

BNY Mellon Global Real Return Fund

It's not just the assets –
it's how they are combined



taking care of you...



Introduction

Following the turbulence of stock markets in recent years, many investors are looking for ways to reduce the impact of short-term market volatility and to do this without sacrificing the potential to grow their money.

For those investors looking for a smoother investment journey than that offered by traditional funds, the **BNY Mellon Global Real Return Fund** could be the ideal option. This fund aims to provide investors with the opportunity for solid long term investment returns, with less short term risk. This provides a more favourable balance between risk and return over traditional investment funds, and is something that can appeal to the needs of many investors today.

Fund Overview

BNY Mellon Global Real Return Fund (the fund)

It's not just the assets – it's how they are combined

Fund Objective	New Ireland's fund invests in the BNY Mellon Global Real Return Fund which offers investors the opportunity to benefit from solid long-term returns which investing in a wide range of assets has the potential to offer. Through its focus on risk management, the fund aims to deliver returns with reduced short-term risk and to deliver a smoother investment journey for investors.
Performance Aim	<p>The fund aims to return Cash (as measured by 1-month EURIBOR) +4% p.a. over a rolling 5 year period (gross of tax and charges)</p> <p>It is important to understand that the value of your investment may fall as well as rise and that you may receive back less than you originally invested.</p>
Multi-Asset Investment Approach	<p>Investment is spread across a wide range of asset classes and geographic regions, designed to maximise long-term potential returns. These may include:</p> <ul style="list-style-type: none">• Equities• Government Bonds• Corporate Bonds• Commodities i.e. gold, oil, copper• Agriculture• Infrastructure• Forestry• Emerging Markets• Currencies & Cash
Active Fund Management	<p>Explicit focus on active fund management:</p> <ul style="list-style-type: none">• Multi-asset approach ensures diversification• Maximum flexibility in investment approach - high degree of flexibility to move in/out and across assets quickly.
Risk Management Approach	<p>Risk management is an integral part of the investment process at Newton Investment Management (Newton):</p> <ul style="list-style-type: none">• Strong risk management process and review – (within both Newton and BNY Mellon) to ensure that only an appropriate level of risk is undertaken in line with the fund's objectives• Derivative protection - can use simple and transparent derivatives that aim to reduce risk and protect against market falls.
Managed By	Actively managed by Newton - one of BNY Mellon's world class specialist asset managers.
Risk Rating	<p>Medium Risk</p>  <p>For details of the New Ireland fund's risk rating see page 8</p>

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How the Fund sets out to Achieve its Aim

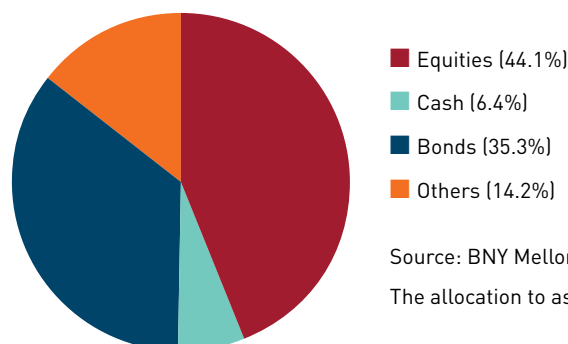
The primary aim of the BNY Mellon Global Real Return Fund is to provide investors with solid long-term returns, while aiming to reduce the risk that comes from short term market movements (volatility).

The fund manager expertly combines investments across a wide range of global asset classes designed to maximise potential returns for investors, and to deliver a smoother investment journey for investors.

How does the BNY Mellon Global Real Return Fund aim to achieve this?

- 1 Multi-Asset Approach** – Investment is spread across a wide range of global asset classes and geographic regions.
- 2 Investment Approach** – To both maximise returns and reduce the impact of short term market risk. Risk management is an explicit focus for the fund manager. They have flexibility to move quickly in/ out and across asset classes, subject only to their own restrictions. They can also use simple derivative strategies that aim to protect the fund from downside risks.
- 3 Strong Active Management** – Managed by Newton Investment Management, one of BNY Mellon's leading investment managers. Newton have a proven track record of delivering stable returns for investors in all kinds of market conditions.

Asset Split



Source: BNY Mellon, 31 August 2016

The allocation to asset types varies over time.

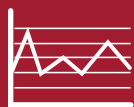
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1 A Multi-Asset Approach

The fund manager can invest in a wide array of assets. In addition to traditional asset classes such as developed country equities, bonds (government and corporate) and cash, the fund manager can invest in commodities (gold, oil, grains), Emerging Markets, agriculture and infrastructure.

Successful investing isn't just about picking the right assets...

Further Information About...



Equities*

The fund invests in companies, across a diverse range of sectors, countries and geographic regions. Stocks selected reflect the fund manager's view of the world, and the long term trends they believe will shape the future. This follows through to all assets held.



Bonds*

The fund invests in high quality government and corporate bonds. Bond investments are used to provide a stable flow of income to the fund. As the type of bonds invested in tend to have stable returns, these offer a way of reducing risk of the overall fund.



Commodities

Alternative investments provide the fund with additional return opportunities and diversification benefits. Examples of alternatives include: commodities (including gold), high yield bonds, agriculture and currencies.



Cash

Cash investments are in top rated, highly liquid cash funds.

*Bond or equity assets in this fund may be used for the purpose of securities lending in order to earn an additional return for the fund. While securities lending increases the level of risk within the fund it provides an opportunity to increase the investment return.

2 The Investment Approach

...it's also about how you put them together

Newton's Investment Process



At the heart of the investment approach is Newton's investment philosophy and process.

Newton's view of the world

Newton believes that no asset class (equities and bonds alike), market, or economy can be considered in isolation - they must be understood in a global context. To understand this context, the fund manager spends time and resources developing what they believe will be the key global themes that will shape financial markets and economies over the long term. With this information, Newton believes they can anticipate change, and which assets will most likely benefit from it.

As a logical next step, this view of the world shapes how Newton identifies the types of assets, asset mix, country mix etc to hold/ invest in. They focus on those assets that they believe will benefit in the current environment.

Only investments that Newton believes are capable of delivering a potentially strong positive return or providing protection against certain risks, will be held at any particular time.

2 Investment Approach

Risk management is integral to the investment process

Active Risk Management

The fund manager's approach to active risk management complements its primary goal – to deliver solid long term returns with less short term risk.

Risk management is an integral part of the investment process at Newton, and it is achieved in a number of ways:

- **Diversification** – Newton has maximum flexibility to move in and out of assets quickly, subject only to their own restrictions. This is paramount to the fund achieving its long-term return goals. As a result of this flexibility, exposure to stock markets and assets held can vary greatly over time.
- **Strong Research and Investment Selection Skill** – Time and resources are spent researching the global environment and developing global themes. This provides Newton's insight into future global trends and supports the stock selection and asset allocation decisions.
- **Use of Simple & Transparent Derivative Strategies** – The fund can use clear and transparent derivatives to help reduce risk in the fund during periods of market falls. Specific internal controls are in place for the use of these to ensure any unnecessary risks are avoided.
- **Internal Controls & Guidelines** – A wide range of internal controls are in place to ensure risk is both spread, and carefully controlled e.g. currently no more than 20% of the fund may be held in any one global equity sector, and no more than 5% of the fund in any one company (5% limit relates to combined bond and equity investments in the one company). These limits may change over time.

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3 Strong Active Management



Newton Investment Management

With over 30 years experience, Newton have a demonstrable track record in delivering strong risk adjusted returns to meet clients' investment objectives. Through an award winning research and investment process, Newton employ a combined 'top down' and 'bottom up' approach to investing, identifying areas of opportunity and risk across global financial markets.



BNY Mellon – Global Scale

BNY Mellon is one of the largest investment managers globally. With industry-leading teams in 35 countries and more than 100 markets worldwide, it is dedicated to creating innovative financial services. The company operates a multi-boutique model with a number of asset managers (currently 16), allowing BNY Mellon to benefit from international scale while harnessing the skill of world class specialists, including [Insight Investment Management](#).

Global Rankings



A Track Record to Talk About

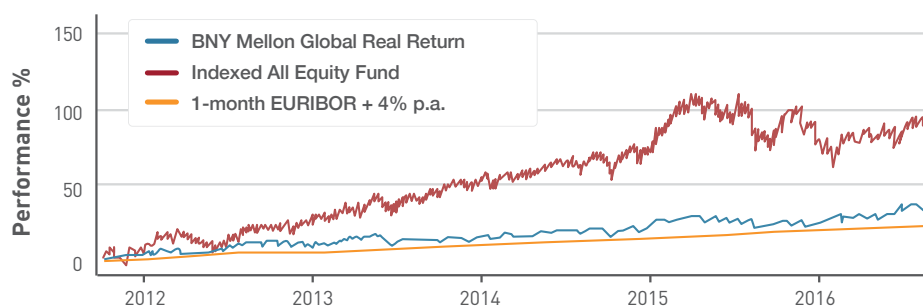
Newton have built a credible track record in managing money for investors and in particular, in managing risk in all kinds of market conditions.

Since 2004, Newton have successfully managed the Newton Real Return Fund in the UK. This fund is managed in a very similar way to the BNY Mellon Global Real Return Fund. With the UK fund, Newton have clearly demonstrated their ability to manage risk, guiding the fund through the 2007/2008 global financial crisis, and avoiding the significant falls that global stock markets experienced.

This successful track record has continued and is reflected in the performance of the **BNY Mellon Global Real Return Fund**.

- The chart below shows the performance of the fund versus its performance aim (Cash as measured by 1-month EURIBOR +4% p.a.) since launch in March 2010.
- 2010 and 2011 were particularly turbulent for global stock markets (this is demonstrated by the inclusion of the Indexed All Equity Fund in the chart below). However, the chart below demonstrates the smoother investment journey that investors of the fund experienced compared to investors who may have chosen to invest solely in a basket of global equities over this period.
- Since launch on 22nd March 2010 to 31 August 2016, the fund has generated a return of 34.0% gross of tax and fund management charges.

A successful track record



Source: MoneyMate. Performance of the BNY Mellon Global Real Return Fund S6, 1-month EURIBOR + 4% p.a. and Indexed All Equity Fund from 22/03/2010 to 31/08/2016 is quoted gross of tax and fund management charges.

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A credible track record
in delivering return while
managing risk

Other Information

Minimum Recommended Investment Period

Investing should always be considered over the medium to long-term (typically, 5-7 years or more) so as to give the underlying assets time to grow in value. However, even long-term investing involves risk as values will fluctuate over time.

Risk Rating – Medium Risk



At New Ireland we classify our wide range of funds into different risk categories to help you better understand the risks to your original investment.

We rate the **BNY Mellon Global Real Return Fund** a medium risk investment fund. Funds categorised as medium risk have the following characteristics:

- They offer the potential for returns in excess of deposits, but do not promise a minimum return at any time.
- They tend to invest in a range of assets, including lower risk assets such as government bonds and investment grade corporate bonds, but are more focused on higher risk assets such as equities, property and alternatives (e.g. commodities).
- Investors' capital is less exposed to market fluctuations than higher risk investments, but investors may get back less than they originally invested.

Product Availability

The **BNY Mellon Global Real Return Fund** is available to investors through the following New Ireland products:

- | | |
|-----------------------------|---|
| • SmartFunds | • Approved Retirement Fund (ARF) |
| • FutureSave | • Approved Minimum Retirement Fund (AMRF) |
| • Personal Retirement Plan | • Personal Retirement Bond |
| • Executive Retirement Plan | • AVCs |
| • Group Pensions | • PRSA (non-standard) |
| • Trustee Investment Plan | |

iFunds Availability

The **BNY Mellon Global Real Return Fund** is also a component fund within the iFunds range – it can be found in:

 iFunds ,  iFunds  and  iFunds 

Charges

Charges vary per product type. For **BNY Mellon Global Real Return Fund**, a fund management charge of 0.35% p.a. applies in addition to the standard charge. For details of the charges that apply please refer to the product brochure and talk to your Financial Broker or Advisor.

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Other Information

Further Information About...

Derivatives

A derivative is an investment that's value can rise or fall in line with some other asset. The value of the derivative is 'derived' from some external measure such as the share price of an individual company, a stock market index or the price of oil. Derivatives offer much greater flexibility than simply buying or selling the underlying assets. For example, a derivative could be used to protect an investment from the price of oil falling, or from the US dollar outperforming the euro. The term derivatives covers a wide range of investment assets and these can include futures, swaps and options. For the purposes of this fund, derivatives are only used to manage risk.

Next Steps

To find out more about **BNY Mellon Global Real Return Fund**:



Talk to your Financial Broker or Advisor



1890 405 905[†]



fundcentre.newireland.ie

[†] To improve our service to you calls may be recorded.

Terms and conditions apply. Exit tax (up to 41% currently) applies to gains on life assurance investment policies. A Government levy (currently 1% of the premium amount) applies to all premiums paid to a life assurance policy.

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The Fund is a sub-fund of BNY Mellon Global Funds, plc, an open-ended investment company with variable capital (ICVC), with segregated liability between sub-funds. Incorporated with limited liability under the laws of Ireland and authorised by the Central Bank of Ireland as a UCITS Fund. The Management Company is BNY Mellon Global Management Limited (BNY MGM), approved and regulated by the Central Bank of Ireland. Registered address: 33 Sir John Rogerson's Quay, Dublin 2, Ireland. Newton Investment Management Limited (Newton) is authorised and regulated by the Financial Conduct Authority. Newton, BNY Mellon Centre, 160 Queen Victoria Street, London EC4V 4LA. Registered in England No. 1371973. BNY Mellon is the corporate brand of The Bank of New York Mellon Corporation and may also be used as a generic term to reference the corporation as a whole or its various subsidiaries. Newton and BNY MGM are ultimately owned by The Bank of New York Mellon Corporation.

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