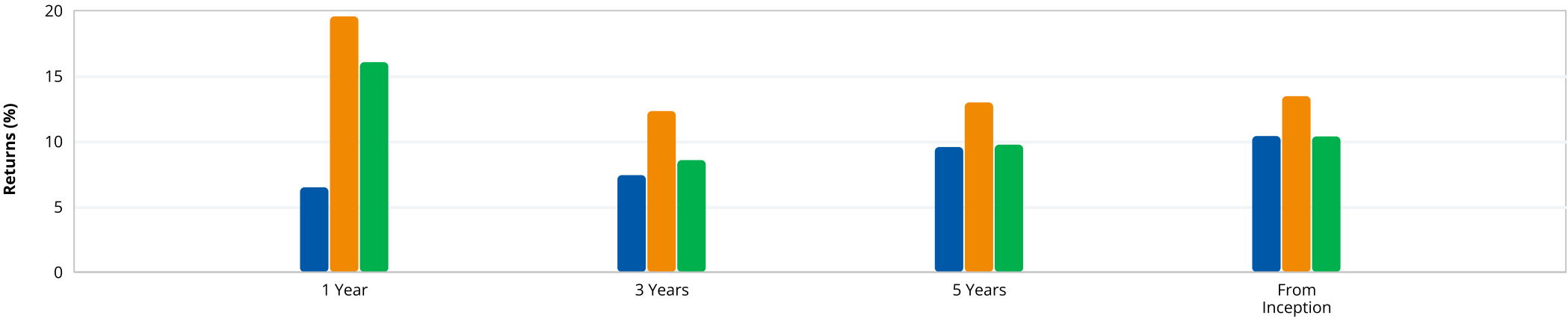
## DRAWDOWN (%) - FROM INCEPTION

13 Oct 2008 - 29 Feb 2024



# RETURNS

BNY Mellon Multi-Asset Growth Fund Institutional W Acc   FTSE World Equity Total Return GBP   MSCI ACWI GBP Index



## MONTHLY BREAKDOWN AND YEARLY TOTALS (%)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YEAR
2024	0.71	2.46											3.19
2023	2.87	-0.41	-0.07	0.73	-0.39	0.47	1.07	-1.26	-0.97	-2.99	3.15	3.59	5.72
2022	-4.30	-0.69	4.08	-1.29	-0.33	-4.10	3.49	0.33	-3.20	1.33	3.52	-1.43	-3.00
2021	0.37	1.73	3.59	2.56	0.23	1.00	1.30	3.80	-1.84	1.58	1.03	2.79	19.55
2020	0.56	-6.03	-12.77	8.96	4.24	2.96	-1.48	5.54	-1.25	-2.83	12.82	2.25	10.97
2019	5.08	2.27	0.59	4.50	-2.77	4.60	4.36	-3.50	0.96	0.00	2.12	1.19	20.70

Capped to 6 years.

## ANNUALISED ROLLING RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
BNY Mellon Multi-Asset Growth Fund Institutional W Acc	6.49	7.42	9.57	10.41
FTSE World Equity Total Return GBP	19.56	12.32	12.98	13.46
MSCI ACWI GBP Index	16.06	8.57	9.75	10.38

## CUMULATIVE RETURNS (%)

	1 YEAR	3 YEAR	5 YEAR	INCEPTION
BNY Mellon Multi-Asset Growth Fund Institutional W Acc	6.49	23.90	57.67	355.64
FTSE World Equity Total Return GBP	19.56	41.57	83.67	592.61
MSCI ACWI GBP Index	16.06	27.88	58.95	354.14

● BNY Mellon Multi-Asset Growth Fund Institutional W Acc ● FTSE World Equity Total Return GBP ● MSCI ACWI GBP Index

PERFORMANCE - OVER 1 YEAR

1 Mar 2023 - 29 Feb 2024

	BNY Mellon Multi-Asset Growth Fund Institutional W Acc	FTSE World Equity Total Return GBP	MSCI ACWI GBP Index
RETURNS (%)	6.48	19.56	16.06
VOLATILITY (%)	8.20	10.66	10.57
ALPHA	-0.09 *		-0.27 *
BETA	0.62 *	1.00	0.99 *
CORRELATION	0.91 *	1.00	1.00 *
SHARPE RATIO	0.19	1.31	1.01
SORTINO RATIO	0.26	1.96	1.48
MAX DRAWDOWN (%)	-5.54	-6.08	-5.98

\*Calculated over a 3 year period where history permits.

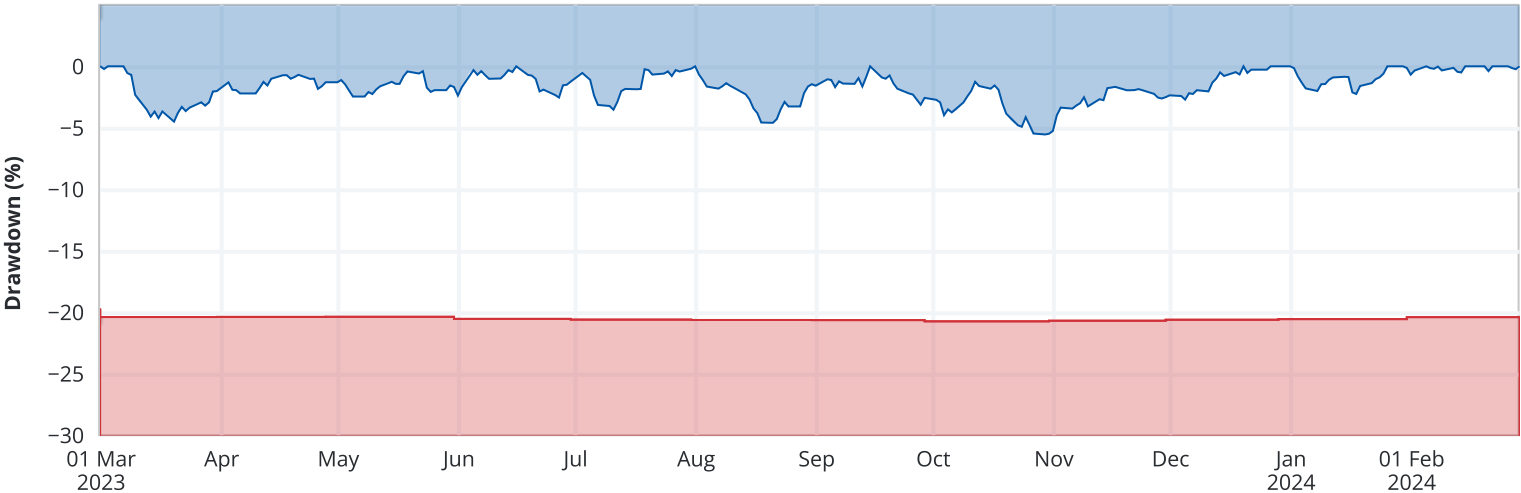
PERFORMANCE - FROM INCEPTION

13 Oct 2008 - 29 Feb 2024

	BNY Mellon Multi-Asset Growth Fund Institutional W Acc	FTSE World Equity Total Return GBP	MSCI ACWI GBP Index
RETURNS (%)	10.40	13.46	10.38
VOLATILITY (%)	13.07	15.70	15.66
ALPHA	-0.01		-0.22
BETA	0.77	1.00	0.99
CORRELATION	0.90	1.00	1.00
SHARPE RATIO	0.71	0.78	0.59
SORTINO RATIO	1.02	1.12	0.84
MAX DRAWDOWN (%)	-27.92	-25.83	-25.87

SIMPLE STRESS TEST DRAWDOWN (%)

1 Mar 2023 - 29 Feb 2024



Stress test notes

The chart shows the calculated drawdown over the last year. The Review Point is the fund intervention point. Any drawdown above this line indicates a typical drawdown in a normal market cycle. Should the drawdown hit the review point, then this indicates that market conditions may be abnormal. This is the point that we would consider taking immediate action for an extreme market event.

# DISCLAIMER

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